

MINISTERIAL BRIEFING NOTE

Subject	Ownership Details in the Motor Vehicle Register
Date	11 May 2023
Briefing number	BRI-2750

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
Sarina Pratley	Chief Customer & Services Officer	Section 9(2)(a)		✓

Action taken by Office of the Minister

- ☐ Noted
- ☐ Seen by Minister
- ☐ Agreed
- ☐ Feedback provided
- ☐ Forwarded to
- ☐ Needs change [please specify]
- ☐ Withdrawn
- ☐ Overtaken by events

11 May 2023

Hon Michael Wood – Minister of Transport

Ownership Details in the Motor Vehicle Register

Purpose

1. This briefing provides you with information on the details recorded in the Motor Vehicle Register (MVR) in relation to vehicle ownership.

Background

2. The MVR records the registered person of a vehicle. The registered person is the individual (or corporate body) who is accepting responsibility for a vehicle, including the vehicle's licence and warrant of fitness, as well as any fines and infringements the vehicle may incur.
3. While it is understood that many New Zealanders believe that the MVR records the ownership of vehicles in New Zealand, this is not correct. True legal ownership can only be determined by a sales and purchase agreement or similar documentation.

Change of registered person process

4. The process to register a vehicle and complete a change of registered person transaction is set out in section 243 of the Land Transport Act 1998 (the Act) and clauses 46 to 50 of the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011 (the Regulations).
5. Legislation outlines that both the person selling and person acquiring a motor vehicle must independently notify Waka Kotahi of the sale. Despite this, if a person wishes to assume responsibility for a vehicle by registering it in their name, the change of registered person can be completed without approval from the previous registered person.
6. A person can register a vehicle in their name online or by completing a *Change of registered person - buyer form* (MR13B) at a Waka Kotahi agent (The Automobile Association (AA), NZ Post Vehicle Inspection New Zealand (VINZ) and Vehicle Testing New Zealand (VTNZ)).
7. The MR13B process requires identification in the form of either a NZ Driver Licence or other ID which shows the person's full name, date of birth and signature (e.g. Passport or 18+ card). There is also a \$9.00 administration fee which must be paid at the time of the transaction.
8. As a precaution to avoid mistaken buyer transactions, a letter is sent to the previous registered person to advise that a change of registered person has been processed and that they should contact Waka Kotahi if they are still in possession of the vehicle.
9. A person selling a motor vehicle can also remove a vehicle from their name without action from the person acquiring the vehicle. This will place the vehicle in a temporarily unconfirmed status until the MR13B process is completed.
10. Waka Kotahi has previously considered whether seeking agreement and evidence from both parties when a vehicle changes possession would be a viable option. It was deemed that while

this would improve data integrity, it would also complicate the current process leading to higher administration costs, higher compliance costs for buyers and sellers, and reinforce the public misconception that the MVR records legal ownership. The benefits of the change were not seen to outweigh the added complexity and associated costs.

Registered person disputes and potential for errors to occur

11. Waka Kotahi understands that the current change of registered person process means there is a potential for errors to occur. This can be either by mistake (e.g., incorrect plate number entered) or intentional (e.g., civil dispute).
12. When made aware of situations where vehicles have been registered in a person's name in error, Waka Kotahi relies on its power to correct errors under the Legislation Act 2019.
13. Waka Kotahi is sometimes asked to resolve disputed changes of registered person. In these instances, Waka Kotahi is primarily concerned with who has physical possession of the vehicle and is therefore responsible for the licensing, inspections and vehicle's safety.
14. In an effort to resolve the situation, Waka Kotahi will request proof of possession before amendments to the MVR are made (usually in the form of a photograph of the vehicle, along with a reference number from Waka Kotahi, given by phone or email, to ensure the photograph is current).
15. When repeated changes of registered person are disputed, complainants are advised to seek independent legal advice. It is inappropriate for Waka Kotahi to become involved in these disputes as it has no legal jurisdiction to determine legal title to a vehicle.

Recent media coverage

16. Stuff recently published an article regarding the difficulties experienced by **Section 9(2)(a)** who had his vehicle removed from his name after listing it for sale on Facebook Marketplace.
17. The new registered person then went to a Waka Kotahi agent and reported the registration plates as having been lost, allowing them to obtain a new set.
18. **Section 9(2)(a)** contacted Waka Kotahi on 11 April 2023 to advise that he was still in possession of the vehicle and the original registration plates. **Section 9(2)(a)** was given a reference number and asked to provide photographs of the vehicle to confirm it was still in his possession.
19. Waka Kotahi received the photographs of the vehicle on 11 April 2023 which were reviewed on 14 April 2023, resulting in the reversal the plate change and MR13B. An email was then sent to **Section 9(2)(a)** to confirm that the transactions had been reversed.
20. While the time taken to respond to **Section 9(2)(a)** email was within our current Service Level Agreement (SLA), Waka Kotahi will look at ways this process can be improved in order to remedy the situation sooner.
21. Waka Kotahi also wrote to the person who had completed the MR13B and plate change, instructing them to surrender the plates to an agent. They were also asked to provide photographs of the vehicle in their possession in order to determine the correct plate number.
22. Following recent media interest, Waka Kotahi provided data to the Stuff reporter who authored the recent story. The data showed that during the 11-month period between July 2021 and May

2022, there were 2,224,559 MR13B transactions completed through either a counter agent or the Waka Kotahi website. During the same period, there were 333 interactions (0.015 percent) with customers advising a change of registered person occurred without their permission. A copy of our response is attached as **Appendix A**.

23. The accuracy of this data has since been called into question, and Waka Kotahi is preparing to issue a correction. The Stuff reporter who authored the recent story on this has asked for the number of complaints Waka Kotahi receives on the issue, along with a number of other follow up questions.

