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Key highlights

- All advertising, wherever it appears, should be clear, comprehensible and prominent. It should also be free of anything that could be seen as misleading or misrepresentation, and it should be fair and accurate.
- There is new advice on how to handle online advertising.
- Dealers are reminded that all advertising must include certain mandatory disclosures, and that they are responsible for all advertising carried out on their behalf.
- The expectations and requirements for all-in price advertising, advertising unfit/as-is vehicles, social media and third-party advertising, vehicle availability, the use of images and wholesale pricing have been clarified.
- The provisions of the Consumer Protection Act dealing with financing and other related considerations are spelled out.

OMVIC's role and mandate

The Ontario Motor Vehicle Industry Council (OMVIC) administers and enforces the [Motor Vehicle Dealers Act, 2002](#) (MVDA), its regulations and code of ethics, as well as relevant sections of the [Consumer Protection Act](#) (CPA), on behalf of Ontario's Ministry of Public and Business Service Delivery. OMVIC's mandate is to maintain a fair and informed marketplace by protecting the rights of consumers, enhancing industry professionalism, and ensuring fair, honest, and open competition for registered motor vehicle dealers.

As businesses and markets evolve, industries continue to experience trends and changes that require regulators to adapt to ensure regulatory expectations are clear and readily available. As a result, registrants often seek guidance to ensure their businesses are compliant with relevant legislation and consumer protection measures.

Purpose

Advertising-related questions and concerns are among the most common type of inquiries OMVIC receives. Consequently, the organization has issued several bulletins, directives and other communications intended to clarify the rules and expectations that apply in this situation. While OMVIC's website contains a great deal of information about advertising, this guideline is designed to consolidate this information in one place and provide overall direction and support to dealers in carrying out their business.

OMVIC will continue to uphold [this definition](#) of advertising, which applies to all dealers and all the advertising they do on any platform or in any medium. The following list is not exhaustive; it's meant to guide dealers. An advertisement is any inducement by a dealer for a consumer to buy or lease a vehicle and might appear:

- In newspapers, magazines, publications or flyers;
- Online, on websites or in social media;
- On radio or television;
- On signs (including those displayed in or on a vehicle); and
- In information printed on the vehicle itself.

All dealer advertising is subject to this definition. Wherever dealers choose to advertise, the required elements need to be clear, comprehensible and prominent; and free of anything that could be seen as misleading or misrepresentation; and they should be fair and accurate.

In keeping with current industry and regulatory practice, references to “telephone number” or “business telephone number” in advertising can include a landline, dealer’s cell phone or salesperson’s cell phone. If a salesperson’s cell phone number is included in advertising, the dealership must be aware that this is the case and the ad(s) must be otherwise consistent with the MVDA and its regulations, including the Code of Ethics.

Current legislation and regulations

As the regulator, OMVIC is responsible for enforcing these laws and regulations and ensuring consumer protection. It is the responsibility of individual dealers to understand and comply with the rules:

Motor Vehicle Dealers Act (MVDA)

- [Section 28](#) speaks to false or misleading advertising.
- [Section 29](#) spells out the actions the Registrar can take when there is reasonable evidence that a Registrant’s advertising is making a false, misleading or deceptive statement.
- [Section 44](#) allows the Lieutenant Governor to regulate advertising and representations or promises intended to induce the purchase, sale or exchange of motor vehicles.

Regulation 333/08

- [Section 7](#) lays out the classes of dealers to whom the regulations don’t apply.
- [Section 28](#), sub-section 5 indicates that advertising is the only activity a dealer may undertake at a location other than at its registered business address.
- [Section 36](#) defines the laws governing advertising in Ontario’s vehicle sector.
 - Sub-section 1 relates to the dealer’s registered business address and requires that the dealer’s registered name and business telephone number be included in a clear, comprehensible and prominent manner.

- Sub-section 6 requires dealers to disclose whether a vehicle is used and provides criteria for making that determination.
- [Section 37](#) explains the maximum period for pre-approval of advertising.
- [Regulation 17/05, Section 61](#) of the CPA also governs advertising in the province.

