

FTC Fails to Rein in Unrepaired Recalled Used Cars

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National Consumer Law Center Advocates Express Disappointment, Concern for Consumers

(BOSTON) Today, the Federal Trade Commission (FTC) finalized consent orders allowing cars to be sold as certified pre-owned (CPO) and touted as inspected and approved even though the cars have serious, unrepaired safety defects subjecting them to recall. The consent orders, which resolve actions the FTC brought against GM and the Lithia and Koons auto dealership chains, allow the sale of used cars as CPO despite the existence of dangerous safety defects if the dealer simply adds a blanket statement that the cars *may* have an open recall.

The FTC has also announced proposed similar consent orders against CarMax, Asbury, and West-Herr dealerships for the same practices. “We are extremely disappointed that the FTC would allow dealers to sell any unsafe cars to the public, but these consent orders are especially troubling because they allow the sale of Certified Pre-owned cars, touted as carefully inspected and certified, even though the cars have unperformed safety recalls that could endanger consumers,” said National Consumer Law Center attorney John Van Alst.

“The FTC’s required disclosures will not effectively warn the public about the sale of these dangerous cars. Contradictory language that the cars are inspected and safe and yet may have unrepaired safety defects only serves to confuse consumers and attempts to insulate dealers from liability for selling unsafe cars,” added Van Alst. “We call on the FTC to craft consent orders with CarMax, Asbury, and West-Herr to reverse its misguided position and protect consumers from unsafe cars.”