

RON

We don't even have to watch Family Feud to know what one of the most hated professions in the world is; survey always says, "Car Salesman." Hi, guys and girls, Ron Parks here and welcome back to the channel. And today, we're going to just lay out the worst ways you're getting ripped off by your local car dealership.

In a study by moneywise.com [ref1], car salespeople ranked the second most hated profession in America, just under U.S. Congress members...

This isn't just advice. This is the top ten list from hell because nothing is more aggravating to a financial advisor than reviewing a client's budget and wondering, "You're paying how much for your car?"

And it's especially irritating because we, just like any consumer, get manipulated just as easily sometimes. There's an old saying in selling, and one of the meanest characters in any movie quoted it. I'm speaking, of course, of Alec Baldwin in Glengarry Glen Ross.

[insert ref2]

"A guy don't walk on the lot 'lest he wants to buy. " That's the mentality you're dealing with when you go to a dealership. The second you set foot, you may as well have opened up a vein and left your arm in shark-infested water.

That's not to say all car salespeople are bad by nature; by no means. The way I see it, a car salesman, like any other, only benefits from transparency. Return business should be a priority.

Alas, too many see the benefit of quick cash and not about returns. Those are the ones that are likely to screw you. So now, for my benefit, for yours and certainly not for theirs, I'm going to tell you what they do, how to spot it, and what you can do to make sure you're getting a fair deal.

[Display: "10: Mixing Negotiations"]

Number ten, Mixing Negotiations. This is salesmanship 101, or even con man 101: know your mark.

Most people walk into a car dealership with a fixed idea of what they can afford to pay each month, and dealerships are aware. Watch how they talk to you. They're clearly trying to determine what you think a fair price is. Sometimes they'll even ask outright.

Do not let it slip out. Treat this a bit like a poker bluff at first because once the

salesman has the number in hand, he can use it to talk circles around you. This is very much like a good shell game or a magic trick. They don't want you to focus on the price, so they'll tell you the monthly payment, which they can use to figure in your trade-in if you have it.

They'll do whatever they can to keep you focused on the seemingly low number, hoping you don't see what they already included to get you there. It's like a magic trick; you want the viewer to pay attention to the shiny coin while your other hand is quickly hiding the rabbit.

So now you're wondering what you can do if you've got a bad poker face? That's a common issue, and it's nothing to be ashamed of. It's just a matter of how to approach the situation.

Know the value of your trade-in before you get there, so there's little wiggle room there, and ensure that they know you know. Part of this is going to be meeting his match, so showing off a little knowledge may make them less ready to try anything funny.

From there, be sure you negotiate every aspect of the sale separately. With that, you've got a clear idea of the numbers without room for any liberal interpretation of your financing.

[Display "9: Packing Payments"]

Number nine, packing payments. This is one of the most common scams on the books, so pay attention because you're almost guaranteed to run into it. Again, car dealerships bank a lot on the belief that you're going to be focused on the monthly payment.

What they do is pack the payment and hope you don't notice with services you didn't ask for. This includes things you never want like extended warranties – the kind of thing you usually refuse at Best Buy. As a result, your monthly bill appears harmless; it's only an extra 30 dollars a month. But over 60 months, that adds an extra \$2,000 to what you're paying overall.

There's an easy way to avoid this, and that's to have your financing planned out before you even go to the dealership. You can get quotes from credit unions or banks about loans and walk in armed with knowledge the dealer presumes you don't have. Again, this is all about being smarter than the dealer.

[Display "8: Spot Delivery Scam"]

Number eight, the spot delivery scam. I don't use the word scam lightly. Frankly, there's no other way to phrase it; this is an out and out con. Let's say you make your

selection, you've been careful about financing, and think you got a pretty good deal.

The dealer even lets you drive the car off the lot. You're back home; congratulations, you're the proud owner of a new Mazda.

A few days go by, and your dealership calls you, telling you that you have to bring the car back because your financing fell through. You are in a state of panic. Your whole future has been put in jeopardy.

So you're back at the dealership, they're pressuring you to sign a loan with a higher interest rate than what you had agreed to, a larger payment, sometimes both.

