



FRAUD OF THE MONTH

Avoid Buying a Flooded Car

January 2017

Floodwaters caused by hurricanes Harvey and Irma engulfed up to 650,000 cars in Texas and Florida during 2017 according to estimates cited by Consumer Reports. Some of these ruined cars were cleaned-up to mask water damage and are finding their way onto used-car lots around the country. Water damage is not limited to musty smelling seats and carpets, it often extends to hidden but critical electrical systems (for example, air bag sensors, computers and dashboard electronics), lubricant and mechanical systems (engine, transmission, brakes, exhaust) and may not come to light until months or years later when corrosion has taken its toll.

THE “HOOK”

Buying a used car is a good way to save money if you can avoid vehicles that need extensive repairs or are literally rotting from the inside-out due to water damage. While a majority of flooded cars are sold with full disclosure of the damage (best to avoid these) there are also unscrupulous companies and individuals who intentionally hide a car's history through a process called “title washing” and attempt to sell the vehicle as if it never flooded. Experienced used-car buyers know to always take a used vehicle to a trusted mechanic at your own expense (\$100-\$200) prior to buying the vehicle, even if the seller has run it through their service department. A second set of eyes is always better. In addition, buying car history reports from [CARFAX](#) (\$40) and [AutoCheck](#) (\$25) can reveal if the vehicle was crashed, stolen, flooded, or subjected to another calamity that might be camouflaged by a cosmetic repair. But here's the thing: you don't want to spend this money more often than necessary because the costs will eat away at the big savings of buying a solid used car. So what are some of the signs of a flooded car that you can look for right off the bat?

THE LESSON

Paying attention to the following tips from Consumer Reports and BottomLine is your first step to weeding out flood-damaged cars:

- **Take a whiff!** Sit inside the car with the doors closed and the windows rolled-up and see if you can detect a musty smell. The odor of mildew and mold can be harder to hide than the visible signs of flood damage.
- **Inspect the carpets** to see if they show signs of having been waterlogged, such as smelling musty or having caked-on mud. Likewise, brand-new carpets in an older vehicle may be another red flag.
- **Check the seat-mounting screws** to see if there is any evidence that they have been removed. To dry the carpets effectively, the seats must be removed and possibly even replaced.
- **Inspect the lights.** Headlights and taillights are expensive to replace, and a visible water line may still show on the lens or reflector.
- **Inspect the difficult-to-clean places**, such as gaps between panels in the trunk and under the hood. Water lines and debris can appear in these and other hard-to-clean places, such as behind the engine.
- **Pull the seat belts** all the way out and look for a water line.
- **Be especially wary** of any used car being offered with a "lost" title.
- **Pay attention to “the odds”:** Carfax offers a [free flood damage check](#) that shows the "possibility of flood damage" based on flood area history and the car's registered address at the time, whether the vehicle's title shows flood history or not. This is not a fool-proof check, meaning a green-light does not necessarily indicate the car is clean, however a red-light is good reason to look at other vehicles.

Following these tips will help you identify and avoid flooded vehicles before opening your wallet to pay for car history reports and a mechanic's inspection. Do not pass up these last two steps! They will cost you a few hundred dollars but can save you thousands down the road.

Information used to write this article can be found at:

<https://www.consumerreports.org/buying-a-car/beware-the-flood-of-flood-cars/>

<https://www.carfax.com/press/resources/flooded-cars>

<https://bottomlineinc.com/life/buying/how-to-check-out-used-car-avoid-lemons>