



# Civil Resolution Tribunal

Date Issued: July 7, 2022

File: SC-2021-007240

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Szabo v. The Dick Irwin Group Ltd. dba Pacific Honda*,  
2022 BCCRT 777

B E T W E E N :

JOZSEF SZABO

**APPLICANT**

A N D :

THE DICK IRWIN GROUP LTD. DBA PACIFIC HONDA

**RESPONDENT**

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## REASONS FOR DECISION

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Tribunal Member:

Chad McCarthy

## INTRODUCTION

1. This dispute is about used car warranties. The applicant, Jozsef Szabo, purchased a used 2019 Honda Fit from the respondent, The Dick Irwin Group Ltd. dba Pacific Honda (Pacific Honda), on December 29, 2020. The purchase included one or more Honda warranties, plus a third party warranty. Mr. Szabo says that Pacific Honda did

not provide the Honda warranty it advertised, and that his coverage is scheduled to expire earlier than expected. He claims \$2,843.50 for the price of the allegedly unnecessary additional third party warranty he purchased with the car, plus the cost of later purchasing a Honda warranty extension through another dealer.

2. Pacific Honda says that Mr. Szabo chose to purchase a third party powertrain and comprehensive policy through First Canadian Financial Group, also known as Millennium Insurance Company, which replaced an offered Honda extended basic powertrain warranty. The First Canadian policy undisputedly had a shorter term. Pacific Honda says Mr. Szabo requested a cancellation and refund of the First Canadian policy well beyond the policy's 30-day cancellation window, and it did not offer the declined Honda warranty after the car purchase date. Pacific Honda says it did not mislead Mr. Szabo, that it provided the warranty option Mr. Szabo chose, and owes nothing.
3. Mr. Szabo is self-represented in this dispute. An authorized employee or principal represents Pacific Honda.

## **JURISDICTION AND PROCEDURE**

4. These are the formal reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). Section 2 of the CRTA states that the CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness, and recognize any relationships between the dispute's parties that will likely continue after the CRT process has ended.
5. Section 39 of the CRTA says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate

that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice.

6. Section 42 of the CRTA says the CRT may accept as evidence information that it considers relevant, necessary, and appropriate, whether or not the information would be admissible in a court of law. The CRT may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.
7. Where permitted by section 118 of the CRTA, in resolving this dispute the CRT may order a party to do or stop doing something, pay money or make an order that includes any terms or conditions the CRT considers appropriate.

## **ISSUE**

8. The issue in this dispute is whether Pacific Honda misrepresented the car warranties it offered and provided, and if so, does it owe Mr. Szabo \$2,843.50 in damages?

## **EVIDENCE AND ANALYSIS**

9. In a civil proceeding like this one, Mr. Szabo must prove his claims on a balance of probabilities, meaning “more likely than not.” I have read the parties’ submissions and evidence, but refer only to the evidence and arguments I find relevant to provide context for my decision.
10. The used Honda Fit Mr. Szabo purchased was covered by the remaining balance of its original new vehicle manufacturer’s warranty (new vehicle warranty). This was a comprehensive warranty that included both powertrain and other coverage until March 26, 2022 or 60,000 kilometres, whichever came first. Although none of this is disputed, Mr. Szabo says Pacific Honda extended the coverage length.
11. A Pacific Honda online advertisement said that the car had a “factory warranty until March 26, 2026 or 160,000 kms, whichever comes first.” I will refer to this as the Honda extended warranty. Mr. Szabo says that because this advertisement was for a “factory warranty,” he assumed and expected that it was a comprehensive new

vehicle warranty extension. However, I find the advertisement did not say what level of coverage was provided under the offered Honda extended warranty.

12. Pacific Honda says the Honda extended warranty was not an extension of the new vehicle warranty, but was a Honda powertrain-only warranty that Mr. Szabo had the option of receiving with his car. Pacific Honda undisputedly explained this to Mr. Szabo before he purchased the car and warranties. Pacific Honda says the other option it offered Mr. Szabo was to purchase, for an additional charge, an extended comprehensive warranty that offered better coverage and would replace the Honda extended warranty. Pacific Honda says it explained this to Mr. Szabo, and he chose the extended comprehensive warranty option.
13. Documents in evidence show that through Pacific Honda, Mr. Szabo purchased and signed a First Canadian “Ultimate Wrap” policy from Millennium Insurance Corporation for an additional charge of \$1,544.55. The documents show the policy was to expire on the earlier of December 29, 2025 or 100,000 kilometres, and undisputedly included both powertrain and other comprehensive coverage.
14. Mr. Szabo says that because Pacific Honda told him the advertised Honda extended warranty only provided powertrain coverage, he purchased the First Canadian policy to obtain a longer term of comprehensive coverage than was provided under the new vehicle warranty. However, he says that Pacific Honda’s online advertisement and brochures implied that the “factory warranty” expiring on March 26, 2026 or at 160,000 kilometres included comprehensive coverage. He says that Pacific Honda misled him by explaining that the Honda extended warranty it offered was powertrain-only. He says Pacific Honda should have “honoured the advertised warranty” and offered to provide full comprehensive coverage under the Honda extended warranty at no extra charge, despite its pre-purchase explanation that the Honda extended warranty was not comprehensive.
15. I find that a refund was no longer available for the First Canadian policy at the time Mr. Szabo requested one in May 2021, and Pacific Honda no longer offered the Honda extended warranty for the car at that time. Mr. Szabo says that as a result, he

