

Penalties for allegedly selling or advertising recalled cars with dangerous Takata airbags

BMG and HG Innovations have each paid a penalty of \$12,600 after the ACCC issued each of them with one infringement notice for selling a vehicle under active recall. Selling vehicles under active recall is prohibited by the Takata Compulsory Recall Notice and the Australian Consumer Law.

In the case of BMG, the ACCC had reasonable grounds to believe that BMG, through its agent Grays, sold a 2003 Nissan Pulsar vehicle which was under active recall and contained a high risk alpha airbag. The ACCC was particularly concerned about this alleged conduct, as Alpha airbags have a very high risk of rupture, which can cause serious injury or death.

“All consumers should check if their vehicles are subject to the Takata Compulsory Recall. If your vehicle has an Alpha airbag, you must stop driving immediately and contact the vehicle manufacturer or your dealer,” ACCC Deputy Chair Delia Rickard said.

The ACCC also had reasonable grounds to believe HG Innovations, through its agent Grays, supplied a 2005 BMW 3 vehicle which was under active recall.

In addition, Grays has paid penalties totalling \$37,800 after the ACCC issued three infringement notices to Grays. The ACCC had reasonable grounds to believe that Grays had made false or misleading representations by advertising three vehicles for sale that were under active recall: a 2003 Nissan Pulsar, a 2005 BMW 3 and a 2002 Honda Jazz.

“We allege that by advertising these vehicles for sale, Grays made false or misleading representations to consumers that the vehicles were of saleable quality, when that was not the case because they were under active recall,” Ms Rickard said.

“These penalties are a reminder that it is in breach of the Australian Consumer Law to sell or advertise for sale vehicles with defective Takata airbags that are

under active recall.”

“Consumer safety is one of the ACCC’s highest priorities and businesses are on notice that the ACCC takes alleged breaches of the Australian Consumer Law of this kind very seriously.”