Correspondence with Section 9(2)(a)

24. Section 9(2)(a) is a member of the public who believes there is a significant problem with Waka Kotahi MVR records, and the ease at which the registered person can be changed online. He is particularly concerned that the general understanding of the public, and entities such as banks, NZ Police, and finance companies, is that the MVR records the legal ownership of vehicles.
25. Section 9(2)(a) has developed a product which facilitates the creation of a sale and purchase agreement by both parties. His product would provide banks and finance companies with a portal where they can determine ownership of vehicles for their required purposes. The product could also interface with Waka Kotahi systems to update the registered person details held in the MVR.
26. Waka Kotahi first met with Section 9(2)(a) in April 2022 to discuss his product. However, his proposal presents several system security and reputational risks. Since then, Section 9(2)(a) has been in contact with Waka Kotahi (via Ministerial Services) regarding his concerns and the product.
27. Despite repeated communications with Section 9(2)(a) outlining our position that we do not support his contention about the problem, while endeavouring to also explain and reiterate the purpose of the MVR to only record the registered person of a vehicle, he has continued to escalate his point of view, most recently with the Chief Executive.
28. Waka Kotahi is currently consulting with its legal team to ensure that any risks associated with Section 9(2)(a) product are properly articulated and that there are no legal issues which may arise as a result of him launching it without Waka Kotahi endorsement.
29. As we endeavour to close out the issue and communications with Section 9(2)(a), we believe he is likely to escalate his concerns to yourself and also seek to enlist the support of media.

Process changes

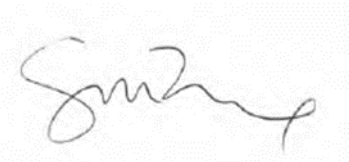
30. Waka Kotahi does not record the number of cases where the registered person is changed without the permission of the previous registered person. However, we believe the proportion of disputed transactions is very low.
31. A breakdown of the number of MR13B transactions completed across the past six years is provided in the table below.

Transaction year	Number of MR13B transactions
2017	959,251
2018	972,185
2019	977,627
2020	960,852
2021	946,472
2022	944,988
2023*	326,654

32. While there are no definitive records to show how many cases exist where the registered person is changed without the permission of the previous registered person, basic analysis can be conducted through keywords from customer contact records:
- Across FY2021, there were approximately 6,000 interactions with customers advising that an MR13B transaction was processed in error or without registered person's permission.
 - Across FY2022, there were approximately 2600 interactions with customers advising that an MR13B transaction was processed in error or without registered person's permission.
33. Without in-depth analysis (manually assessing call audio recordings may be required to provide accurate information), the use of keywords will not be an accurate method to gather the data. Depending on the purpose of the call and primary concern of the caller, call records may be kept under other keywords that do not immediately indicate a disputed transaction.
34. Waka Kotahi plans to review its software for recording customer interactions which would enable for more accurate recording and greater analysis of the prevalence of the issue.
35. Clause 48(1)(g) of the Regulations grants Waka Kotahi, as the Registrar, the ability to require a person registering a vehicle in their name to provide any other information, documents, and evidence related to the motor vehicle or that person.
36. Waka Kotahi could consider requiring additional information from persons completing an MR13B, which may reduce the number of issues which arise. However, as previously advised, this may lead to higher administration costs or reinforce the public misconception that the MVR records legal ownership.
37. Waka Kotahi will continue to investigate how the current change of registered person process could be improved. However, any changes may first require amendments to the Act or the Regulations.

It is recommended that you:

1. **Note** the contents of this briefing



Sarina Pratley

Chief Customer & Services Officer

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Hon Michael Wood, Minister of Transport

Date: 2023

Proactively Released

Appendix A

Response to Stuff

The most recent readily available data on customer complaints and correspondence on this issue covers the 11 month period from July 2021 to May 2022. During that time there were 333 recorded interactions with Waka Kotahi from customers advising of a change of registered person transaction occurring without their permission. For context, this represents 0.015% of the 2,224,559 MR13B ('Change of registered person – buyer') transactions completed during the same period. Put another way, one out of every 6,700 transactions resulted in a complaint of this nature.

As outlined in our earlier response, the Motor Vehicle Register is not a register of ownership or legal title – it is an enforcement register. Being listed as the registered person on the Motor Vehicle Register doesn't give a person legal ownership or legal title to a vehicle – it simply tells the authorities who is currently responsible for paying vehicle licensing fees, parking tickets, and infringement notices for the vehicle.

If the law were to be amended to make the Motor Vehicle Register a register of legal title, the process for buying and selling vehicles would by necessity become much more controlled and regulated – similar to the process for buying or selling a home - which would make it much more cumbersome, time-consuming and costly for people to use.

Waka Kotahi is not aware of any jurisdictions having a legal title register for motor vehicles. Some jurisdictions have more complicated registers, but this generally reflects the need for third-party injury insurance requirements, rather than to prove ownership or legal title.

Another option for reducing the already relatively small number of improper change of registered person transactions would be to require both the vehicle buyer and seller to front up together in person, at the same time and in the same place, to verify the transaction. This would not be a practical or convenient option for most people, particularly when it's common for a buyer in one part of the country to buy a car unseen from a seller in a different part of the country.

As a safeguard for private transactions (i.e. vehicles transferred from one individual to another, not through a licensed motor vehicle dealer), a system has been in place since 2005 where the registered person is notified if a notice of acquisition for a vehicle is received by Waka Kotahi and the registered person for the vehicle hasn't provided us with a notice of disposal. A letter is sent to the registered person alerting them to the notice of acquisition and this gives them an opportunity to notify Waka Kotahi if they believe the transaction is not genuine or has been made in error.