What can you do? They hold your dreams in their hand. There's no way you're walking out of there without dropping a lot more dough than you ever thought possible.

There are occasions where financing can legitimately fall through, so this is tricky. But it can be solved again by arranging your own financing – you take it out of the dealership's hands.

Also, for the record, no car dealership on the up-and-up is going to let you drive off the lot unless they have 100 percent confidence in your financing. And if you know you have bad credit and they let you drive away regardless, it was likely a scam from the start.

[Display "7: Extras"]

Number seven, extras. There's always a bunch of things you don't need they're going to try and throw at you.

You remember that scene in Fargo where William H. Macy is trying to convince a customer that they put an extra layer of protective paint he never asked for? Remember how that worked out for Macy?

[Insert ref3]

Not so well. There's nothing more irritating than a car salesman who just keeps piling in the add-ons you never asked for. And walking them back is always a feat because they act so certain you'd agreed on them.

You've heard of them, rustproofing, undercoating, paint sealers, things the dealer will insist were factory-installed. They weren't, and you don't need nor want them.

Just be firm whenever they're mentioned, and pay close attention to your financing statement and records. Make sure those words never appear in a bill. And if they do,

then you raise hell.

Refuse to sign anything unless they're removed from the payment. Draw red lines through them if you really want to make your point. Never let them push you into things you don't want.

[Display "6: Extended Warranties"]

Number six, I mentioned extended warranties briefly, but I want to get into a little more detail here. Just like those extended warranties they try to throw at you at the checkout at Best Buy, these are never necessary.

New cars come automatically with manufacturer's warranties, and unless you're buying the 2020 equivalent of a Ford Pinto, you are going to know if there's something wrong with the car in one to three years; about how long those warranties last.

Extended warranties only come into effect after those expire. They're handled by a third party. What's worse, if you just look them up in consumer reports, or as people who have purchased them, they rarely cover the actual cost of repairs you may need.

Consumer reports found the median savings on repairs with extended warranties was \$837. The repairs cost at least twice that. So it's really never worth it. You're paying for protection that doesn't even protect.

Fortunately, this is a pretty easy one to avoid. Just like with electronics warranties, you just say no.

[Display "5: Being Rushed"]

This is less a rip off than just a manipulation tactic you need to be wary of. Sometimes the dealership will tell you the deal is only good for a limited time; they are good at sensing uncertainty or a lack of confidence.

This is almost just as good advice for living, but it's especially important here, never let anyone force you into a rash or impulsive decision. I know that's sometimes difficult.

For car dealerships, I would recommend only going on days where you've slept well, you're mentally ready for a debate or an argument, or you just generally feel sharp.

I don't want to make this sound like too much of a battle of wits; you're not dealing with supervillains or James Bond masterminds; they're just salespeople. But this is a situation where I think overpreparation is a good thing.

[Display 4: The Bad Credit Score]

Number four, the bad credit score. This is diabolical. Most dealerships play off the idea that you don't automatically know your credit score. That's a fair assumption. Despite easy online ways to do it, I know plenty of people that never bothered to check.

But if you go in not knowing, expect to get played. All it takes is one simple lie. They'll walk back to their computer, telling you they're just doing a quick credit check. From there, they don't even have to tell you what they see.

So like a bad hand in poker, they look surprised and just tell you that you don't qualify for competitive financing rates. At this point, you're at their mercy. First of all, you feel foolish not checking your credit score before you got there.

Now you're practically thanking them for letting you sign a loan with a ridiculously high-interest rate. Well, I think you've already figured out what to do here. And there's plenty of ways to do it free. We're going to include a link in the description to what I think is the best way to check your credit [do you need me to find one or do you have one in mind? I found a decent article I'll link below].

[Display "3: Low-Balling Trade-In"]

Number three, low-balling your trade-in. More often than not, you're going to a dealership with your old car. Now, in determining what your trade-in is worth, I want to stress the importance of shopping it around long before you ever step into the dealership.

