



## Claim Process – Compensation Fund

The Motor Dealer Customer Compensation Fund provides compensation to consumers who lost money because a motor dealer has either gone out of business or has failed to meet certain legal obligations. The money in the fund comes from contributions made by all licensed motor dealers in BC.

### Eligibility

If you answer **Yes** to all five questions, you may be eligible for compensation:

1. Was the vehicle purchased by an individual?
  - If the vehicle buyer was a corporation, partnership or any other kind of business, it is not an eligible transaction.
2. Did you enter into an agreement with a licensed motor dealer in BC?
3. Is your loss related to either one of the following?
  - The purchase or lease of the vehicle
  - The purchase of an extended warranty or service plan
  - The consignment of a vehicle with a motor dealer
4. Is the transaction for a vehicle that you have used (or intended to use) primarily for personal or family purposes? The [Use of the Vehicle](#) Fact Sheet will help you determine the primary use of the vehicle.
5. Has it been within two years since the dealer refused or failed to pay your loss?

### To file a claim, you must:

1. Make a written demand to the motor dealer by submitting a [Demand Letter to the Motor Dealer](#).
2. File a [Claim Application](#) with all required documents.

### What to expect after you file a claim

1. The review process will begin once a Claim Application and all supporting documents are received. If your claim application is not complete, we will contact you about what is missing.
2. When your application is complete, your claim will be assessed to confirm that it is eligible. Your claim must meet all five conditions listed above. If your claim is eligible for consideration, you will be notified. If your claim is not eligible, you will be notified in writing about the reasons. We will refer you to other organizations that may help you. The VSA Fact Sheet [Where to Go for Help](#) has more information.
3. If eligible, your claim will be sent to the dealer for their response. The dealer is given 10 business days to provide a response to your claim. If a response is received by the dealer, it will be disclosed to you.
4. If more information is required to process your claim, it may be forwarded to a VSA Compliance Officer for investigation. The time it takes to investigate a claim will

vary depending on the information received from you, the complexity of the claim and available VSA staff resources. If your claim is investigated, any findings will be summarized in an Investigation Report, which will be sent to you and the dealer for review. You and the dealer will be able to comment on the accuracy and completeness of the report, within the time allowed.

5. Depending on the outcome of the investigation, your claim may be presented to the Motor Dealer Customer Compensation Fund Board (the “Board”) to be adjudicated. The Board is an independent administrative tribunal and meets six times per year to adjudicate claims. The Board will either award compensation for eligible financial losses or deny the claim.
6. You will receive a copy of the written decision of the Board within 30 days of the hearing date. Your options, if you disagree with the decision of the Board, will be outlined in the decision. Hearing decisions are also posted on the VSA website: [Compensation Claim Results](#)
7. Compensation payment cheques for approved claims are sent to the claimants within 60 days of the claim hearing.

### Commonly Asked Questions

**Q.** Can I file a claim if the motor dealer is in business?

**A.** Yes, but if the dealer is in business, you are required to try to resolve the matter with the dealer before filing a claim. You may be able to reach a fair solution without the VSA. See the VSA Fact Sheet [How to Resolve a Dispute](#).

If your attempts to resolve the issue with the motor dealer are unsuccessful, you can make a complaint to the VSA. See the [Complaint Process - Dealer Purchases](#) Fact Sheet on what to expect during the complaint process. A [VSA Consumer Complaint Form](#) will need to be submitted.

**Q.** Is there a cost for submitting a claim?

**A.** No, there is no cost.

**Q.** What is the maximum amount of compensation available per claim?

**A.** \$20,000 per eligible loss.

**Q.** How long is the claim process from filing an application to getting compensation?

**A.** The length will vary based on the complexity of your claim and staff resources. It typically takes between three to six months. In some cases, it can take longer.

**Q:** I was notified that my file is closed because my claim application is incomplete. Can it be reopened?

**A:** Yes. If a claim application is incomplete, we send a letter specifying the required missing documents. You then have 30 days to submit those documents. If we don't hear from you within 30 days, your file will be closed. If you obtain the documents after the due date, contact the VSA and request your file be reopened. Due to the limitation periods set by law, delays may affect the eligibility of your claim. It's

recommended that you act quickly and speak to a lawyer about your rights. If you need information on getting legal advice, please refer to the VSA Fact Sheet [Legal Advice](#).

**Q.** If the motor dealer is not in business, why are they allowed time to respond?

**A:** A legal principle called *procedural fairness* requires that a person who is alleged to have done something wrong be allowed time to respond to those allegations.

**Q.** Who makes the decision for each claim?

**A.** The MDCCF Board decides the claims. The Board has five members, including three public and two industry members.

**Q.** How does the MDCCF Board make decisions?

**A.** At a hearing, the Board will review your claim application, any dealer response, the results of the investigation, and any other responses from you or the dealer. The Board then applies the criteria set by the [Motor Dealer Act](#) and [Motor Dealer Customer Compensation Fund Regulation](#) to the facts of the case.

They will determine:

1. If the claim is eligible for compensation, and
2. If eligible, the amount of compensation to be awarded.

Sometimes, the Board may adjourn the hearing to a later date to get additional information.

**Q.** Do I need to attend the hearing?

**A.** No. In most cases you do not need to attend the hearing. In unusual cases, the Board may require an applicant and the dealer to attend the hearing.

**Q.** Who can I contact for more information about the Fund and claim process?

**A.** Vehicle Sales Authority of BC  
Consumer Services  
Tel: 604.575.7255  
Toll free: 1. 877.294.9889  
Email: [consumer.services@mvsabc.com](mailto:consumer.services@mvsabc.com)

You can also refer to the [Motor Dealer Act](#) and [Motor Dealer Customer Compensation Fund Regulation](#).

**NOTE:** This fact sheet provides general information and is not intended to be legal advice.