FTC Warning Consumers to Beware of Flood Cars for Sale

July 14, 2015 - The FTC has issued a warning to consumers looking for a used car. Because much of the country has been dealing with flooding for the past two months, the agency wants consumers to be prepared to spot cars that have flood damage. They are concerned that some unscrupulous dealers may be selling cars that have been flooded out without informing the buyer.

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â€œRecent storms and flooding plaguing the Midwest and Southeast could impact car buyers across the country. Vehicles damaged by floods in those area can be cleaned up and taken out of state for sale. You might not know a vehicle is damaged until you take a closer look or have a mechanic check it out.
Hereâ€™s what to do:

- Look for water stains, mildew, sand or silt under the carpet, floor mats, and dashboard, and in the wheel well where the spare is stored. Look for fogging inside the headlights and taillights.

- Do a smell test. A heavy aroma of cleaners and disinfectants is a sign that someone's trying to mask a mold or odor problem.

- Get a vehicle history report. Check a trusted database service. There are reliable services that charge a small fee. The National Insurance Crime Bureauâ€™s (NICB) free database includes flood damage and other information.

- Understand the difference between a â€œsalvage titleâ€• and a â€œflood title.â€• A â€œsalvage titleâ€• means the car was d loss by an insurance company because of a serious accident or some other problems. A â€œflood titleâ€• means the car has damage from sitting in water deep enough to fill the engine compartment. The title status is part of a vehicle history report.

- Have your mechanic inspect the carâ€™s mechanical and electrical components, and systems that contain fluids, for water contamination.

- Report fraud. If you suspect a dealer is knowingly selling a storm-damaged car or a salvaged vehicle as a good-condition used car, contact your auto insurance company, local law enforcement agency, or the NICB at (800) TEL-NICB (835-6422). Youâ€™ll help someone else avoid a rip-off.â€•

byJim Malmberg
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