



<http://www.consumerreports.org/cro/2012/12/don-t-rely-on-used-car-history-reports/index.htm>

Used car history reports may not be accurate

When Lezlie Simmons, a homemaker from San Jose, Calif., bought a 2007 Toyota Camry last July, she relied on the "clean" Carfax history report that the dealership provided as proof that the vehicle was accident free. She has since discovered that the vehicle had been in a major accident. It has needed \$4,000 in repairs, and her car's factory warranty might be void. Simmons has hired a lawyer to try to get her money back from the dealership.

"I found out that the right passenger door had pieces missing out of it," she said. "The front axle had to be replaced. The back exhaust pipe had to be replaced. I had to pay them to realign the trunk. There's a problem with the suspension that I can't get fixed because it's not covered."

Used-car buyers increasingly are depending on vehicle-history reports to make sure that they're not getting a vehicle that was crashed, stolen, flooded, or subjected to any other calamities. Many dealerships give free history reports to consumers. Those reports provide useful information, but it's what they can miss that should worry you.

To test the veracity of history reports, we ordered them for dozens of vehicles advertised on such Web sites as eBay Motors and erepairables.com. The ads included photos showing smashed or missing body panels or other accident-related damage, along with vehicle identification numbers.

Many reports returned "clean" results, sometimes from all five services: Carfax (www.carfax.com), AutoCheck (www.autocheck.com), the free VINCheck from the National Insurance Crime Bureau (www.nicb.org), and two services providing information from the federal government's National Motor Vehicle Title Information Systems database (www.nmvtis.gov).

Not all of the vehicles we tested were damaged recently. Some we first checked in 2006, largely with the same results. In some cases, the earlier accidents for those vehicles were since added to the history reports, a problem if you paid top dollar for a used car based on an earlier "clean" report and now want to sell it.

Does this look clean to you? This 2007 Acura MDX, described on this Web site as a "ROLLOVER; ALL OVER," received clean history reports from all five services. AutoCheck gave it a score of 89 out of 100, its top mark among similar vehicles.



We found that the reports were most likely to be incorrect for vehicles that had serious damage but for various reasons were not declared a total loss.

"Salvage," or similar branding on the vehicle title, is required by many states for vehicles with extensive damage. Wrecks can maintain clean titles if the vehicle doesn't have collision insurance, is self-insured as with many rental and fleet vehicles, or has damage falling below the "total loss" threshold, which can vary by state.

Clean-title wrecks, especially those with clear history reports, are popular at auctions because buyers can repair the vehicles and then resell them to unsuspecting consumers.

Based on our findings, Carfax says that it will begin looking at online advertisements for such vehicles and see if it's possible to include the results. Consumers Union, the nonprofit publisher of *Consumer Reports*, would like to see all commercial history-reports services follow that practice.

Based on a Massachusetts police report, Carfax revealed an accident for this clean-title 2003 Porsche we found on eBay in 2006. Showing no accident or other problems, AutoCheck gave it a score of 89.



Carfax and AutoCheck guarantee that they'll buy any vehicle that customers purchased based on an erroneous report they provided. But there are many gotchas.

To take advantage of the program, you'd have to prove that the vehicle had a branded title and that the branding information had been on file with a state motor-vehicle agency


that provides data to the reporting services. Vehicles branded as "recovered stolen" or "theft" aren't covered. In addition, the guarantees are valid for one year after the report was issued, and apply only if you registered the vehicle purchase with the history report provider within 90 days. Finally, vehicles with titles that were branded less than 60 days before the history report was issued are excluded from coverage. That's because of the delay between the time a title is branded and the event is reported to the reporting services.

Reports are nonetheless useful. Despite the problems, we found the reports useful for what they *might* tell you.

For example, for vehicles that we knew had branded titles, the services usually reliably reported the problem, especially Carfax and AutoCheck, which didn't miss any. Moreover, there were several cases in which damaged vehicles with clean titles were nevertheless flagged by Carfax and AutoCheck based on accident reports the two providers receive from some police departments and other agencies.

There's also a good chance that the services will know about a previously branded title, even if a clean one has since been issued. Scammers sometimes patch up wrecked vehicles and re-title them in states with less-stringent requirements, a process known as "title washing."

Carfax gave this 2006 F-150 a clean report both in 2006 and 2009. AutoCheck showed it as clean in 2006, but has since added information about the prior collision with a mailbox in Indiana.



Current bid:

~~Buy It Now~~ price:

End time:

Shipping:

We appreciated some of the extras that come with Carfax and AutoCheck, including a list of ownership changes, periodic odometer readings, occasional maintenance records, and details about whether vehicles were ever rentals or leased. Keep in mind that we had no way of verifying the information or knowing if anything was omitted.

And a final reason to get a report: Even if a used car or truck checks out with a mechanic, having an accident or other blemish on a history report—even if it's incorrect—can seriously reduce the vehicle's value when you buy it and later when you sell it.

What to do

Have the vehicle inspected. Just because a report is clean, it doesn't mean that the vehicle has no problems. Some dealers who have provided "clean" reports are using them in court as a defense against charges that they knew a vehicle was a former wreck when they sold it. We also know cases of dealers altering reports that showed problems.

So before buying a used car, take it to an independent mechanic to have it checked for any evidence of damage.



Despite having a clean title, this 2005 damaged Ram was flagged by Carfax and AutoCheck based on a police accident report in North Carolina.

Don't skip the test drive. Make note of unusual squeaks or rattles. If a car pulls to one side or tracks poorly, then that might hint at previous damage. Check the backs of body panels and doorjamb for paint overspray, a signal that the car might have had bodywork. The smell of mildew or mold could indicate water damage.

Check the title. Always inspect the title document. Look for any "brands" indicating that the vehicle had been wrecked, repurchased under a state "Lemon Law" program, flooded, or had any other problem. Verify the odometer statement against the reading in the vehicle.

Ask the seller for a history report. Carfax and AutoCheck reports were the most reliable and complete. If the report isn't recent or you suspect that it has missing or fabricated information, verify it with the service. Some dealer Web sites have free links to reports directly from the services.

Read the disclosures. The reporting companies have many disclosures explaining the limits of the information and any guarantees they're providing.

Be redundant. One report might be clean but another might not be. If you are not provided with a report from the seller, check with the free or inexpensive services first. Although in our tests, VINCheck wasn't as thorough as commercial reports, it identified vehicles that had been deemed a total loss. Because of regulations newly enacted after our test, National Motor Vehicle Title Information Systems reports, which cost a few dollars, should find vehicles sold through insurance salvage auctions, including clean-title wrecks. If reports from those sources are clean, consider also getting one from Carfax (\$30) and AutoCheck (\$15). Along with total-loss information, they might provide warnings about odometer tampering and non-total loss collisions.

Register with the provider. To take advantage of the limited "buyback" guarantees that Carfax and AutoCheck provide, you must register the vehicle purchase with the service within 90 days.

Remember, even clean reports from all services don't guarantee that the vehicle doesn't have damage or other problems.