How to Buy a Car: The Definitive Guide

You may already know that buying a car is one of the most important financial decisions you'll ever make.

But how do you know where to start?

There's often a lot to take on board if you're in the market for a car, and sometimes it can be a little confusing knowing where to start or what option to consider.

In this ultimate guide to buying a car, we're going to help you overcome all of these obstacles (and more).



1. What You Need To Know Before You Look For Your Car

Here's the deal, buying a car is a huge decision - however you choose to do it. Honestly, it's probably the most expensive purchase you'll ever make in your life, second only to your home.

Not to mention that owning a car can open up a world of opportunities in terms of travel and even in your career.

It's important you relax and take your time - there's no rush.

Choosing the right car for your needs the first time can save you a lot of time and money later on.

If you find yourself feeling a little overwhelmed at the prospect, then you'll love our definitive guide to how to buy a car.

So what's coming up?

In this chapter, we'll outline some of the simple steps you can take before you walk onto the forecourt. This will make things a lot easier down the road.

Research will save you time in the long run

The first step when deciding to buy a car is simple: do your research!

Don't worry, we aren't suggesting that you go away and do all this research yourself that would take forever!

That's why we've put this guide together, we're going to take out all the 'fluff' and leave you with actionable advice, by the end you'll have a clear idea of what type of car you need, and how to purchase it.

You'll want to familiarise yourself with the language of the industry, so you aren't completely lost when you're at the dealership.

Now:

Famililarise yourself with industry terminology

Every industry has its own jargon and unique terminology, and the automotive industry is no different. PCP? Hire Purchase? Subprime lending? What about this hot hatch thing?

Our guide will empower you to take control of your purchase and make an informed decision so don't worry, we'll cover some of the terms above a little later on.

Can't wait?

If you're interested in new car buying tips, then check out Chapter 5.

If you want to learn about the types of phrases you're likely to hear at a car auction, then head to Chapter 7.

Check out reviews online

Research the dealership you're considering visiting and see what past customers have to say.

This step is frequently overlooked by car buyers, but you can find a myriad of information by hanging out in forums and checking out online reviews on Google, Trustpilot and Auto Trader.

Social media is a valuable resource too and it can be a great place to spot special offers, upcoming releases and just keep up to date with the industry.

Having a look at what dealerships do on social media can give you a real sense of the personal experience you'll receive during your visit.

The more educated you are before you step foot on the forecourt, the more confident you'll feel in finding the right deal for you.

There's more than one way to obtain a car

Here's the thing, the typical person is going to struggle financially to buy a new or used car outright.

In general, most customers turn to finance to fund their purchase, whether that's a personal loan or finance through a dealership.

Auto Trader predicts all new cars in Britain will be bought using finance within the next 10 years, so looking at your credit score and understanding it can at least put you in a good position if you require credit further down the road.

Other things to consider

Buying a car is very exciting so why not share the experience by taking a friend or family member to the dealership with you.

Finally, if you have a car to trade-in, then make sure you know its guide value, as your existing car can be used as leverage for a healthy deposit if you opt for a finance package.

We'll cover everything you need to know when part exchanging your car in another chapter a little later on.

If you follow these tips, then you'll be a lot more comfortable before you buy your car.

So what's next?

In the next chapter, we'll look at new, nearly new and used cars.

This will help you decide on the best option for you in terms of affordability.

Keep Reading...

Key Takeaway 1

Research is your friend!

The more information you have before starting the buying process, the more confident you'll feel entering a dealership and getting what you need



2. New, Nearly New & Used: What's The Difference?

If you're struggling to wrap your head around the pros and cons of new, nearly new, and used cars, then this chapter is for you. You'll be able to make an informed decision on the best car for your needs.

Let's dive straight in!

So, you can either shoot for a brand new car, not yet registered and never driven on the road, a nearly new car (can sometimes be referred to as pre-registered) or a used model.

Each option boasts its own strengths and weaknesses depending on what you want to get out of your vehicle.

In the table below, you'll find a breakdown of several pros and cons to each option which will help you get driving away a little faster.

New Car

Pros

- You get a minimum three-year full manufacturer warranty some offer up to seven for added peace of mind, in addition to roadside assistance. Service packages may also be included
- More reliable as none of the components have been put under stress and nothing has been replaced yet
- New cars can often be equipped with the best current technology such as Adaptive Cruise Control and full in-car connectivity as gadgets and gizmos change so fast
- Safety not always a given, but in general, the newer the car the safer it is. New features such as Lane Departure Warning and Blind Spot Detection mean that driving has never been safer
- More control over the specification; you can choose everything from the colour and engine to all the smaller details, such as in-car media
- Cars built today need to meet more stringent environmental rules and legislation, so new cars will be more efficient and economical
- Manufacturers are always striving to offer the best finance deals on new cars, in order to give customers the best chance of driving away in something they love

Cons

There are exceptions to the rule but in general, buying new is the most expensive of the three options; essentially you're paying for the fact nobody has owned the car before you

If you want to order your new car to fit your exact specifications, you will have to wait longer to get behind the wheel

