

Tom Hudson comments for Automotive News article on identity theft fraud

December 17, 2019 |

According to a recent *Automotive News* article, auto lenders are more aggressively making dealerships buy back deals gone bad, especially when identity fraud is likely involved. In the lender's view, the dealership's finance and insurance office did not do an adequate job of verifying the customer's information. The lender then enforces the "representations and warranties" commonly listed in dealership agreements, which hold the dealership responsible for accurate customer data.

The Federal Trade Commission's Red Flags Rule went into effect in 2011, requiring dealerships to create and maintain a written compliance plan, but according to Tom Hudson, "Compliance levels vary. . . When we ask who the dealership's Red Flags officer is, we frequently get blank stares."

Tom is a founding partner of Hudson Cook, now Of Counsel to the firm, and has practiced consumer financial services law since 1973. He has focused his practice on matters relating to vehicle sales, financing and leasing, and his clients include captive foreign and domestic auto finance companies, major banks and independent finance companies, trade associations and companies who supply services to the auto finance and lease industry.

[Click here](#) to read the article.

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