

Guide to buying a car



Where to start when thinking of buying a car? There are many options and considerations and it's worth taking the time to research properly before buying. From choosing the right type of car to where to buy, what to look for during a test drive and ways to finance your decision, this guide offers tips on buying with confidence.

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Choosing the right type of car

Before you start looking for the right car, consider what type of car will suit your personal circumstances best.

Here are some questions to help get you started.

?	Will you need to transport more than four passengers?
?	Are you looking for a budget or luxury model?
?	Do you need child-friendly safety features?
?	Would a three door or five door model suit you best?
?	Is it likely that you'll need extra boot space?
?	Do you do a lot of motorway driving?
?	Will you be driving and parking in the city?
?	Do you have bikes or other sports equipment to transport?
?	Will you be driving off-road or in the countryside?
?	Do you or any of your passengers have mobility requirements?
?	Will you want to invest in extras such as an in-car computer or cruise control?

?	What kind of engine size do you want?
?	Should it be environmentally friendly?
?	How long do you intend to keep the car for?

Popular car models

The most popular cars bought in 2013 were:

1. Ford Fiesta (114 thousand new registrations)
2. Ford Focus (88 thousand new registrations)
3. Vauxhall Corsa (84 thousand new registrations)
4. Vauxhall Astra (68 thousand new registrations)
5. Volkswagen Golf (64 thousand new registrations)

Source: gov.uk

New or Used?

Around three times as many more used cars than new cars are bought in the UK each year. One of the reasons used cars are popular is that they won't depreciate in value as quickly as new cars, as the biggest depreciation occurs in the first few years of the car's life.

In recent years the car industry has added a third option: nearly new cars. These vehicles often originate from showroom fleets or pre-registered stock. Typically they have a few thousand miles on the clock and are often sold at around 30% less than the original list price.

Features of new, nearly new and used cars

Type	Features	Things to consider
New	Wide choice. More advanced technology. Can offer improved fuel efficiency. You can choose exact specifications. New cars don't need an MOT test in first three years. A warranty is included.	New cars can lose between 50-60% of their value in the first three years.
Nearly New	Almost all of the benefits of a brand new car at a discounted price. Less depreciation than a new car May still have manufacturer's warranty.	May have less choice available Potential lower sale value if it's already had one registered owner.
Used	Wide choice. Depreciation in value may be less of a concern. Costs less than a new model. Option to buy privately.	Warranty may have expired. If older than 3 years an annual MOT is required. A used car may be more of a risk as you can't be sure of its history.

Some car models are known to have recurring issues, and though some of these can be very minor, it can be helpful to know about them in advance. Reputable sources such as [Which?](#) and [Auto Trader](#) provide information on such issues.

Before Buying

Whether considering a new, nearly new, or used car, there are a few things that you might want to think about before making a commitment.

Independent car reviews can be a helpful way to narrow down your decision, and test driving a few models can also be worthwhile. It's also still a good idea to do your research and shop around for the best deal.

The time of year you choose to purchase your new car can also make a difference to the price you pay. Car shopping during quieter times of year, or at the end of each quarter could potentially offer savings.

Buying a used car

In 2012 [7.1 million used cars were sold in the UK, compared to 2 million new cars](#). If you're thinking about buying a used car, there are some considerations that will have a big impact on how much you pay including:

- Make / model
- Age
- Mileage
- Service history



When it comes to finding used cars, there are two main choices: dealerships or private sellers. You may choose to visit a local dealership or you might start your search with websites such as [Auto Trader](#), [Parkers](#) and [Motors](#).

One of the benefits of buying a used car is that sellers and dealers are often fairly flexible on price. Generally, the more research you've done the better position you'll be in to haggle. Any knowledge you have of the model's value, the car's history or repairs that are needed could help you gain a strong negotiating position.