Registration fees and 1st year road fund licence (tax) are applicable when registering a new car

Nearly New Car

Pros

- Immediately available, meaning you don't have to wait around for weeks or potentially months
- Get an attractive car that's almost brand new with a sizeable discount. The car will have already been registered to a keeper before yourself, so some depreciation will have already been accounted for by them, hence why it's cheaper
- If dealers want to get rid of something that was perhaps ordered in the wrong spec or gearbox, you may be able to pick up a great deal

Cons

Somewhat restricted by choice and you may have to compromise on factors such as engine type, interior features or colour

Warranty starts as soon as the car is registered, not when you take the keys

Used Car

Pros

- Affordability is definitely one of the most attractive reasons to buy a used car
- You're spoilt for choice with a huge range of used cars on the market
- Cars bought through a manufacturer's pre-owned program are subject to thorough inspection

Cons

On some cars, there may be missing receipts or an incomplete service history $\,$

If you choose to buy your used car privately, there could be issues post-purchase if anything goes wrong and the seller is hard to contact/lose details

Wear and tear – you don't know how well the car was looked after. Visual aspects will be easier to see, but factors such as how hard the engine has been pushed will not be as apparent

So, what's the deal?

To sum up, if you're happy to wait, able to splash the cash and want to customise your ride to your own specifications, then a new car is definitely the best option.

However, you'll have to be prepared to bear the brunt of some harsh depreciation pretty much immediately after you've driven your new pride and joy off the forecourt.

Of course, it's always nice to keep up with the latest trends if you can afford to do so, but that's the thing – when it comes to the latest and greatest of anything it's soon to be overshadowed by the next shiny new model. So you could end up paying a hefty chunk of change for that new car smell!

But here's the kicker:

Manufacturers are always trying to help customers get the best finance deals for new cars, so you may find finance to be a more affordable way to get your foot in the door (literally!) with a new car.

With both nearly new and used options, you'll get your car for noticeably less cost, but you lose a lot of the control.

Essentially, you get what you're given, you can't choose your colour, and you can't play around with specifications of a specific car. You have to really search for what you want.

So really, it depends on your own personal needs and budget, there's no right or wrong. We hope you enjoyed Chapter 2 and now find yourself armed with a little more information, so you can confidently make the right choice for your circumstances.

What's coming up next?

Well, now that you know whether to go for a new, nearly new or used car, you probably want to have a think about what type of car you want – which one will suit your everyday needs and lifestyle as a whole.

See you in Chapter 3!

Key Takeaway 2

There's no right or wrong at this point - this all depends on what flexibility you're after, your budget and how willing you are to compromise

3. Finding The Best Car For Your Needs

Do you need a 7 seater luxury vehicle to keep the whole family happy? What about a compact city car, or have you always fancied a 4x4 for off-road adventures?

By the end of this chapter, you'll know just the right car for your lifestyle.

By this point, you've decided whether you want a new, nearly new or used car – but there are just a few other details left to consider, such as fuel type, choice of transmission and what car will work for your lifestyle.

Let's break it down:

• Fuel Efficiency

Diesel was originally promoted as a more environmentally friendly option as it is a 'lean burn' fuel.

This means less fuel and more air is needed to generate burn, so generally, you will get more MPG from a diesel engine than you would a petrol. As a result, people who cover a lot of miles may find diesel the best option.

The problem with diesel engines is that they produce harmful NOx gases.

To help reduce the number of diesel cars on the road, and thereby reduce this harmful pollution, the government has introduced higher tax bands for many diesel cars, so this is worth bearing in mind if you are looking to buy a diesel.

However, car manufacturers are making changes to make diesel engines more efficient and adding AdBlue to neutralise the harmful gases, so a newer diesel car may still be the best choice if you regularly cover a lot of motorway miles.

That being said, petrol cars are quickly catching up with diesels and are becoming as economical as their diesel counterparts.

What's more, petrol engines are more suited to shorter journeys so are ideal if you have a short commute or spend the majority of your time driving in urban environments.

So what about those alternative fuel sources?

Hybrid and plug-in hybrid cars are growing in popularity as they offer more economical motoring day-to-day, and they still have a conventional fuel tank, so are ideal if you do need to make longer journeys.

Fully electric cars can be expensive to purchase (for now), but offer incredible value-for-money motoring when on the go. However, the current available range can limit your journey.

As a result of the limitations of electric and hybrid cars some manufacturers are looking at using hydrogen to power cars.

Hydrogen can be pumped into the vehicle just like petrol or diesel, but the only emission is water vapour, so it is environmentally friendly. The problem for the time being is that they are also expensive to buy, while the UK infrastructure doesn't really cater to hydrogen-powered cars.

The key thing is most cars available for sale will either use petrol or diesel.

However, there are more environmentally friendly choices out there, and alternative fuels could be powering your car in the future.

Is diesel or petrol cheaper to insure?

Insurance is generally more expensive for diesel vehicles.

