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What to Do If Your Used Car Has Hidden Damage

Used Vehicle Disclosure – Problems after the Sale

Hi, I'm Sue Miller with the Wisconsin Automobile & Truck Dealers Association. In this video, I'll be addressing a common consumer question:

"I wasn't told about damage when I purchased my vehicle, but now a Carfax report shows it was involved in an accident. Am I entitled to compensation for diminished value?"

First: **What are dealerships required to disclose at the time of sale?**
Second: **When is diminished value relevant, and to what extent does a dealership have an obligation to fix a problem?**

This video focuses on **the second question**—when and how a dealership may be required to make things right. I recommend watching the first video before this one, since the two work together.

There are many situations where this issue can come up, but today I'm only going to cover **two general scenarios**:

1. The dealership did everything correctly
2. The dealership made a mistake

These are **general guidelines**, not hard-and-fast rules. Dealers and consumers should always seek their own legal counsel if they want advice specific to their situation.

First situation: The dealership did everything correctly

In this scenario, the dealership is **not obligated** to fix or pay anything after the sale for information that comes to light later.

There is **one exception**: **title brands**.
DMV generally requires dealerships to make customers whole if a vehicle is later discovered to have an **undisclosed title brand**.

Second situation: The dealership made a mistake

If the dealership made a mistake, it would be expected to take reasonable steps to **make the customer whole**.

So what does *"making the customer whole"* actually mean?

Generally, it means the customer is **not harmed** by having purchased the vehicle.

Let's walk through a few examples.

Example one: Title brand discovered years later

Assume the dealership did everything correctly at the time of sale.
Three years later, the customer learns the vehicle has a **flood damage brand**.

"Making the customer whole" might mean:

- A **cash payment** for the estimated difference in value, with the customer keeping the vehicle
- Or the dealership **buying the vehicle back**, minus a reasonable mileage charge for three years of use
- Or **another solution** agreed upon by both parties

What it does *not* mean is that the dealership buys the vehicle back at the original purchase price. The customer has received three years of use, and that matters.

Example two: Illegal window tint

In this case, the dealership sold a vehicle with **illegal window tint** and failed to disclose that condition.

The customer was later ticketed and asked the dealership to correct the issue.

The dealership removed the illegal tint and paid the customer's fine. That action made the customer whole.

The customer was still unhappy because they liked the tint and asked the dealership to install the **darkest legal tint** instead.

DMV did **not** require the dealership to do that, because the customer had already been made whole.

Example three: ABS brakes misdisclosed

In the final example, a dealership disclosed a vehicle as having **ABS brakes** when it did not. The dealership failed to check the "Not Equipped" box.

The customer discovered the error within a few days and demanded that ABS brakes be added—something that cannot be done after manufacturing.

The dealership offered two options:

- To buy the vehicle back at the original purchase price, or
- To pay the difference in value between a vehicle with ABS and one without

DMV determined that **either offer** was sufficient to make the customer whole.

Thank you for watching. If you have any questions or ideas for a short video topic, please contact me at (608) 251-8024 or by email at smiller@watda.org.