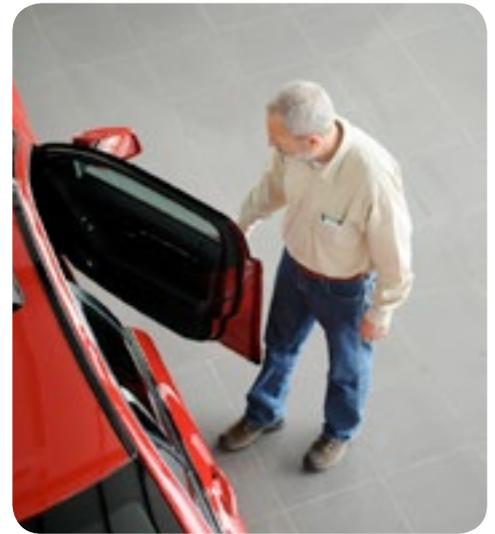
You might want to consider:

- Using a motor industry publication such as Honest John or Parkers' valuation tool to check the market rate for the model of car you're purchasing.
- Looking at the car's logbook, tax disc and MOT and service history and checking these details match those you've been given by the seller.

- Using the DVLA's [vehicle enquiry service](#) to see what details they hold on the car.
- Checking the car's vehicle identification number to make sure it matches the details in the logbook.
- Using the government's MOT [history check tool](#) to make sure everything is as you expected.
- Viewing and test driving a car before committing to buying it.

By law, you need to complete the necessary paperwork. If the car has a V5C form, sections 6, 8 and 10 must be filled in by you and the seller, and the form should be sent off to the DVLA. The DVLA advises against buying vehicles that don't have a V5C.

If the used car you've chosen doesn't come with a manufacturer's warranty, you do have the option of buying an independent warranty. Used car warranties can offer cover against necessary repairs such as mechanical breakdowns.



The Citizens Advice Bureau's: [Check it don't regret it](#) campaign offers further advice on what to check for when buying a used car.

Buying online

Many car buyers are discovering that there are big discounts available on cars when you order them online from a specialist dealership or even direct from the manufacturer. The main reason it's cheaper to buy cars online is that you aren't contributing to dealership overheads such as staffing and showrooms.

Websites include [DrivetheDeal](#) and [AutoeBid](#). Once you've chosen your car, your choice is sent to the most competitive dealership that the online broker (the website that you're buying from) can find. The dealership then contacts you and takes over the transaction.

This means that you may be able to test drive the car if the dealership is close enough to visit. See the section below on how important a test drive is and what to look for.

It's also possible to buy used cars online. This can be beneficial for buyers as it means you don't have to limit yourself to finding your ideal car within your geographical area. Online used car dealerships offer a huge amount of choice. They will sometimes deliver to anywhere in the country, though often you may need to pick the car up yourself.



It's reassuring to know you have the same consumer rights when you buy online as you do elsewhere. The [Sale of Goods Act](#) and [Consumer Contracts \(Information, Cancellation and Additional Charges\)](#)

[Regulations](#) are in place to protect you when you buy a car online. The Consumer Contracts Regulations,

which replaced the Distance Selling Regulations on 13th June 2014, are particularly helpful when buying a car as they give you the right to a minimum 14 day cooling off period after you receive it.

During this period you can change your mind at any point, a benefit you're not usually entitled to when you buy offline. However, these regulations don't apply when dealing with private sellers.

Diesel, petrol, electric or hybrid

Traditionally car buyers had to choose between diesel or petrol. Nowadays, many car manufacturers also offer electric or hybrid options.

Here are a few things you might like to consider when choosing between petrol and diesel:

- Diesel models are often more expensive to buy than petrol models, but they can offer a greater fuel economy for drivers who cover 20-30,000 miles or more per year.
- Petrol cars are generally around 10% cheaper to purchase.
- Diesel models can retain value better than their petrol equivalents.
- Manufacturers are now producing quieter diesel engines.

If you're unsure about fuel costs and whether petrol or diesel would be more economical for you, Which? [fuel cost calculator](#) and [petrol vs. diesel](#) guide could help with your decision.

Electric and hybrid

Electric cars are the most environmentally friendly option. They produce no CO2 emissions as part of the driving process, though a small amount of CO2 is produced by the electricity needed to charge them.

