

Car dealerships are being disrupted by a multi-day outage after cyberattacks on software supplier

June 21 2024, by Wyattte Grantham-Philips



Vehicles sit in a row outside a dealership, June 2, 2024, in Lone Tree, Colo. Car dealerships across North America have faced a major disruption this week. CDK Global, a company that provides software for thousands of auto dealers in the U.S. and Canada, was hit by back-to-back cyberattacks on Wednesday, June 19, 2024. Credit: AP Photo/David Zalubowski, File

Car dealerships across North America have faced major disruptions this week.

CDK Global, a company that provides software for thousands of auto dealers in the U.S. and Canada, was hit by back-to-back cyberattacks on Wednesday. That led to an outage that continued to impact many of their operations on Friday.

For prospective car buyers, that may mean delays at dealerships or vehicle orders written up by hand, with no immediate end in sight. Here's what you need to know.

What is CDK Global?

CDK Global is a major player in the auto sales industry. The company, based just outside of Chicago in Hoffman Estates, Illinois, provides software technology to dealers that helps with day-to-day operations—like facilitating vehicle sales, financing, insurance and repairs.

CDK serves more than 15,000 retail locations across North America, according to the company. Whether all of these locations were impacted by this week's cyberattacks was not immediately clear.

What happened this week?

CDK is "actively investigating a cyber incident" and the company shut down all of its systems out of an abundance of caution, spokesperson Lisa Finney said Wednesday.

CDK "executed extensive testing," consulted third-party experts, and restored its core DMS and Digital Retailing solutions by the afternoon,

Finney said in a prepared statement.

CDK experienced another "cyber incident" Wednesday evening, Finney said in a update the following day. "We remain vigilant in our efforts to reinstate our services and get our dealers back to business as usual as quickly as possible," she said.

When that will be is still unknown. As of Friday morning, a recorded message from CDK on a hotline detailing updates for its customers said "we do not have an estimated time frame for resolution—and therefore our dealer systems will not be available, likely for several days." Customer care support channels also remain unavailable, it said.

The message added that the company was aware of "bad actors" posing as members or affiliates of CDK to try to obtain system access by contacting customers. It urged employers to be cautious of any attempted phishing.

Are impacted dealerships still selling cars?

Several major auto companies—including Stellantis, Ford and BMW—confirmed to The Associated Press Friday that the CDK outage had impacted some of their dealers, but that sales operations continue.

In light of the ongoing situation, a spokesperson for Stellantis said that many dealerships had switched to manual processes to serve customers. That includes writing up orders by hand.

A Ford spokesperson said that the outage may cause "some delays and inconveniences at some dealers and for some customers." However, many Ford and Lincoln customers are still getting sales and service support through alternative routes being used at dealerships.

With many details of the cyberattacks still unclear, customer privacy is also at top of mind—especially with little known about what information may have been compromised this week.

In a statement sent to the AP on Friday, Mike Stanton, president and CEO of the National Automobile Dealers Association said that "dealers are very committed to protecting their customer information and are actively seeking information from CDK to determine the nature and scope of the cyber incident so they can respond appropriately."

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