



# Civil Resolution Tribunal

Date Issued: May 27, 2025

File: SC-2023-010998

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Lok v. Modo Co-operative*, 2025 BCCRT 701

B E T W E E N :

CHUN FAI LOK

**APPLICANT**

A N D :

MODO CO-OPERATIVE

**RESPONDENT**

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## REASONS FOR DECISION

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Tribunal Member:

Megan Stewart

## INTRODUCTION

1. This dispute is about responsibility for damage to a carshare vehicle.
2. Chun Fai Lok is a member of Modo Co-operative (Modo), a carshare operator. Modo says Mr. Lok owes it \$987.77, including repair costs and interest, for damage caused to one of its cars. Mr. Lok denies responsibility, and says Modo improperly

kept his \$500 “deposit” after he refused to pay. Mr. Lok’s requested remedies include:

- a. A declaration that Mr. Lok does not owe Modo \$987.77 for the repair costs and interest,
  - b. \$500 as reimbursement of his deposit,
  - c. Termination of his Modo membership.
3. Modo says that under the parties’ agreement, Mr. Lok is responsible for the car’s damage. It also says the \$500 was for Mr. Lok’s share purchase, and not a “deposit”. Modo says it was entitled to place a lien on Mr. Lok’s shares after he refused to pay for the damage.
  4. Mr. Lok is self-represented. Modo is represented by a person I infer is an authorized representative.

## **JURISDICTION AND PROCEDURE**

5. The Civil Resolution Tribunal (CRT) has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). 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. These are the CRT’s formal written reasons.
6. CRTA section 39 says the CRT has discretion to decide the hearing’s format, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find 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 an oral hearing is not necessary in the interests of justice.

7. CRTA section 42 says the CRT may accept as evidence information it considers relevant, necessary, and appropriate, whether or not the information would be admissible in court.

## **ISSUES**

8. The issues in this dispute are:
  - a. Is Mr. Lok responsible for the damage to Modo's car?
  - b. Is Mr. Lok entitled to any of his requested remedies?

## **EVIDENCE AND ANALYSIS**

9. As the applicant in this civil proceeding, Mr. Lok must prove his claims on a balance of probabilities, meaning more likely than not. I have read all the parties' submissions and evidence, but only refer to information I find necessary to explain my decision.
10. Mr. Lok booked a Modo car for April 8, 2023. On June 21, 2023, Modo emailed Mr. Lok about damage it said the car sustained during Mr. Lok's booking. Modo described the damage as a scrape and crack to the car's front passenger-side corner. Mr. Lok denied responsibility. After some back and forth, Modo added a \$963.54 charge to repair the damage to Mr. Lok's August 2023 invoice. That amount plus \$24.23 in interest adds up to the \$987.77 Modo says Mr. Lok owes it.

### ***Is Mr. Lok responsible for the damage to Modo's car?***

11. Mr. Lok undisputedly agreed to the Modo Plus Member Agreement and Membership Terms and Conditions (the agreement). The agreement says, in part, the following:

#### **Vehicle Check Before You Drive**

Members are required to perform a pre- and post-trip walk-around inspection to ensure the Vehicle is in good condition.

If you spot any visible defects (e.g., dents, scratches, other damage) larger than a fob and not already marked with a sticker (...) send a description and photo using our app or by email or call us – before you drive. If you don't tell us before you drive, you may be liable for the cost to repair the damage (...)

### **Returning the Vehicle**

At the end of every booking, you must return your Vehicle to its home location.

It's your responsibility to ensure that:

(...) you complete a post-trip walk-around inspection and report any new damage that occurred

### **Reporting and Responsibility for Costs**

You are responsible for ensuring reports of new damage found during your pre-trip inspections are submitted to us at the start of your booking and before you begin driving. If you miss doing an inspection, submitting a report or a report is submitted after you've started driving, you may be held liable for any new damage the next member reports (...)

