

## SECTION 2 — COMMERCIAL LIENS ACT



### Module 9 — Authorization: The Foundation of a Repair Lien

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#### Lesson 1 — Authorization: The Foundation of a Repair Lien

Possession alone is not enough for repairers.  
Repairer liens depend on **authorization**.

A lien is valid when:

✓ **The customer authorized the work**

Verbally, in writing, by text, or electronically.

✓ **Authorization was reasonable and informed**

You explained the nature and cost of the work.

✓ **The person who authorized had legal authority**

As covered in Module 2 (owner, lawful possessor, apparent authority).

## ✓ The work performed matched the authorization

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## Lesson 2 — Unauthorized Repairs: A Serious Risk

If repairs go beyond authorization, the lien may be:

- **reduced** (limited to authorized work), or
- **invalidated entirely**

### Examples of unauthorized work:

- Performing repairs not listed in the estimate
- Installing parts the customer did not approve
- Proceeding with major repairs when only diagnostics were authorized
- Adding “shop packages,” fees, or extras without consent

### Best practices:

- ✓ Get approvals in writing
  - ✓ Document changes to estimate
  - ✓ Never continue work after customer withdraws authorization
  - ✓ Use text/email confirmations for clarity
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## Lesson 3 — Diagnostic-Only Liens

Diagnostics create a lien — **even if no repairs follow** — as long as:

- The diagnostic was authorized
- You performed identifiable labour
- You maintained possession

Examples:

- Scan tool diagnostics
- Test drive
- Lift inspection
- Wiring tests
- EV battery isolation testing

## Important:

Diagnostic liens are generally smaller, and therefore easier for customers to pay to retrieve their vehicle.

But they are still fully valid liens.

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## Lesson 4 — Estimate Disputes

Disputes often arise when:

- Customer disagrees with the amount
- Repairs exceed the estimate
- Additional issues were discovered
- Insurance denies a portion of the work

### Key principles:

- ✓ You have a lien **only for authorized amounts**
  - ✓ If the customer disputes the final invoice:
    - You may still hold the vehicle for the **authorized** portion
  - ✓ The CRT (Civil Resolution Tribunal) often resolves these disputes
  - ✓ You cannot inflate charges to increase lien leverage
  - ✓ You must justify costs with proper documentation
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## Lesson 5 — Insurance-Related Scenarios (ICBC & Private Insurers)

Repairers regularly deal with insurers.

Here's what the CLA says in practice:

### ✓ A lien exists even if an insurer is paying

The debtor is still the owner — not the insurer — unless assignment occurs.

### ✓ Authorization cannot come from the insurer alone

Insurer approval  $\neq$  customer authorization  
But insurer approval may be *required* for payment.

### ✓ Supplemental repairs require new authorization

If hidden damage is found, you must contact both:

- Customer
- Insurer

### ✓ Total-loss determinations affect lien strategy

Once written off, the insurer becomes more involved, but the customer may still owe authorized charges until paid.

### ✓ Insurers may request removal of vehicle

You may refuse until paid — unless:

- Police order removal
- Court orders removal
- The insurer is legally recognized as the owner

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## Lesson 6 — EV-Specific Issues for Repair Shops

Electric vehicles introduce new considerations under lien law.

### ✓ High-voltage battery isolation

Diagnostic time needed to make vehicle safe is lien-eligible.

### ✓ Long-term storage for EVs

Battery management requirements justify reasonable storage fees.

### ✓ Vehicles that arrive in thermal-risk condition

Isolation, quarantining, and safety measures can be billed as lien-eligible services.

### ✓ Salvage EVs

Insurers may order movement of EVs to specialist yards — communicate lien status early to avoid disputes.

### ✓ **EV battery modules and packs removed for testing**

Possession of components maintains the lien only if:

- Components remain **on your premises**,
  - Under your **exclusive control**,
  - Properly documented.
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## Lesson 7 — When a Repair Shop *Must* Release a Vehicle

You must release the vehicle if:

### ✓ **Full authorized amount is paid**

Payment must cover:

- Authorized repairs
- Authorized diagnostics
- Reasonable storage

### ✓ **Police issue a lawful release order**

Must comply.

### ✓ **A court or CRT orders release**

Must comply.

### ✓ **You voluntarily surrender possession**

Even accidentally → lien is extinguished.

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## Lesson 8 — When a Repair Shop May Legally Hold a Vehicle

You may retain the vehicle if:

✓ **Authorized work is unpaid**

Even if only partial authorization exists, you retain lien on *that* amount.

✓ **Diagnostics were performed and unpaid**

Lien valid even without repair authorization.

✓ **Storage charges accumulate after work**

If storage charges were clearly communicated beforehand.

✓ **Insurer disputes payment but customer owes authorized amount**

Insurer disagreement  $\neq$  requirement to release.

✓ **Customer demands release but refuses payment**

Lien remains valid.

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## Lesson 9 — Abandoned Vehicles in Repair Shops

This is extremely common and often mishandled.

You may proceed to sale under the CLA if:

- ✓ You have a valid lien
- ✓ Customer has abandoned the vehicle
- ✓ First notice was sent
- ✓ Reasonable time has passed
- ✓ Second Notice (intent to sell) is sent if required
- ✓ You advertise and conduct a proper sale

**Best practice:**

Document attempts to contact, including:

- Text messages
  - Emails
  - Phone calls
  - Mail
  - Contacting insurer, if applicable
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## Lesson 10 — Repairer–Tower Interaction: Who Has Priority?

When both liens exist:

### **If the tower brings the vehicle to the repair shop**

- Tower’s lien generally has **priority**
- Repairer should request lien discharge from tower before beginning repairs

### **If the repairer requests the tow**

- Repairer lien generally has priority, but:  
Tower may claim reasonable towing and storage as part of the lien chain.

### **If the vehicle came from an accident scene**

- Tower’s lien often supersedes repairer unless tower releases voluntarily.

### **Best practice:**

Communicate early.

Document chain of possession.

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## Lesson 12 — Summary

### **Narrator:**

To recap:

- Unauthorized repairs weaken or invalidate liens.

- Diagnostics create valid liens, even without follow-up repairs.
  - Insurer involvement does not override lien rights.
  - EV repairs introduce new lien-eligible safety and diagnostic work.
  - Repairers must release vehicles only when legally required.
  - Abandoned vehicles require careful notice and sale procedures.
  - Tower–repairer interactions require communication and documentation.
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