In terms of running costs, they are free to tax, often avoid congestion charges and require no fuel. The electricity required to charge your car is estimated to cost as little as a few pence per mile. However, there are downsides:

- Purchasing an electric car may be more expensive than purchasing an equivalent model in petrol or diesel.
- There are fewer options available.
- Electric cars are often limited in speed.



- You will need to have access to a recharge point.
- Recharging can take as long as 6-8 hours, though there are some faster options available.

Source: efficientenergysaving.co.uk

These downsides often lead consumers to look at hybrid models instead. Popular hybrids include the Vauxhall Ampera, the Toyota Prius or the Audi A8 Hybrid.

Hybrid cars work by combining traditional fuel (either petrol or diesel) with an electric motor. They still offer advantages such as lower road tax, fewer CO2 emissions and possible congestion charge exemption, but with the added benefit of more models to choose from.

Manual VS automatic

Many car models come in a choice of manual or automatic gear sticks. Put simply, the choice here is whether you want to be in total control of the gears while you're driving, or whether you want the car to do some of the work for you. However, there are some other important considerations to bear in mind:



- Automatic gear sticks vary; many offer some manual features too.
- Cars with manual gear sticks can be slightly cheaper, as the gears are generally easier to fix and look after.
- Automatic vehicles can use more fuel than manual cars as they require more power to run.

Source: perrys.co.uk

What else could you consider?

Age: how old a car is can have an impact on the features it offers, the running costs, and how reliable it is.

Mileage: the number of miles a car has done in its lifetime is likely to have an impact on the condition it's in. However, the mileage of a vehicle doesn't always give the full story.

For example, cars that have a higher mileage have often racked up a good proportion of those miles driving on the motorway. Motorway driving can produce less wear and tear on the clutch and brakes, so in some cases these cars could be in better condition than cars with lower mileage that have been driven mainly in the city.

Engine size: the size of engine a car is fitted with will determine how powerful it is. This is measured by determining how many litres the cylinders within an engine can hold. The bigger the capacity, the more powerful the engine.

Bigger engines tend to come with better performance, but smaller engines have plenty of benefits too. They can:

- Produce less CO2 emissions, which make them less expensive to tax.
- Fall into lower insurance groups.
- As a general rule use less fuel.

Miles Per Gallon (MPG): this is the standard metric used to show how many miles a car will travel per gallon of fuel. The higher the MPG, the further it will drive on the same amount of fuel. Choosing a car that offers good MPG will save you money on fuel over time.

Cost of repairs and parts: different makes and models of car tend to vary in terms of the cost of repairs and replacement parts. Researching these costs before committing to a particular car might save you money over time.

Test driving

Where possible, take a test drive before buying any car. A thorough test drive can help you to decide whether or not the car you're considering is right for you, and can give you a chance to discover any issues it might have.



Things to look for during a test drive

You don't have to be an expert on cars to uncover key information during a test drive. During the drive, it can be helpful to take notice of the following things:

- Is the car comfortable to drive?
- Does the car handle well on different types of road?
- Can you see any signs of rust or damage?
- Will passengers have enough space in the back seat?
- Is the engine quiet and smooth?
- Are there any rattles coming from the suspension?
- Is the braking time good?
- Are all the gears easy to find and engage?
- Is the bite point too high on the clutch?
- Are you able to easily adjust the driver's seat and steering wheel?
- Do all electronics work as they should?

Ways to finance a car purchase

Taking out a loan

There are a number of different options available for taking out a loan. If you are buying from a dealership, you may be offered finance direct from them. Alternatively, arranging credit from a bank or building society separately from your car purchase could allow you to shop around and find a loan with the most favourable terms.

A [loan calculator](#) can help you work out how much you'll pay in total for your loan, taking into consideration the amount, interest and fees.

For more information see our [guide to personal loans](#).

Hire Purchase

When you choose to buy a car through hire purchase, you will arrange credit through the car dealership. This will usually involve paying a deposit for the car followed by a series of regular monthly instalments. You won't actually own the car until you make the final hire purchase payment.