[Section 4 of the Code of Ethics](#) is about Disclosure and Marketing. It reads: “A registrant shall be clear and truthful in describing the features, benefits and prices connected with the motor vehicles in which the registrant trades and in explaining the products, services, programs and prices connected with those vehicles.” All dealer advertising must include the dealer’s registered name and telephone number.

This section also requires Registrants to ensure that all representations, including advertising made by or on behalf of the Registrant in connection with trading in motor vehicles, are legal, decent, ethical and truthful.

Further, dealers must disclose when a vehicle offered for sale has previously been:

- leased daily, unless the vehicle was subsequently owned by a person who was not a registered motor vehicle dealer;
- used as a police cruiser or used to provide emergency services; or
- used as a taxi or limousine.

The wording of the disclosure requirement applies to taxis and does not specifically list rideshare vehicles (such as Uber or Lyft). Even so, it’s a good idea for dealers to ask about rideshare use and to disclose it to prospective customers, including in advertising.

Guidelines

Required disclosure

[Regulation 333/08, Section 36](#) covers what dealers are required to disclose in their advertising. Specifically, it makes clear that dealers must tell potential customers if a used vehicle is from the current or previous model year.

It is the dealer’s responsibility to ensure that any advertising they undertake, in any form, conforms to all of these requirements. Sub-section 2 requires that all advertisements placed by or on behalf of online dealers identify the registered name, address and phone number of the location approved by the Registrar. This requirement applies equally to dealers with physical locations and those who operate primarily or entirely online.

All-in price advertising

The requirements for what is required to be included in the advertised all-in price are set out in [Section 36, sub-section 7](#). Here are some examples of fees or charges that should be clearly, accurately and fairly reflected in an advertised price:

- Freight
- Pre-delivery inspection or expense
- Administrative costs
- Government levies (luxury tax, air tax, etc.)
- Safety (unless the ad contains a mandated “Unfit Vehicle” or “As-Is Vehicle” statement).

Under sub-section 8, an ad placed jointly by two or more dealers (for example, different locations of the same dealership group) is required to indicate that the vehicle may be available for less than the advertised price.

HST and licensing do not have to be included in the price if the advertisement clearly and prominently indicates they are not included. Licensing refers to the actual cost of vehicle registration and plates – it cannot have extra fees or unsolicited goods added by the dealer. If a dealer intends to charge for products or services pre-installed on a vehicle (such as special security features, fuel, etc.), those costs should also be included in the advertised price.

OMVIC does not regulate the actions of vehicle manufacturers; therefore, advertisements placed by manufacturers do not have to comply with the MVDA. Some manufacturers voluntarily comply with the all-in pricing provision and commendably provide transparency to consumers. Whether the manufacturer does so or not, Registrants remain bound by these rules. Dealers are also responsible for ensuring that ads placed by the manufacturer and mentioning the dealership comply with the rules.

Compliance

Dealers are reminded that OMVIC monitors compliance with all aspects of motor vehicle sales transactions, including advertising. Dealers who do not comply, for example, with the requirements for all-in price advertising are subject to the appropriate administrative action.

Finance offers/credit/pricing and lease advertising disclosure

[The Consumer Protection Act, Regulation 17/05, Section 61](#) outlines what must be included in any advertising related to financing or credit arrangements. [Section 73](#) of the same regulation speaks to lease advertising. Dealers and salespeople are responsible for ensuring that they know, understand and follow these requirements.

Sometimes, dealers want to offer special pricing to specific groups of customers, such as finance- or cash-only prices. This is permitted as long as these conditions are displayed in the ad in a clear, comprehensible and prominent manner.

If the information about these special conditions isn't displayed in this way, then it must appear alongside the price available to everyone – and that price (the one available to everyone) should be the most prominent pricing information visible. In particular, dealers seeking to advertise a finance-only price should ensure that their advertising clearly discloses the nature of the pricing offered. This will help reduce the risk of misrepresentation and ensure that consumers understand what is and isn't included in the price. It's also important to note that, under the [Consumer Protection Act](#), any advertising that speaks to a finance offer must also include the cash price of the vehicle.

Social media/third-party advertising

This is an evolving area of advertising for dealers, as it is for many other types of businesses. The same expectations apply here as with other types of advertising. In other words, the required content must be clear, comprehensible and prominent, and everything must be fair and free of misrepresentation.

