

# FOR IMMEDIATE RELEASE

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## CONSUMERS BEWARE IS TRUFCAR REALLY FALSE CAR?

### Consumer Advocate, STOP AUTO FRAUD, Files Complaint with the FTC

**WASHINGTON, D.C.** TrueCar tells people they are a free online buying service. The real truth is they are not free. So is TrueCar really False Car?

Automotive buying services are not free. TrueCar, AAA, American Express, GEICO, Consumers Union and other buying services TrueCar powers, charges dealers a fee for every transaction. Fortune Magazine<sup>1</sup> wrote in December that TrueCar said it generated over \$100 million in revenue in 2011. Automotive News<sup>2</sup> reported last month that an auto dealer pays TrueCar \$299 for every lead that results in the sale of a new vehicle and \$399 for a used-vehicle sale. But who really pays?

Dealers are likely passing the costs to the consumer. TrueCar does not disclose these fees. Stop Auto Fraud has filed a complaint with the Federal Trade Commission, calling for an investigation of “free” car buying services.

The average consumer saves 12.1% from MSRP, according to data compiled by Edmunds.com. This is mostly without using a car-buying service. TrueCar stated in Fortune Magazine their buyers saved 9.7% from MSRP. Consumers can shop for the better deal themselves. Use online dealer sites and compare prices. Refuse to give your name and contact information to anyone except the dealers you want to shop.

TrueCar is now extending their reach into your pocketbook by providing automotive buying and leasing services to businesses and membership organizations. Companies like Verizon, Macy’s, Home Depot, and Sysco will use TrueCar’s services. They will likely receive money for providing customers to TrueCar. The only organization I know that admits receiving money from TrueCar is Consumers Union.

TrueCar also reports a new deal with Yahoo. TrueCar will pay \$50 million annually for three years to Yahoo, which is guaranteeing 10 million unique visitors a month. TrueCar forecasts their revenue to increase to \$300 million in 2012

**Automobile dealers pay for each and every one of these customers; and consumers pay these costs.** Do the homework yourself. Visit StopAutoFraud.com for details and sign a petition to the FTC to demand that auto-buying services, like TrueCar, disclose their fees.

<sup>1</sup> Fortune Magazine, December 26, 2011. Car Shopping: A Better Way? By David A. Kaplan

<sup>2</sup> Automotive News, January 16, 2016. Bowing to states, TrueCar alters models. By Ryan Beene

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