



When Buying a Used Car Privately, Beware of “Curbstoning”

Auto dealers are expected to sell cars that meet certain consumer protection criteria. This may include providing a warranty that will cover the buyer’s costs if a car turns out to be a lemon. Unfortunately, some unethical dealers may attempt to bypass these laws by curbstoning. Curbstoning is when a dealer poses as a private seller to sell a car. By curbstoning, an unethical dealer can avoid having to comply with the regulations that apply to dealers. To a buyer, this could mean buying a car that has a salvaged title (a car that’s been declared a total loss by an insurance company). It could also mean unknowingly buying a car that has been in a flood and suffered severe water damage.

The term curbstoning comes from the way these transactions typically occur. When a dealer is trying to pose as a private seller, they will often sell cars from the curb or a parking lot, just as an individual would. A curbstoner often gets away with scamming buyers because he or she sells the vehicle and then disappears. With no office or contact information, a buyer can end up with a lot of headaches to deal with.

Experts say up to 80% of used cars sold through online classified ads are orchestrated by curbstoners. Follow these tips to protect yourself:

1. Type in the seller’s phone number

If you find the listing on craigslist or in an Internet classified ad, do an online search for the phone number to see if it is linked to other car ads. If the seller is selling multiple cars, that’s a red flag. You will know that this is not the seller’s private car, which might indicate that they are a curbstoner.

2. Just ask about “the car”

Don’t say too much—be purposefully vague and just ask “about the car” without giving any details. If the seller responds with “Which car?”, you’ll know that he or she has multiple cars for sale.

3. Get an inspection and a written repair estimate

Have the car inspected by a mechanic before you buy it. If you don’t have a mechanic, Google and Yelp are good places to read reviews of local shops. It’s a smart investment—a pre-purchase inspection costs about \$100 and can alert you to problems you may not find yourself.

4. Get a vehicle history report

AutoCheck and CARFAX are the two best-known sources for vehicle history reports. These reports can reveal vital information about the car, including whether the odometer has been rolled back or if it has a salvage title. Use the car's vehicle identification number (VIN) to get this information. Most cars listed for sale on reputable sites provide a free history report that you can pull and view yourself.

5. Check the warranty

See if any manufacturer's warranty is left on the car that could be transferred to you. A used car that is only a couple of years old, or that has low mileage, may still be covered.

6. Ask to see the driver's license and title

You should always ask to see the seller's driver's license to see if it matches the name and address on the car's title. If the person's name on the title is different from the name of the person selling it to you, that's another red flag.

7. Be wary of fictitious friends and family

Unlicensed dealers often use family and friends as part of their sales pitch. They may pretend that it's their friend's car, their mother's car or "my Uncle Dave's car." If the seller tells you that he is selling it for his aunt, uncle or cousin, it's likely not true.

8. File a complaint

If something does go wrong, file a complaint with your local office of consumer affairs, the Motor Vehicle Administration or state department of motor vehicles, and the state Attorney General's Office.

Buying a car privately can be a good way to find the car you are looking for and save money. By following these tips, you'll avoid falling prey to curbstoning. Whether you are buying a car privately or from a dealer, credit unions are often an overlooked source of legitimate and affordable auto financing. Many people make a mistake in thinking that they can't get a loan to buy a better car, so they end up settling for a junker.