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## CONSUMER ALERT: UNLICENSED ONLINE AUTO SALES

**Nashville** – The Tennessee Department of Commerce & Insurance (“TDCI”), the Tennessee Motor Vehicle Commission, the Tennessee Attorney General’s Office, and the Tennessee Department of Revenue are alerting consumers to problems related to the online purchase of vehicles in Tennessee.

Vehicle sales by unlicensed companies are prohibited, even if the company only sells vehicles over the internet. Consumers have filed complaints indicating vehicles purchased through online sites, without being inspected or driven beforehand, arrived with damage not disclosed in online advertisements. And some buyers have experienced problems obtaining a clear title and registering vehicles purchased online.

The licensing system administered by the Tennessee Motor Vehicle Commission is designed to promote responsible business practices and protect Tennessee consumers. Unfortunately, there are few remedies for frustrated consumers after purchasing a vehicle from an unlicensed seller who operates online and may not be located in Tennessee.

“We understand the urgency some buyers feel while searching for used vehicles online,” said Attorney General Herbert H. Slatery III. “With increased demand comes increased risk of dealing with a dishonest broker. Take your time, check for a license before you buy.”

“As we head into graduation season and summer vacation, shoppers will likely want a new vehicle for students to take to college or for family vacations,” said Motor Vehicle Commission Executive Director Denise Lawrence. “Unfortunately, we’ve discovered that some consumers are frustrated because they’ve given their hard-earned money to online salespeople who do not have either a valid Tennessee dealer’s or salesperson’s license. While it might be inconvenient to wait and buy a vehicle in person from a licensed salesperson, consumers will be glad they waited in order to avoid the bitter aftertaste of a supposedly good deal.”

It seems some dealers, in a rush to make quick sales, are offering cars before they have even acquired the title to vehicles. And this problematic practice is compounded by a prevalent tactic called “**curbstoning**,” when a dealership pretends to be a private seller. By curbstoning, a dealership attempts to avoid the regulations governing used car sales so that it can move inventory quickly.

Consumers should be wary of any dealer who seeks to avoid the rules by curbstoning. If you want to ensure you are purchasing a vehicle from a licensed seller, visit [verify.tn.gov](http://verify.tn.gov)



## Herbert H. Slatery III Attorney General & Reporter

If you are experiencing an issue regarding a motor vehicle transaction may file a [complaint](#) with the Tennessee Motor Vehicle Commission or call (615) 741-2711.

Additionally, if a consumer believes a business, including a dealership, is engaged in deceptive practices, file a [complaint](#) with the **Tennessee Attorney General's Division of Consumer Affairs** or call (615) 741-4737. Consumer complaints can be filed online at:

<https://www.tn.gov/attorneygeneral/working-for-tennessee/consumer/file-a-complaint.html>

**The Tennessee Department of Revenue** advises the following options for consumers who are not able to resolve title issues with a dealer:

- 1) The surety bond process, which the Department of Revenue handles, or
- 2) The certification of ownership process, which is done through the local county clerk. This questionnaire can help you determine what to do <https://www.tn.gov/revenue/title-and-registration/vehicle-titling/what-to-do-if-you-do-not-have-a-title.html>

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