

March 28, 2006

## **The Great Debate: To Video or Not to Video**

I am often undecided on many of life's great debates. Should Pete Rose be in the Hall of Fame or remain in the Hall of Shame? Is Hall & Oates truly the greatest duo in music history? Is it beneficial to video record F&I transactions? I was originally against video recording F&I transactions for a simplistic reason: Smoking guns! My opinion was, "Unless you are squeaky clean, you don't want to provide the evidence to successfully sue your dealership."

The issue is much more complicated and deserves more than a simplistic opinion. I am starting to believe that video recording has more benefits than obstacles:

**Saves on litigation costs.** Whether you convince the dark-side attorney that the lawsuit is frivolous, or conduct a risk assessment and determine you need to settle rather quickly, you prevent the plaintiff's counsel from racking up billable hours.

**Prevents identity theft.** You'd be surprised how quickly identity thieves leave without the car when they know you are videotaping the transaction.

**Minimizes unpredictable jury verdicts.** Face facts. Surveys about occupations show that consumers trust list car dealers near the bottom, just below lawyers. Jury boxes full of six skeptical citizens will want to believe the consumer, not the car dealer. Some juries assess ridiculous punitive damages. By showing what really happened, juries could make assessments based on the facts, not their emotions.

**Defeats frivolous lawsuits.** Even when the dealer has done nothing improper or illegal, it is often faced with a customer's unreasonable demands. According to the customer, the dealer has made misrepresentations or otherwise acted improperly in handling the sale transaction. By being able to demonstrate both visually and audibly the real facts, you are less likely to be sued and far less likely to be forced to make unwarranted concessions in order to avoid the risk and expense of litigation.

**Assesses litigation risks early.** Dealers that are wary of video-recording usually express concern of the "downside" risk—fear that tapes could be used against them. It's a valid concern. However, if you have a compliance program in place, and face an anomaly, you can quickly settle and get back to selling cars.

**Provides excellent training fodder.** A regular review of a sampling of F&I transactions gives you the "fly on the wall" perspective to know that your managers are following the policies and procedures you have installed. If the managers are not following your orders, this review will tell you so that you can address any deficiencies.

Additionally, the managers are more likely to follow the policies set in place if they know you are watching.

**Monitors compliance efforts.** Video-recording enables you to monitor compliance and to detect those employees that are not serious about meeting your expectations.

This can go a long way toward reducing the number of disputes that arise. Documenting that you have an audit process in place and take corrective action when you uncover issues will help reduce potential penalties or fines under the Federal Sentencing Guidelines. I will expand on these points in a future article in Dealer Magazine. Stay tuned! By the way, no on Pete Rose, yes on Hall & Oates and probably on video recording. That's my story and I'm sticking to it...for now.

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