Dealers may advertise on social media platforms as long as they follow these guidelines. That means, for example, a salesperson who wants to use social media for advertising a vehicle for sale through their dealership should disclose that affiliation. They shall not pose as a private vendor, as this could be seen as misleading. This applies equally to individual salespeople's personal social media pages and to commercial sites such as Facebook Marketplace, Kijiji, Autotrader, etc.

Dealers are responsible for any advertising that appears in their name or on their behalf. For example, a salesperson who wants to post an ad for a vehicle available through their dealership shall obtain the dealer's approval first.

Vehicle availability

Vehicle availability has become a significant concern for dealers and consumers in the last couple of years. The COVID-19 pandemic and the resulting inventory shortages and supply-chain issues have sometimes meant lengthy delays between placing an order and delivering the vehicle.

[Regulation 333/08, Section 36, sub-section 12](#) speaks to this point. The vehicle must be available at the advertised price during the period in question. Under this sub-section, dealers are also required to indicate when there is a limited number of vehicles available at the advertised price. OMVIC considers it appropriate – and would urge dealers to do likewise – to display clearly and prominently in advertising when a vehicle is not immediately available in stock.

Similarly, once a vehicle has been sold, dealers shall make every effort to remove that vehicle from any continuing advertising to avoid being misleading. The expectation that advertising must be clear, comprehensible and prominent applies equally to vehicles not currently on dealerships' lots.

Wholesale advertising

Wholesalers shall not advertise on forums and platforms designed primarily or exclusively for consumer-focused transactions. By meeting this expectation, they help to ensure a level of transparency and clarity for everyone and avoid concerns about potentially misleading advertising.

Images

Dealers should disclose if a picture appearing in an ad is not of the actual vehicle for sale, such as a stock photo or a manufacturer's photo showing a potentially different trim level, colour, etc. If the dealer uses a picture different from the actual vehicle for sale, the ad should provide the detail and the all-in price for the vehicle that appears in the ad.

Unfit/as-is vehicles

As mentioned earlier, [the Code of Ethics, Section 4](#) speaks to dealers' obligations with respect to disclosure and marketing. Registrants must remain compliant with both the legal and regulatory requirements and OMVIC's positions as the regulator with respect to enforcement. According to Section 4 (1) of the Code of Ethics, they shall be clear and truthful in describing the features connected with the motor vehicle in which the Registrant trades. OMVIC's position is that they shall include the following paragraph in any advertising of vehicles listed for sale as-is:

The motor vehicle sold under this contract is being sold "as-is" and is not represented as being in road worthy condition, mechanically sound or maintained at any guaranteed level of quality. The vehicle may not be fit for use as a means of transportation and may require substantial repairs at the purchaser's expense. It may not be possible to register the vehicle to be driven in its current condition.

Dealers are permitted to sell unfit vehicles and should include in the ad the following wording in a clear, comprehensible and prominent manner: "This vehicle is not drivable and not certified. Certification is available for \$[include cost of certification]."

The advertised cost of a safety standard certificate should reflect the actual market cost of the service. If a vehicle is roadworthy, dealers are expected to observe the appropriate ethical and professional standards in pricing the vehicle. It's also important for dealers to remember that they are still required to make all other required disclosures for a vehicle sold as-is.

Future updates

Dealers should be aware that OMVIC is currently updating some of its practices concerning enforcement of the rules, laws and regulations regarding advertising, following the Auditor General's report issued in late 2021. As this subject is highly dynamic, the information is subject to change. Registrants are encouraged to check the OMVIC website regularly for updates.

Related links

- [Code of Ethics](#)
- [Consumer Protection Act](#)
- [Motor Vehicle Dealers Act](#)
- [MVDA Regulations](#)

Contact

The Dealer Support team is available to assist dealers in achieving and maintaining compliance with the MVDA and Code of Ethics. Registrants who wish to contact Dealer Support can reach the team at the phone number below and leave a message. Messages are returned in priority sequence.

Phone: 1-800-943-6002 ext. 4

Email: dealers@omvic.on.ca