This is thanks in part to higher average accident repair costs. In the unfortunate event that the car is stolen, insurers also need to think about the cost of replacement, which again, tends to be higher for diesel cars.

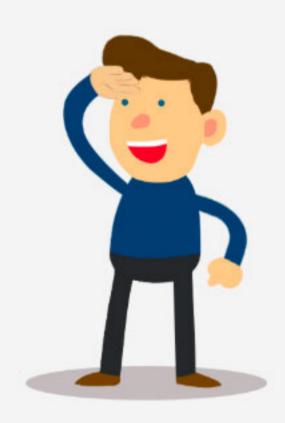
However, diesel engines are more efficient which means cheaper running costs in the long term.

Historically, diesel cars have also tended to have slightly more value when you come to sell on, which may not have any bearing on future valuations, however you may ultimately save more money with a diesel, depending on how you use your car, and if or when you intend to sell.

Which is faster - diesel or petrol?

Generally, petrol cars offer better acceleration and speed capabilities. That is because petrol is more refined than diesel and has a tendency to burn quicker resulting in a faster combustion rate.

Also, its torque curve is almost linear, allowing for smoother acceleration. Petrol engines also produce less noise than their diesel counterparts.



Transmission

There are fewer manual cars on our roads than ever before, but some purists do still favour manual transmission. That is because some people prefer the extra control and input available when driving a manual.

Although

Automatic gearboxes have been around for many years, and advancements in technology continue to be made to make them more effective. As a result, many people prefer automatics simply because they're more convenient.

For example, managing an automatic car in crawling traffic is much easier than constantly finding your car's biting point every few yards in a manual.

Bear in mind fuel economy can differ between manual and automatic versions of the same car. Emissions may also vary, which could affect your road tax (VED) if buying a pre-April 2017 car.

Find the right type of car for your personal circumstances

In terms of the type of car you'll want, this depends on your lifestyle, needs and what you (or your family) want to get out of your purchase.

Unless you change your car every year, it's likely you're going to have this for a long time, so the most important thing is just that it makes your life easier.

For example, if you're young and career driven, then you may find that a sleek and trendy hatchback is just what you need. Something that's ideal for city driving and doesn't inflict heavy costs for fuel or emissions.

You can even take this a step further and upgrade to a sporty hot hatch, adding more performance and more thrills to the run-of-the-mill hatchback, but still not breaking the bank, either.

SUVs, on the other hand, are currently the choice for those with families (much like estate cars used to be), as they are larger and offer more room in the boot, which you'll need for those breaks away with the kids.

What about 4x4s?

Suitable for off-road adventures, these unique vehicles are designed to handle tough terrain with ease – whilst being a good bit of fun in the process!

So, once you've figured out what you'll be using your car for, the rest will fall into place.

Well, that's it for Chapter 3!

Chapter 4 is all about getting the most value out of your existing car (if you have one), through something known as part exchange.

See you in the next chapter.

Key Takeaway 3

There's no need to stress about the different types of cars on the market. All you need to do is think about your own needs, and it'll start to make sense. If you have any questions, don't hesitate to ask an expert at your dealership

4. How To Get More Value From Your Existing Car

Already have an existing car? You can part exchange your current vehicle so it can be used as a deposit towards your next motor, whether you're buying outright or looking to take out a finance agreement.

This chapter will take you through the entire process, step-by-step.

Essentially, car part exchange is simply swapping your current car for another. You can then cover the difference by either putting up the remaining cash, or using the money as a deposit towards your new motor.

If the car you're buying is cheaper than your existing vehicle, then a part exchange is still possible. Your car will cover the cost of the one you're buying, and the dealership will give you the difference in monetary form.

It's an incredibly convenient way to get a car at an affordable price, and far easier than selling privately to raise funds for a new vehicle.

What's the bottom line?

It's great that you can just head to a dealership and save some money on your next purchase. However, in order to ensure you get the most value from your car, there are a few things you need to do first.

 $Carrying \ out \ research \ beforehand \ will \ save \ you \ a \ lot \ of \ time \ and \ certainly \ money.$



Know how much your car is worth

There's nothing more disheartening than standing in a dealership, expecting to get a fantastic price for your car, only to find out it isn't really worth the metal it's made from.

You can save yourself the heartbreak by finding out a rough valuation of your outgoing pride and joy before you step foot on the forecourt.

How?

Many dealerships have online tools where you can quickly and easily get a free car valuation. You'll want to focus only on trade-in valuations rather than private sales as these aren't an accurate representation of what you can achieve from a dealer.

It'll also help if you can factor in any damage which will affect the car's value.

It's worth keeping in mind, that if you're willing to put in a bit more effort (and it can be a headache), you may be able to get more money if you sell privately, but you'll have to handle every aspect of the sale yourself.

This brings us to our next point:

Consider getting your car repaired if there's any damage

It's not just the desirability, age and mileage of the car that will affect its part exchange value; as with anything second-hand, condition is crucial.

No matter how insignificant the damage may seem at first, any bumps, scrapes or scratches will inevitably have an impact on what the dealer pays you. It may be worthwhile to work out the cost of any repairs before you seek out a dealer, and have the work carried out.

