

Motor Vehicle Private Sales

This factsheet is not legal advice. The legal information contained in this document is current at 30 October 2023.

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Buying a vehicle privately involves relying on your own judgment and knowledge. Purchasing a used car is a significant financial and personal decision and as a buyer there are many considerations to be aware of.

You do not want to get stuck with a faulty car as it can be expensive, frustrating, and time-consuming.

This factsheet assists you if you are considering or have bought a car from a private seller (such as on Facebook Marketplace or Gumtree).

Buying a used vehicle from a private seller

IMPORTANT: When you purchase a car from a private seller, the rule is that you as the buyer must beware and that you are buying at your own risk ('caveat emptor'). This means you are responsible to inspect, assess and examine the car before you purchase it and complete your due diligence.

Step 1: What to consider

Before you go ahead with buying a used car from a private seller, you should consider:

1. There are very limited protections under the Australian Consumer Law and none under the Motor Dealers and Repairers Act.
2. You have the responsibility to check for money owed on the car using the [Personal Property Securities Register \(PSSR\)](#)
3. You should have the car inspected by a licensed mechanic to check for problems before you purchase the car.
4. You should conduct a search using the free online Service NSW Odometer Check.
5. NSW Fair Trading and the NSW Civil and Administrative Tribunal (NCAT) cannot assist with private sales.

TIP: Remember to ask questions before going ahead with the purchase.

You should ask the person selling and write down:

- the current certificate of registration
- details of the vehicle's service history and a copy of any recent inspection reports
- proof that the person selling the vehicle is the owner
- the registration number
- the engine number

- the VIN (Vehicle Identification Number) or chassis number.
- Any current warranty covering the car.

Make sure the information shown in the paperwork matches what is on the actual vehicle.

Step 2: Proceeding with the purchase

If you proceed with the purchase, make sure you get a receipt that shows:

- your name,
- the purchase date and price and the method of payment,
- the vehicle's details (plate number, VIN/chassis number, colour, make, model and engine number; and
- the seller's driver's licence, name, and signature.

You should also check that the seller's signature on the receipt matches the signature on the seller's licence.

You should also:

1. Ask the seller to submit a [notice of disposal](#) through Service NSW. This makes it easier for you to transfer the vehicle registration (rego) into your name. You should [transfer the registration](#) within 14 days of acquiring the vehicle to avoid fees.
2. Ask the seller to provide a copy of any existing express warranties on the car.

Step 3: Drive Away

Prior to driving away, make sure the seller gives you:

- all keys including those for the ignition, glove box, boot, and alarm,
- the service books, owner's manual, and logbook,
- instructions for working and deactivating any alarm; and
- location of the hidden ignition switch if there is one.

Issues after the purchase

If you purchase a vehicle from a private seller, the principle of 'buyer beware' applies. This means you are responsible for checking the quality and suitability of the vehicle before purchasing.

Does the seller have to disclose defects?

The seller does not generally have an obligation to disclose defects, unless required by law.

However, if the seller does choose to provide you with information about the car, they must ensure that information is accurate and not misleading, fraudulent, or deceptive.

What do you do if there are issues with the car after you purchased it?

As noted above, as the buyer you must beware. You are buying at your own risk ('caveat emptor'). This means you are responsible to inspect, assess and examine the car before you purchase it and complete your due diligence.

If you fail to do your reasonable checks, you are generally unable to then recover for defects in the car that you would have discovered if you had conducted the reasonable checks.

In such cases, you will be responsible for addressing issues with the car.

There may be some limited exemptions to the buyer beware principle, such as:

1. Fraud/Deceit – This is where you may have purchased the car under fraudulent circumstances, or the seller intentionally provides.
2. Misrepresentation – This is usually when the seller of the car makes express false statements to you about the quality of the car.

NOTE: These exemptions are quite limited in practice. They do not automatically mean that caveat emptor does not apply because there is a fairly high obligation on you as the purchase to ensure you inspect and discover defects before you purchase the vehicle. It is important to seek legal advice if you believe one or more of the above exemptions may apply to your case.

How can I resolve the issues I am having?

1. You should first try and speak to the seller about the issues. If you reach an agreement, you should ensure it is in writing, dated and signed by both parties.
2. If you are unable to reach an agreement, you can consider free mediation at a [Community Justice Centre](#). This is an informal, free, and problem-solving process with an impartial mediator to try and reach an agreement.
3. The final resort is court action. However, in most of these matters, court action for these matters is limited due to the caveat emptor principle explained above. You have six years to initiate a claim in Court, but it is extremely important you seek tailored legal advice about your prospects of success before doing so to avoid a risk of costs against you.

The information on this fact sheet is only intended as a guide. It is not a substitute for legal advice. For free legal advice, you may contact your local [Community Legal Centre](#).