

Technology helps take guesswork out of online car sales

Searching for a used car online is plagued with pitfalls. The two most common scams are payment fraud, when fraudsters convince someone to deposit a certain amount of money before the car can be delivered, and the sale of code 2 vehicles to unsuspecting buyers.



The used car market is a minefield for prospective buyers. Source: Antoni Shkraba/Pexels

Code 02 cars are classified as permanently unfit for use having been previously involved in an accident and which, according to the insurer, is so badly damaged that it is not worth repairing. To the insurance company the cost of fixing the damage would amount to more than the car's value at that time. A panel beater therefore pays very little for the car, cuts corners fixing it up and sells it back to unsuspecting buyers at its original price.

According to Mike Schleich, founder of [Screan](#) - a digital platform that connects prospective used car buyers with second-hand car inspection experts nationwide - this type of fraudulent behaviour is rife and, for the untrained eye, is extremely difficult to detect.



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Danette Breitenbach 10 Feb 2023



"These panel beaters are very good at fooling the public as they market these vehicles as a *great deal* by altering the odometer and setting a reasonable price. Roughly one in every five of the inspections our *screaners* do, don't pass our 60-point test, which indicates the car may have been involved in an accident. In these cases we advise our clients to walk away from the deal saving them time and a great deal of money and headaches."

Industry calling for better management

In 2022 AutoTrader, who Screan has partnered with, recorded 653 million searches for cars via their website. This translates to millions of potential buyers who rely on the information and photographs they see to make a purchase decision.

Unless the buyer can test drive the car and have it inspected by a qualified mechanic and panel beater the onus is on them

to trust the car firstly exists, is mechanically sound and has never been in an accident before.

The SA Motor Body Repairers' Association (Sambra) says that thousands of cars written off annually by insurance companies end up back on our roads. To curb this criminal behaviour, they are pushing the SA Insurance Association (Saia) to publish the vehicle identification numbers (Vin) of all previously insured written-off vehicles on an open website.



Mike Schleich, Screan CEO. Source: Supplied

This so-called Vehicle Salvage Database (VSD) would allow consumers to know if the vehicle they are considering buying has been in a serious collision.

"Used-car buyers are not privy to the information like they used to be. About 90% of cars that are written off are left as code 2 (used car) instead of being reclassified as code 3 (rebuilt), and the purchaser has no way of checking the history," continues Schleich.

"Our *screeners* are well trained and experienced and can tell if a car has spent time in a chop shop. They're also able to access the Vin numbers, which they can provide to the buyer should they ask for it. The buyer can then check the Vin by calling the car manufacturer which ultimately provides peace of mind knowing a buyer's dream car is legitimate."

Buyer beware

The current legislation offers very little protection for the consumer so while shopping for a car can be fun it also needs to be safe. Schleich offers a few suggestions for when you're next surfing the net for cars:

- Try to buy from dealers that are legit and have a good track record. Legit dealers will have a proper website and you should be able to check their customer reviews on platforms like Hello Peter, Google or Facebook.
- Use legitimate dealer platforms like [Autotrader](#) as they go some way to vetting the dealers that use their platform.
- If the deal is too good to be true, especially from a dealer, then it's most likely a bad buy.

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