That being said, you can always get a free car valuation online and it won't really hurt to have this done before getting the work attended to. Then you can weigh up the cost of the repairs against the current value of the car and make an informed decision.

Some TLC can also go a long way to making your car more attractive, so give it a thorough wash and vacuum the inside before taking it to the dealership. Booking your car in for a final service can also help to bump up its value, while having as many months left on the MOT as possible will also be at your benefit.

Essentially, you want to make sure you're making the most of what you have.

Get all your paperwork in order

Having all the relevant paperwork (including your logbook), along with a complete service history and any invoices of the work carried out will make your car that much more attractive to dealers. This may result in the dealer offering you a higher price for your car.

They'll be able to clearly see how well everything has been looked after and, critically, it will make it an easier sell when someone else buys it.

Have the confidence to make a bold offer

If you've taken your time and done your research, you'll have the confidence to know the true value of your car.

Never feel pressured to accept an offer

Have the confidence to walk away if you're not happy with the price – you are under no obligation to accept the valuation.

There could be a number of reasons why a dealer is struggling to meet at the price you want, perhaps they've had difficulty selling similar models previously.

However ultimately, if you're confident negotiating, know the real value of your car and that it has been looked after, you shouldn't have too much trouble arriving at a deal you're happy with.

It's worth mentioning that the main goal of part exchange isn't necessarily to get the most money for your old car, but to reduce the difference between your old vehicle and what you'll pay for your new car as much as possible.

Keeping this in mind will help you stay focussed during negotiations.

It gets better:

In Chapter 5, we're aiming to be as transparent as possible and let you in on some industry trade secrets that most dealers won't tell you.

Keep reading...

Key Takeaway 4

Having your car in the best possible condition will always bring in the most value, and don't be shy to negotiate the price for your vehicle

5. How To Get A Great Deal On Your New Car

In Chapter 5, we lift the lid on a few industry trade secrets. If you're looking for a great deal on your next purchase, then you'll love this short section!

These quick tips are presented in a bite-sized format for your reading pleasure.

'Ex demo cars (cars used for test drives) can bag you a substantial saving, you'll also lose your VAT on them. Worth enquiring about at your dealership.'

'As dealerships prepare for the next quarter, the outgoing offers may become more flexible. Time your visit.' 'Waiting until the next version of a car is released can ensure you get a good deal on the outgoing model.'

Demonstrator cars are pretty much the display pieces that may be used by staff or for test drives. Yes, they may clock up some mileage before they are sold, but they are often specified with all the top gizmos and features, as their purpose was to show off the car to its best level.

And you can save £1,000s off such a car.

Demonstrator cars belong to the dealership, they have been taxed for the road and have been driven under the supervision of a salesman, so have been well looked after.



If you can find a demonstrator model you really want, you could potentially pick up a great deal!

You can often find such cars under the term

Nearly New Cars.

Really, the other two tips make a lot of sense but they just aren't the sort of things customers are thinking about as they are usually focussed on the finer details of the sale.

Keeping all this in mind will put you a step ahead of the average customer the next time you step foot on the forecourt.

Is PCP right for me?

You're likely to love Personal Contract Purchase if you're after a flexible finance deal. You can swap your car every two or three years, and you don't have to stress about ownership or the full brunt of depreciation; that's something you can decide on at the end of your contract.

However, you'll likely need a pretty good credit score (more on that later) to be approved for this type of deal. If you're sure you want to own the vehicle at the end then this likely isn't the option for you, because you'll have to pay a GMFV figure, which will be into the thousands.

You do have plenty of time to plan for this though and make sure you have your savings ready at the end of your term, with most customers going for PCP typically choosing a 36-month contract.

Don't forget, you also have the flexibility to change the car early if you want.

either. Sure, it's probably the least flexible deal because you can only either walk away or take out a new contract, but if this works for you then you'll be more than happy with PCH.

Oh, there are also no interest costs with Personal Contract Hire!

To start with, you'll also need a cashbased initial rental (deposit), which is made up of one or several monthly payments.

This plus the monthly rental make up the Profile.

So, for example, where the initial rental is five monthly payments worth, followed by 35 subsequent monthly payments, the Profile would be 5 + 35, creating a 36-month contract.

One drawback to PCH is that you will typically need a cash deposit (initial rental) at the start of your contract, as you usually can't leverage part exchange.

Motor Loan

This is a type of personal loan, ideal if you have a good credit score, like the idea of an unrestricted mileage allowance and know you want to own the car at the end of your agreement.

Motor Loans are arranged between you and the finance company and when you are approved and everything is confirmed, the money will go straight to the dealer.

With an unsecured loan such as this, you own the car from day one, but you still own the loan.

Why's my credit score important?

You may have noticed we've talked about the importance of having a good credit score in this section.

What's the deal?

Ultimately, a good credit score will open you up to the best deals and interest rates, because your credit profile is one method potential lenders use to assess your credit worthiness, and how much of a risk you are to lend to.

