

Office of Sen. Manny Villar

Rm. 503, Senate of the Philippines, GSIS Financial Center, Pasay City
☎ 552-6601 to 80 loc. 6507, 6508 and 6511 • 📠 552-6734 • www.mannyvillar.com.ph

Press Release

12 September 2010

Villar wants protection for lemon car buyers

Sen. Manny Villar sought the protection of buyers of brand new and second-hand vehicles which are found to be defective and fail to meet standards of safety and performance.

“Owning at least one automobile has become a necessity in the present times and there is a growing need to protect buyer of cars from the fraudulent schemes of lemon motor vehicle dealers,” Villar said.

Villar authored Senate Bill No. 1310 or the Philippine Lemon Law which gives car buyers the right to either demand from a seller or manufacturer a prompt refund of full purchase price or replacement of the vehicle found to be a lemon.

Under the proposed measure, a motor vehicle is deemed a lemon when:

- The motor vehicle was purchased within the Philippines;
- For the first 12 months or 20,000 kilometers, whichever is first, there was a reported failure to repair a defect in the vehicle to the seller or manufacturer;
- The defect of the automobile must substantially impair the use, value or safety of the automobile;
- The automobile has been out of service for the same defect for a cumulative total of 30 days or more or the defect was not corrected within four attempts to repair.

As protection to second-hand car buyers, the bill also mandates the Land Transportation Office to inscribe the ownership certificate with the notation “Lemon buyback” for reacquired lemon vehicles. The seller is also mandated to inform a buyer of the condition of the car including the nature of each defect and repairs made, if any.

The proposed Lemon Law also provides for a civil penalty of up to two times the buyer’s actual damages against the seller who refuses to buyback or replace lemon vehicles.

Non-disclosure of the conditions of a lemon car will be penalized with a fine of P10,000 to P30,000 or imprisonment of not less than two months but not more than one year or both upon discretion of the court.

Villar said acquiring a vehicle is a major investment that a consumer makes and recalled the experience of purchasing two refurbished trucks when he was starting his sand and gravel business in the 70s. Lemon laws were unheard of then and he had to shell out a huge amount of money for repair.

“Road safety and the safety of our loved ones is a paramount concern and our consumer protection laws are not enough to address the problem of substandard vehicles and the need to give value to the people’s hard-earned money so we are pushing for the immediate enactment of this measure,” he said.

Among the recent incidences of car recall in the country include the recall of more than 20 Toyota Prius hybrids to address faulty brakes in February 2010. One hundred fifty-one Toyota Land Cruiser Prado sports utility vehicles sold here since late last year are affected by the global recall of about 21,000 units due to skidding problems encountered in high-speed driving. Also, 77 units of Civic 1.6 VTi-S produced locally from 2001 to 2002 will have to be repaired to prevent airbags from bursting due to overinflation, according to Honda Cars Philippines.

Villar noted that during the 13th Congress, the Senate approved the Lemon Law on third reading and approved the Conference Committee Report but its counterpart version was not considered by the House of Representatives. He added he is hopeful the present Congress will be able to pass a version that will finally become a law.