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Car recall scams on the rise

CAR recall scams are nothing new, but according to King Price Insurance, there has been a rise in syndicates scamming people into parting with their cars over the past few months.

The insurer outlined the formula for typical recall scams: a car owner gets a call from someone claiming to represent the manufacturer or dealer, stating a safety recall has been announced for a certain mechanical glitch or an airbag design fault.

It sounds legitimate as the scammer already knows the vehicle owner's registration number and other personal details.

The scammer then makes arrangements for the car to be fetched by a tow truck or flatbed - and that's the last the owner will see of his or her wheels.

How to avoid such a scam

If a motorist receives a phone call about a car recall, King Price recommends first contacting the manufacturer or dealership to verify it's a genuine recall.

Handing the car to a third party is never advised as the manufacturer will ask the owner to bring the car in his- or herself.

In the case of a genuine recall, the manufacturer would send formal communication describing the process in detail, the steps to follow, and how to verify what's happening.

King Price also advises never giving out personal information or making payments to anyone claiming to be from a car dealership or manufacturer.

In fact, this should be reported to the nearest dealership or police.

Will insurance cover this kind of crime?

According to King Price, most insurance policies require their clients to act with due care and precaution, and therefore they should be careful not to hand over their car to anyone irresponsibly.

However, King Price said that if a client was scammed in such a way and they genuinely believed the car was going in for repairs, the insurer would pay out.

It is always best to be safe than sorry, however, and make sure to contact the dealer or manufacturer directly.

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