Often, the dealer is just going to spit out the lowest offer he possibly can, just to get a read on whether or not you're a real sucker. Since this is the beginning of the negotiations, it's one of many ways they try to get a read on you.

So your response to their insultingly low offer is going to determine how they deal with you. If you walk in with just blue book knowledge, you're a little better than an amateur.

What you really want is an appraisal from an honest dealer, so shop it around as a seller before you even mention buying.

The more intimately familiar you are with your trade-in, and its value, the less chance the dealer is going to play games with you. So you really want to come at this from a position of power.

[Display "2: Changing Figures in the Lease"]

Number two, changing figures in the lease agreement. This is something I find particularly egregious. Leases are complicated. Have you ever actually carefully read over one? They're also dry as paint.

As a result, dealers absolutely will try to doctor them without you noticing. They'll fudge numbers, and they'll change figures all over the contract and just hope you don't read closely enough before you sign.

And if you don't notice, you only have yourself to blame. This is literal theft going on right under your nose, and the only excuse you have is that you didn't read closely enough?

Unfortunately, we all have to make a concerted effort to do better. I don't care if you need a magnifying glass. Go over every number with a fine-toothed comb.

Which brings me to number one, and I hope everything has prepared you for it.

[Display "1: Hey, They DO Lie"]

Hey, they can, do, and will lie. There's no getting around it. They'll fudge numbers, and they'll intentionally misspeak. They'll leave out details; if the car is used, they might even leave out things that ultimately prove dangerous.

Not saying they're all bad people; they're not. But they do have a job to do, and that includes making the best deal they can for the dealership to whom they're employed and getting the highest commission possible.

Car people are a special kind of people. The best example of a "car person" I can think of is John DeLorean, who let his desire and power corrupt him to the point where he was entrapped in a cocaine deal.

That's the kind of mentality you're dealing with: people that believe the ends justify the means. De Lorean was unfairly entrapped, but his willingness to finance cars through drugs just gives you a sense of the lengths humans will go.

And don't get me wrong, I love cars. I have a _____, it's a great machine. I also love getting a good deal and fair play. And that's non-existent here.

So take everything with a grain of salt, never rush into anything, and always be prepared.

Okay, so just to recap, there are a lot more than ten things car dealerships will do to try and take advantage, but I picked the ones that bug me most.

First, they'll mess with your payments [Display 10, 9, 7, 6]. They'll try just about anything to add on extras, force a warranty on you or just start packing in fees you never expected to see.

Then, there are simple sales tactics I think belong more in the world of con men. [Display 4, 5, 8, 3]

You know, it was a great playwright, David Mamet, that wrote Glengarry Glen Ross, and he also wrote a lot of plays and films about cons. There's a reason they're so inextricably linked.

So it's also important to keep an eye on those contracts, [Display 2] never let them change a word.

And finally, always remember that there's a good chance they're lying on some level [Display 1]. Even if it's just on a small matter, you're likely being told a yarn.

Okay all, I hope this information helped and armed you properly for the next time you find yourself at a car dealership.

Thanks for watching, I hope you enjoyed this video, and if you did, I hope you can smash the like button and subscribe. I aim to post at least once a week, if not more, and I look forward to seeing you next time.

ref1: <https://moneywise.com/a/this-years-sleaziest-professionals>

ref2: "Glengarry Glen Ross" (1992)

New Line Cinema

Lest He Wants to Buy (at 4:40-4:42):

https://www.youtube.com/watch?v=elrnAl6ygeM&ab_channel=BlueInfinityFilm

ref3: "Fargo" (1996)

Grammercy Pictures

"You're a fuckin' liar" (1:44-1:47):

https://www.youtube.com/watch?v=B2LLB9CGfLs&ab_channel=Movieclips

Sources: <https://bettercreditblog.org/ripped-off-car-dealership/>

https://www.salon.com/2014/09/15/5_ways_car_dealerships_are_trying_to_rip_you_off/

<http://www.realcartips.com/carloans/020-how-dealers-make-money-on-car-loans.shtml>

<https://www.businessinsider.com/how-to-avoid-21-car-dealer-scams-tricks-2013-9>

Credit score for description:

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