Companies such as Experian keep a record of your credit information, and this is accessed by lenders whenever you apply for finance of any kind.

Your credit profile will contain things such as any details of missed or late payments, defaults and even prior bankruptcies. If a lender notices that you have had a history of missed payments, for example, then they may be less likely to approve you for credit.

Car finance is an area that boasts a lot of flexibility for customers in different kinds of situations. With certain deals such as 0% car finance, you need a really good credit score to get approved.

With other deals, such as no deposit car finance, you may not necessarily need a good credit score, but it will definitely help.

Now:

This isn't meant to scare you; even if you have a bad credit score, it doesn't mean that finance is out of reach for you.

Some dealers specialise in providing bad credit car finance and will always work hard to get you driving away in a car you love.

You'll just have to accept that, in these circumstances, your rate of interest will be noticeably higher than a typical deal.

If you are concerned about your credit score and are worried that by applying for finance you may dent your score further, then look out for companies who carry out soft searches in the first instance.

Soft credit searches, also known as quotation searches, don't have the same impact on your credit score as a full application as they leave a footprint on your file that only you can see, this ensures potential lenders won't be put off.

Finally, just because you have a bad credit score that doesn't mean it's going to stay that way forever. You can always improve your score and open yourself up to the best deals later on.

We hope you've enjoyed Chapter 6 of our car buying guide. If it's made finance a little simpler and less intimidating for you, then we've done our job with this section!

Chapter 7 is all about auctions. Regardless of whether or not you're an auction veteran or you've never been to one before, we're sure you'll take something from it.

Key Takeaway 6

Even if you don't have stellar credit, finance could be an option for you. Don't let your credit score put you off from making an application – just be realistic

7. The Truth About Car Auctions

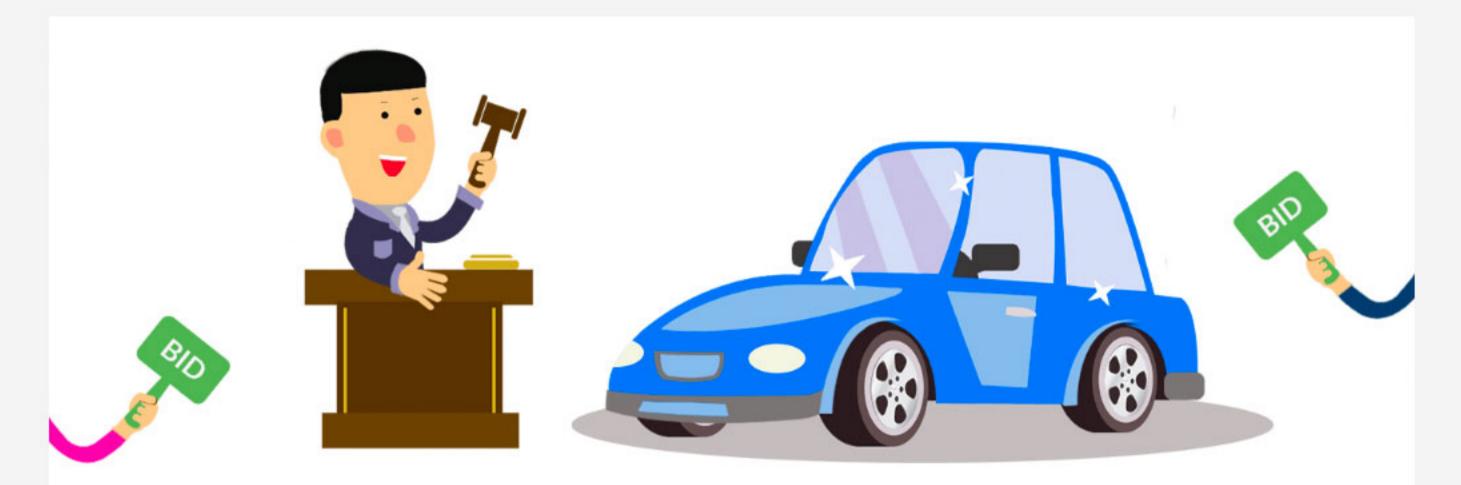
If you can't resist the thrill of an auction, then you may find car auctions to be the ideal place to pick up your next motor.

If you've never been to a motor auction before, then this chapter will address all your concerns.

Not to be confused with online auction sites such as eBay, live car auctions can and will play out extremely fast, so if you blink you can miss your chance!

That being said, it can be an exciting environment for any bargain hunters looking for their next car.

Regardless of whether or not you're a seasoned auction veteran or you've never attended one before, we're here to make the process a little easier for you.



Firstly:

Get used to the environment

This doesn't just apply to car auctions but every live auction is a fast paced atmosphere and, if you're totally unfamiliar with it, you may find the experience a little overwhelming.

It might be a good idea to attend one first just for fun - you'll pick things up without even realising – and ideally, you'll want to go to the auction where you'll ultimately start bidding. This way, you'll get used to the environment you'll be a part of when the time comes.

When things really kick off, you'll hopefully have a game plan and be much more prepared than if you were to turn up as a complete novice.