purchased an extended warranty from a different Honda dealer for \$1,287.83 (later Honda warranty), as shown in a submitted July 29, 2021 invoice and receipt. A service contract confirmation in evidence shows that the later Honda warranty was the same length as the Honda extended warranty originally offered by Pacific Honda. I find the coverage details of this later Honda warranty are not before me, except that it is titled "COMPREHENSIVE."

16. Mr. Szabo claims \$2,843.50 for a refund of the allegedly unnecessary First Canadian warranty (\$1,544.55) plus the cost of the later Honda warranty (\$1,287.83). I find the combined cost of those 2 warranties was \$2,832.38, and Mr. Szabo does not explain why he claims a different amount. In any event, I find Mr. Szabo's claim is that Pacific Honda negligently or fraudulently misrepresented the nature and content of the extended warranties it offered and provided for the car.

17. Negligent misrepresentation is when:

- a. A seller makes an untrue, inaccurate, or misleading representation to a purchaser,
- b. The seller makes the representation negligently, and
- c. The purchaser suffers damage from reasonably relying on the misrepresentation.

18. Fraudulent misrepresentation is when:

- a. A seller states a fact to a purchaser,
- b. The seller knows the statement is false, or is reckless about whether it is true or false, and
- c. The misrepresentation induces the purchaser to buy something.

19. Either negligent or fraudulent misrepresentation requires that a seller make a statement that is false, inaccurate, or misleading, and that the buyer reasonably rely on the representation. Mr. Szabo also says that under the *Competition Act*, a car

dealer must not make any materially misleading product warranty or guarantee, although he does not cite a specific section of that *Act*. In any case, as the applicant and party alleging misrepresentation, Mr. Szabo bears the burden of proving that Pacific Honda made an inaccurate or misleading statement.

20. I find Mr. Szabo alleges, essentially, that Pacific Honda initially offered the Honda extended warranty with implied comprehensive coverage at no extra cost, and that it reneged on that offer. However, I find Pacific Honda's online advertisement did not indicate or imply that the offered Honda extended warranty included comprehensive coverage, or that it was an extension of the original new car warranty. I find that the "factory" warranty only implied a "Honda" warranty of some sort. As noted, Pacific Honda explained the details of the offered Honda extended warranty before Mr. Szabo purchased the car, and confirmed that it only covered the powertrain. I find the evidence before me does not show that Pacific Honda's discussions with Mr. Szabo misled him about the Honda extended warranty coverage, or that those discussions contradicted its online advertising.
21. Further, I find a submitted page from a warranty brochure said that the original new vehicle warranty and a different extended powertrain warranty were included with "your vehicle" and a "Honda Plus comprehensive protection plan" was not included. The page does not identify the vehicle in question or show any warranty agreement between the parties. I find the page was likely a non-binding discussion worksheet and not a formal offer or agreement about vehicle warranties between the parties. Mr. Szabo says that he requested the "Honda Plus comprehensive protection plan" but Pacific Honda provided the First Canadian policy instead. However, I find Mr. Szabo signed the First Canadian policy and paid for it, so he was likely aware that a Honda company did not provide it.
22. Overall, I find the evidence before me does not show that Pacific Honda claimed or implied that the Honda extended warranty included comprehensive coverage, or that Pacific Honda would provide the Honda extended warranty even if Mr. Szabo chose to purchase the First Canadian warranty as he did. I also find the evidence does not

show that Pacific Honda is responsible for any confusion Mr. Szabo might have had about the effect of selecting one of the offered warranty options, or that Pacific Honda failed to adequately describe them.

23. For the above reasons, I find that Mr. Szabo has not met his burden of proving that Pacific Honda made an untrue, inaccurate, or misleading statement about the warranties it offered. So, I find there was no proven misrepresentation. It also follows, and I find, that Pacific Honda did not deceive Mr. Szabo, contrary to his submissions. So, I find there is no basis for awarding Mr. Szabo a refund of the First Canadian policy price or the later Honda warranty purchase price. I dismiss Mr. Szabo's claim.

### ***CRT Fees and Expenses***

24. Under section 49 of the CRTA, and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. Here, I see no reason not to follow that general rule. Mr. Szabo was unsuccessful in his claim, but Pacific Honda paid no CRT fees. Neither party claimed CRT dispute-related expenses. So, I order no reimbursements.

### **ORDER**

25. I dismiss Mr. Szabo's claims, and this dispute.

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Chad McCarthy, Tribunal Member