

CCAA collaborates with automobile dealers to improve consumer protection through fairer Terms and Conditions

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In a concerted effort to address mounting consumer grievances in the automobile sector, the Competition and Consumer Affairs Authority (CCAA) has initiated a strategic engagement with vehicle dealers to promote clearer and fairer Terms and Conditions (T&Cs) in vehicle transactions.

Vehicle dealers remain one of the most complained-about sectors. Frequent issues reported by consumers include excessive delays in vehicle delivery, high booking advances, delivery of defective vehicles, unfulfilled warranty services and discrepancies in vehicle specifications upon delivery. These challenges are often compounded by vague or insufficient contractual agreements between dealers and customers, making dispute resolution difficult and drawn out.

To address these concerns, the CCAA recently conducted a comprehensive study on the use and adequacy of T&Cs across the automobile industry. Based on its findings, the Authority organized a consultative session in Thimphu with representatives from over 20 automobile dealerships. The session aimed to present key findings, discuss existing challenges, and develop a roadmap toward stronger consumer protections.

The dialogue focused on embedding crucial consumer protection principles into dealership T&Cs, including:

- Transparency and Clarity in vehicle specifications and service commitments
- Fairness in contractual obligations
- Quality Assurance and After-Sales Support
- Clear Financial Disclosures, including booking advances and final payments
- Defined Cancellation and Refund Policies
- Effective Dispute Resolution Mechanisms
- Data Privacy and Protection

The response from participating dealers was overwhelmingly positive. Many agreed to review and update their current T&Cs, acknowledging the dual benefit of protecting both consumers and businesses. Robust T&Cs, they noted, can safeguard businesses from unverified complaints, reduce unnecessary litigation, and enhance reputational trust in the market.

The CCAA is committed to replicating similar initiatives across other trading and service sectors as part of its broader mandate to enhance consumer welfare and ensure a dynamic, equitable market environment and this collaboration marks a critical step in aligning the interests of consumers and businesses.