Get to know auction terminology

Communication at an auction is everything, and more often than not, it's not even done using your mouth! It's imperative you familiarise yourself with some auction slang before you go, so you're not completely lost in a sea of seasoned professionals.

When it comes to car auctions, it's likely that you'll see or hear the term 'as is' throughout, and this just means that the car is being sold as seen and the buyer takes all responsibility for any existing problems.

This can protect the auction house and also result in a lower price for the successful bidder.

The 'hammer price' is just that, the final price acknowledged by the auctioneer before the gavel slams down. As a buyer, it's important you bear in mind that the hammer price will not be the total amount you'll pay, as you'll have to pay commission to the auction house on top of that.

The buyer's premium typically runs around 10% on top of the sale price, plus VAT, however, a lot of auction houses will have set fees depending on the final selling price.

For example, if the car sells for between £100 and £3,000, then the fees may be £150 plus VAT. For cars that sell between £3,000 and £8,000, the fees may be £300 plus VAT.

However, this can vary from auction to auction so make sure you understand the fees you'll pay before placing your bid.

That way, you'll avoid any nasty surprises.

Vehicles are also sold under the common law maxim of 'Caveat emptor', which translates as buyer beware.

Arrive early

It's always a good idea to get to the auction ahead of time. This will give you plenty of time to pick up a catalogue, browse available lots and decide on your budget.

Auctions can work themselves into quite a frenzy fairly quickly so you'll benefit from being as relaxed as possible beforehand.

Inspect everything very carefully

As we mentioned earlier, lots are frequently sold 'as is' so you're expected to know what you're buying, make sure you inspect any vehicle you're interested in closely to be sure you're happy with it.

Also, never be afraid to ask questions.

You may be heading to the auction with a clear idea of what you want, but it's a good idea to pick out a few things that catch your eye, so you have a choice.

Set your budget and stick to it

It's easy to think that you won't get carried away, but once you're there, it's quite easy to get lost in all the excitement, and the next thing you know, you're caught up in a bidding frenzy!

Remember, the hammer price doesn't represent the total amount you'll pay, there are fees too.

Also, when you become the new car's owner, it's down to you to make sure the car is taxed, insured and fit to drive on the road, so you'll want to factor these costs into your bidding as well.

Is buying a car at auction right for me?

Car auctions are fun and are a great place to pick up a bargain if you know what you want and are willing to be patient.

Now:

You need to bear in mind, if you're looking to buy a car at auction, you're always going to be surrounded by seasoned professionals, some of whom may visit car auctions for a living.

So, if you're going to play the game seriously, and want to stand any chance of competing with the veterans then you're going to have to really educate yourself before you seriously start bidding.

Dealerships will often use auctions as an outlet to get rid of problem cars too.

Here's the deal:

You obviously have less control over your situation because you can only choose from what's available. As long as you're aware of the additional fees, including tax and insurance, you'll have a great time checking out car auctions.

You'll definitely learn a lot too, and it can be a great place to meet enthusiasts and collectors if you're passionate about your cars.

That's all there is to Chapter 7.

We hope you picked up some tips you can use the next time you're out bargain hunting.

So, hopefully, you've found a car you're really happy with at this point. If you want to get the most out of your new motor for years to come, then you'll need to consider the importance of regular service and maintenance intervals.

Chapter 8 is all about how to look after your car.

Key Takeaway 7

It's important that you stick to a sensible budget when attending an auction, they'll be other cars, so don't feel that you only have one chance to get something you'll love

8. Looking After Your Car

In this chapter, we dive a little deeper into how to properly care for your new pride and joy including scheduling regular servicing intervals and routine maintenance. Find out more below.

If you've got this far in the guide then that means that you've got a car, (hopefully one you love!) and you're after some tips for keeping it in great shape.

Let's dive straight in:

1

Get your MOT organised

You're required by law to get an MOT for your vehicle by either the third anniversary of its registration or the anniversary of its last MOT if it's over 3 years old. Don't get caught out.

If your MOT is invalid, you're risking points on your licence and a heavy fine.

2

What is the difference between an MOT and a service?

Firstly, you're required by law to have a valid MOT. An MOT test ensures that your car is safe to drive on the road.

Although you're not obligated to have your car serviced regularly, it can save you a lot of time (and ultimately money) in the long run, because potential problems can be fixed before they become more serious and costly.

Having a full service history can also add value to your car when you come to part exchange or sell it privately as it shows that your car has been well looked after, making it more desirable to a dealership or private buyer.

3

Read and understand your manufacturer service warranty

Cars within their manufacturer warranty should follow a service schedule set out by that manufacturer. Manufacturers rigorously test their parts and know when they should be checked and replaced to keep your car running well.

If you ignore your service schedule, you could run the risk of invalidating your warranty which would leave you liable for potentially costly repairs.

4

Get your car serviced at a franchised dealership

Having your car serviced at a franchised dealership ensures a higher quality of work as service technicians are manufacturer-trained and know your car inside and out.

