



Grey Importer Fined for Misleading Buyers

14 May 1999

A recent court judgement proves that customers of 'grey imports' should be very cautious of exactly what it is they are buying, despite the Government's intention to lift restrictions on the number of 'grey imports' to be allowed into the UK from next March.

Simon Lerner, trading as Intercar International of Hendon, London, pleaded guilty to three offences under the Trade Descriptions Act 1968. The case was brought by Surrey County Council Trading Standards officers at Guildford Magistrates Court on 28 April 1999.

Mr Lerner imported right-hand drive Toyota Soarer coupe cars from Japan, which are only built for the Japanese domestic market. Mr Lerner sold two cars after having described them as 'Lexus Soarers' in both advertising and through replacing the Toyota badges with Lexus versions on the cars themselves.

Trading Standards officers argued that the Lexus brand is perceived as the luxury and prestigious division of Toyota and therefore would be more desirable to customers. The fact that the Toyota Soarers are not recognised in any official or retail price guides in the UK means that customers have little to refer to when considering the price to pay. The two cars in this case were sold for £35,000 and £49,000.

County Trading Standards Officer, Peter Denard, said: "Lexus is a prestigious name that would command more interest from customers and the willingness to pay more. There could be no other purpose in re-badging the vehicles, and I am pleased that the court reflected the seriousness on this issue in the fine." Mr Lerner was fined £3,000 with £750 costs.

Mr Graham Smith, Managing Director of Toyota (GB) Ltd, said: "We welcome increased consumer choice, but buyers must be extremely wary when considering a grey import for many reasons, including safety, emissions compliance and higher insurance costs. By definition, the dealers in such cars are not part of a manufacturer's authorised dealer network system and cannot offer the reassurance of warranties, after-sales back up or even, it seems, a truthful description of what the car is. Buyer beware, was never more appropriate."

ENDS