Your responsibility for the costs related to a damage incident is not limited to the Damage Fee and you will be responsible for the full costs if:

The driver fails to notify Modo of an accident or damage that occurs during their booking (...) (reproduced as written)

12. At the outset, I address Mr. Lok's assertion that the agreement's terms are ambiguous. He says there are no limits on the repair costs Modo may recover from members for unreported damage. He also says the terms are silent on issues like

time limits for claiming against a member, and how responsibility for damage is determined.

13. I find the terms are not ambiguous. They indicate a member may be responsible for **any new damage** the next member reports, if that damage was not previously reported. A member will also be responsible for the **full costs** of damage repairs that occurred during a member's booking and that they did not report. I find this clearly explains how Modo will decide damage responsibility and repair costs. Generally, time limits for bringing claims are set out in the *Limitation Act*.
14. To the extent Mr. Lok suggests the agreement was unconscionable (grossly unfair), I disagree. Mr. Lok has not shown there was an inequality of bargaining power between the parties that Modo took advantage of, resulting in a substantially one-sided contract.
15. I turn to the agreement's substance. Modo says Mr. Lok did not complete the required pre- and post-booking inspections. Mr. Lok does not dispute this. However, he says he was unable to complete the pre-booking inspection because another vehicle was parked very close to the car's right-hand side. This made it impossible for him to inspect the front passenger-side corner without first backing up and starting his booking.
16. Modo says Mr. Lok did not report being unable to complete either the pre or post-booking inspections required by the agreement. It also says the parking space has been a Modo location since 2006, and had there been an issue with it, Modo would have "abandoned it long ago". Mr. Lok disagrees, and says that often problematic designs cause issues after many uses.
17. Whatever the case, I find Mr. Lok could have backed the car out of the tight parking space and performed the inspection before starting his booking for the following reason.
18. The common-sense approach to contractual interpretation involves reading the contract as a whole, consistent with the surrounding circumstances known to the

parties when they entered the contract, to determine their intent and understanding.<sup>1</sup> Words of one provision should be considered in harmony with the rest of the contract.<sup>2</sup>

19. Here, I find this means Mr. Lok could have backed the car out of the space to thoroughly inspect it without the risk of being held responsible for any damage he found and reported. If this were not the case, it could lead to absurd incentives and results, such as members trying to hide car damage in the hope that the next user would be blamed for it. This cannot have been the intent when the parties entered into the carsharing agreement. So, I find by choosing not to back out of the tight space and then performing the inspection, Mr. Lok risked being held responsible for any previously unreported car damage identified by the next member to use the car.
20. Mr. Lok also notes it took Modo 74 days to contact him about the damage. Modo says this is not unusual, as it deals with a lot of damage reports. It points out the next booking was three hours and 15 minutes after Mr. Lok's booking ended, no one accessed or moved the car between bookings, and the next member reported the damage before using the car. Mr. Lok says the damage looks like vandalism, which could have occurred in the three hours between bookings.
21. I find Mr. Lok's suggestion speculative. Even if it could be true, it is also possible that any vandalism could have happened before Mr. Lok returned the car and ended his booking. I say this because it is undisputed that Mr. Lok failed to conduct a post-booking inspection. Again, by doing so, I find Mr. Lok took the chance of being held responsible for any later-reported damage.
22. For all the reasons above, I find Mr. Lok was responsible for the car's damage, and I dismiss his claim.

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<sup>1</sup> See *Sattva Capital Corp. v. Creston Moly Corp.*, 2014 SCC 53 at paragraph 47.

<sup>2</sup> See *Tercon Contractors Ltd. v. British Columbia (Transportation and Highways)*, 2010 SCC 4 at paragraph 64

***Is Mr. Lok entitled to any of his requested remedies?***

23. Since I have dismissed Mr. Lok's claim, he is not entitled to his requested remedies.

I note that under the agreement, Mr. Lok may terminate his Modo membership at any time, so he does not need an order from the CRT for that. However, terminating his membership does not release him from any debt he owes to Modo.

24. Under CRTA section 49 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. Mr. Lok was unsuccessful, so I dismiss his claim for reimbursement of CRT fees. Modo did not pay any fees, and neither party claimed dispute-related expenses.

**ORDER**

25. I dismiss Mr. Lok's claims.

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Megan Stewart, Tribunal Member