

A Buyer Wants to Cancel: What to Do

Tape this by the desk. California Civil Code §1784.43. The 48-hour clock starts when they cancel.

1. Check that the right applies

- Used vehicle, priced at \$50,000 or less. Purchase or lease.
- Driven 400 miles or less since the contract was signed.
- Inside the window: 3 business days (days you are open to the public) starting the day after signing, ending at close of business.
- Not covered: motorcycles, vehicles with a GVWR of 10,000 lbs or more, wholesale, fleet, buyers of 5+ vehicles a year for business, auction sales, and a lessee buying out a car they already have.

2. Write down the date and time they cancelled

It goes on the Cancellation Receipt. The law requires it.

3. Check the car in

- Odometer reading. Compare against the Condition at Delivery sheet.
- Claim damage only beyond reasonable wear and tear, only with a reasonable basis, and write it down.
- They bring the car, any other cash or items they got with the deal, and the restocking fee unless it comes out of the refund.

4. Figure the fee

- Restocking: 1.5% of the sale price, \$200 minimum, \$600 maximum. Or actual shipping cost if you charged shipping, up to that amount.
- Mileage: \$1 per mile over 250, \$150 maximum.

5. The trade-in

- Not sold yet: give it back with every key.
- Sold or title transfer started: pay the greatest of the agreed value, what you sold it for, or fair market value, minus any lien payoff. Show them the sale document with the buyer's personal information removed.

6. Refund within 48 hours

Paid by check or another unverified method? You may wait until 2 business days after the payment is verified. Show them when it was verified.

7. Hand them the Cancellation Receipt, then file it

Keep the cancellation request, proof of refund, and proof the trade-in came back for 2 years.

Never

- Do anything that gets in the way of a cancel.
- Overcharge the restocking fee.
- Hold back the down payment or the trade-in.
- Miss the refund deadline, or skip paying for a trade-in you sold.
- Skip giving them the trade-in sale document.
- Claim damage beyond reasonable wear and tear without a reasonable basis.
- Say the person who can give the money or trade-in back is not available.