Furthermore, a franchised dealership will use genuine parts or parts approved by your manufacturer. Genuine parts will last longer and be more efficient as they are specifically designed for your car, plus it will keep your manufacturer warranty intact.

Having a full manufacturer service history can add even more value to your car when you decide to sell or part exchange it as it shows buyers that your car has been maintained by the manufacturer using genuine parts.

5

Service plans for new or used cars

When you buy a new car, you may be offered a manufacturer service plan with your purchase.

A service plan not only helps you to have your new car serviced at the correct intervals set out by your manufacturer, but also allows you to spread the cost of your servicing throughout the year, helping you to budget for the cost of servicing your car.

If you buy a used car, you can take out a service plan with the dealership which also ensures that only genuine parts are used in any repairs.

We hope you liked our takeaway tips for looking after your car.

The final section of our guide is a bonus chapter that includes some frequently asked questions about car finance and car servicing respectively.

We also have exclusive interviews with industry experts.

We hope you enjoy their unique insights.

Key Takeaway 8

Taking your car for regular servicing will ensure you catch any problems early and save you a potentially costly repair down the road

9. Bonus Interviews & Q&As

In this bonus chapter, you'll discover video answers to some common questions about servicing and car finance, as well as exclusive interviews from industry experts.

Let's get started!

Car Servicing Q&As





Car Finance Q&As





We hope you found the information provided in our short videos helpful.

Coming up:

To finish this guide, we thought it'd be fun to put a few questions to some industry experts and leave you with a few gold nuggets of advice to help you on your car buying journey. Particularly if you're after finance.

We hope you enjoy their unique insights.

Interviews with industry experts

Disclaimer: The opinions expressed reflect those of the individual contributors, and do not necessarily reflect those of Stoneacre Motor Group.

Up first, we have some unique insights from Stoneacre's Group Business Manager, David Teatum, and Head of Digital, Mark Zavagno.



David Teatum

Question:

There are a lot of options out there for customers seeking car finance - why is it so important to make sure the dealership you choose for finance is FCA registered and how can customers protect themselves?

David Teatum:

"The FCA (Financial Conduct Authority) is the regulator of the finance industry in the UK, and it is their job to ensure that customers are treated fairly."

"Every reputable motor dealer should be registered with the FCA and customers can check this by going to the FCA website and searching for the company's name."

"You can type in FCA Register to any search engine or go to register.fca.org.uk."

"As long as you see them on there, then this is good as it means they have to abide by the rules and regulations set out by the FCA themselves."

"Basically, regulation means protection. If the dealership isn't on the FCA register, then you will have very limited buying options and very little protection."

"When you have found the car you want, it is a good idea to check the dealership's finance pages on their website, and this should explain all the options available to you on the different payment options and loan types on offer."

you may have about your options."

"Do your research in advance - the more prepared you are, the easier the buying experience will be."

"It is also a good idea to have an online chat with someone from the company to ask any additional questions



Mark Zavagno

Question:

With the innovation of e-sign and more focus being put on digital innovations within the finance sector, how do you see the industry evolving going forward?

Mark Zavagno:

"I think it's moved forward across three key areas:"

"1.) Quotation credit searches empowers the customer to find personalised finance quotes without it affecting their credit score."

"Previously, customers would be punished if they went shopping for credit, as a credit footprint can have a negative effect on their scoring."

"2.) E-signature empowers the customer to sign up securely anywhere in the world, so they can take their time to digest exactly what they are committing to."

"The customer can also execute the documentation within an FCA registered premises, so that gives them the opportunity to ask questions."

"Plus, the document can be electronically stored, so it reduces the risk of them losing important documents."

"It's also supported across multiple devices, so the process is aligned to general modern living."

"3.) Identity verification has also evolved; first it was passports and paper, then electronic data."

"Now, as technology accelerates, it's going digital. It takes away multi-dealership visits, improves time, efficiency and reduces friction."



David Teatum

Question:

For someone young and inexperienced, finance can be a bit of a minefield! Can you expand on the differences between a secured loan vs. an unsecured loan?

David Teatum:

"Secured loans are usually Hire Purchase agreements."

"The lender legally owns the car from day one, so it is not your property. As you don't own the car until you have paid the loan off, the lender will want to protect themselves and minimise any risk they have."

"For example, if you fall behind on the payments, they can take the car from you - as it is legally their property - and sell it."

"They will use the money from the sale of the car to pay off what you owe. This reduces the risk to the lender as the loan is 'secured' against the car and they know that if the worst happens, they will get money back."

"Unsecured loans are often referred to as 'personal loans"."

"The difference here is that you own the car from day one – not the lender - and the lender has no entitlement to repossess the car as it is not their property."

"Normally, it is a bit more difficult to get an unsecured loan as you need a better credit score than you would for a secured loan. If you do fall into arrears, they still have options to get back what you owe, but they cannot repossess in the same way as a secured loan."



Mark Zavagno

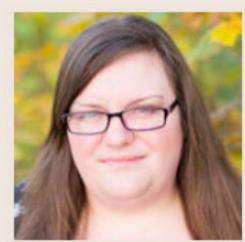
Question:

With regards to the different finance products available to help customers get behind the wheel, such as PCP and Motor Loan, are we seeing customer buying behaviour change in any way that's surprising to you? Or is it very much business as usual in terms of what people want?

Mark Zavagno:

"Personal Contract Purchase (PCP) and Personal Contract Hire (PCH) are popular with millennials, they seem comfortable not owning or have no aspirations to own the car."

"They want low monthly payments and want the ability to change frequently without having to worry about negative equity."



Emma Drew

Emma Drew is an award-winning personal finance blogger in the UK, and she wants to leave you with some short and sweet tips for looking after your credit score. You can check out her latest exploits on her fantastic blog, EmmaDrew.info.

Question:

What are some tips you'd leave people with if they were looking to improve their credit score?

Emma Drew:

"1.) Regularly check your credit score using online checkers such as ClearScore or Experian."

"2.) Pay off your credit card payments regularly each month."

"3.) Spend under 50% of your credit limit every month to build reliability."



Paul Hadley

Paul Hadley is the founder and editor of Motor Verso, an extremely popular and influential UK automotive blog. We asked Paul about buying a new car on finance, and what he personally looks for in a car finance deal.

Question:

In your opinion, when are some of the cases where buying a new car on finance would make sense? Obviously, people's needs are different depending on their circumstances but what would you personally look for in a car finance deal?

Paul Hadley:

"There are many different ways of purchasing a car. Which gives a great amount of flexibility to customers when buying as each has their own financial situation and requirements from the purchase."

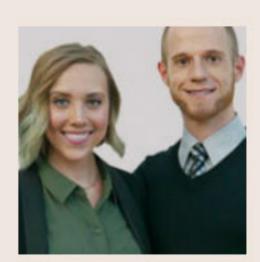
"Financing a new car can work out to be a very positive thing if a brand new car is a must. You will be able to get a reliable car, with a manufacturer warranty and if you pick wisely, lower running costs overall when you include car tax, fuel and maintenance."

"I think many people find car finance quite confusing. When looking at car finance I would always make sure the duration of the terms isn't compromised and fully meets your needs. If you know you want to keep this car for

the next 3 years, make sure it covers the right duration."

"Very importantly, make sure you know and understand all the costs of the finance deal for that duration. This

way you know exactly what you are spending and can make a calculated decision."



Vanessa & Jacob

We thought it would be great to include a view from our friends across the pond to see if they had any other interesting insights. Vanessa & Jacob, of the extremely popular CashCowCouple.com personal finance blog in the USA, have kindly shared with us the number one thing they look for when buying a car.

Question:

What's the number one thing you look for in a car? Is it a great deal, convenience, a smooth drive, economically friendly or maybe something else entirely?

Vanessa & Jacob:

"When Jacob and I got married, we owned two cars. We decided to sell our car that was worth more money and share the remaining car. We used the funds from the car sale to jump-start our ambitious financial goals. For the first 3 years of our marriage, Jacob and I drove this car everywhere, including on a few cross country road trips home to see family."

"While there were many reasons we kept and were grateful for this older vehicle, in 2016 we upgraded to a 2015 Mitsubishi Mirage for £4,779.15 and sold our current car for £1,137.47, which was £151.72 more than Jacob had paid for it 6 years prior."

"Before we purchased our Mirage, our #1 criterion for buying a new car was the price. However, to evaluate whether a car was a good price or not, we realized we needed to create a framework for evaluating potential vehicles. Then, once we found a car that met our criteria and was the right price, we would know we had found our car. The framework was as follows:"

"1.) Used - vehicles depreciate as soon as you drive them off the dealership car park. When you buy a used car it allows someone else to eat that depreciation."

"Because we shopped around extensively and found the Mirage for £4,779.15, there was little to lose on our purchase. Much like our previous car, our new Mirage should last several years. When we are ready to sell it, it won't be worth £4,779.15, but because it is a used car, it should depreciate slowly."

"2.) Reliable – make sure to drive the car before you buy it and don't be afraid to ask any questions if something feels strange. The seller of the vehicle should give straightforward answers and be knowledgeable about the vehicle's history and qualities. Be ready to walk away if there are any red flags."

"When we bought our Mirage, it was in near perfect condition and had 8,700 miles. It had been rear-ended and was professionally repaired by the Mitsubishi dealer. The seller sent us photos of the wreck and the repair invoice. After thoroughly checking everything out, we bought it because we had all the information about the car and it looked and drove like new."

"3.) Good fuel economy – at its most basic level, a car's purpose is to get you from point A to point B, so fuel economy is an important consideration."

"While we want to drive a car we like, we don't place a huge emphasis on how our car looks. We mostly care that it gets us where we need to go with minimal expense. Therefore, buying a car with great economy was a high priority. Our 2015 Mirage has a nice 3-cylinder engine, and we average close to 40 MPG in mixed driving."

Key Takeaway 9

Choosing a dealership which is FCA registered is vital in not only opening the doors to flexible finance options, but also in protecting your rights as a customer