Leasing your car

When you lease a car, you're essentially agreeing to a long term rental where you pay a monthly fee in exchange for exclusive use of a car for a fixed period. When your lease is over, you can simply hand back the car and, if you like, upgrade to a new model.

It's worth remembering, however, that when your lease ends you won't be able to sell the car. You may also need to pay for some repairs and services during the lease. Some leasing options include a [maintenance package](#) which can cover repairs and other wear and tear.

Buying outright

If you are able to save the full purchase amount in advance, buying outright is another option to consider.

Trade in

Trading in your old car against a new one is a popular option. You are effectively part-exchanging your existing vehicle for the new one. The dealership will take the value of your old car off the price of your new one.

One of the biggest benefits to trading in your old car when you buy a new one is the convenience. Despite this, some experts suggest that trading in can be less profitable for you as the buyer than selling your old car separately to a dedicated used car dealership or private buyer.

Scrap your old car

Thanks to the EU's [End of Life Vehicles Directive](#), it's now free to scrap a car at an authorised treatment facility (ATF). Most scrap merchants will pay you for the metal they are able to recover when they scrap your car.

When scrapping a car, you may want to consider the following:

- Before you take your car to a registered ATF, consider the possibility of selling individual parts. If some parts of your car are still in good condition this method can maximise what you earn from it.
- The Environmental Agency website can help you find registered scrap dealers and ATFs.
- Make sure you receive a Certificate of Destruction for your scrapped car. This will prevent you from being liable for road tax and other charges in the future.





Additional costs

When you're buying a car it can be easy to get caught up in the purchase price and not consider the ongoing running costs. Running costs tend to vary widely depending on which type of car you choose.

Insurance

Depending on your age, claim history, and other factors such as no-claim discount, car insurance can be one of the biggest expenses associated with owning a car. Choosing a vehicle from a low insurance group can help to reduce it.

Road Tax

Different types of cars have different tax rates. Check the [GOV.UK tax rates table](#) for a full and up-to-date list. Generally, the tax rate will be lower for models with low CO2 emissions.

MOTs

If your car is more than three years old, it will need an MOT test every year. MOT tests themselves have standard fees: the maximum cost which test centres can charge [can be found on the government website](#).

Repair costs

Not all car repairs are equal. In fact, repairs can cost as much as 37 times more for luxury cars than budget models.

MOTs explained

All car owners have a responsibility to ensure their vehicles are in roadworthy condition. MOT tests should be carried out on a yearly basis and check that cars meet road safety and environmental standards.

- Most vehicles don't need to be put through an MOT test for the first time until they are three years old.
- MOT tests can only be carried out by approved MOT test centres.
- If your car does not have a valid MOT pass certificate, you could be prosecuted for driving it on a public road.

Source: [gov.uk](https://www.gov.uk)

When the time comes to buy your car, take your time, don't get rushed into a sale, and remember to haggle over the price.

- 1) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265293/vls-q3-2013.pdf
- 2) <http://www.which.co.uk/cars/choosing-a-car/buying-a-car/buying-a-new-car/should-i-buy-a-pre-registered-car/>
- 3) <http://www.whatcar.com/car-advice/buying/depreciation/3485071/>
- 4) <http://www.which.co.uk/>
- 5), 7) <http://www.autotrader.co.uk/>
- 6) http://www.british-car-auctions.co.uk/Global/UK/latest_news/BCA_Used_Car_Market_Report_2013_v2a.pdf
- 8) <http://www.parkers.co.uk/>
- 9) <http://www.motors.co.uk/>
- 10) <https://www.gov.uk/get-vehicle-information-from-dvla>
- 11) <https://www.gov.uk/check-mot-history-vehicle>
- 12) http://www.citizensadvice.org.uk/index/campaigns/current_campaigns/consumer_campaigns/usedcars.htm
- 13) <http://www.drivethedeal.com/>
- 14) <http://www.autoebid.com/>
- 15) <http://sogahub.tradingstandards.gov.uk/explained>
- 16) <http://www.which.co.uk/consumer-rights/regulation/consumer-contracts-regulations>
- 17) <http://www.which.co.uk/cars/driving/driver-tools/petrol-vs-diesel/petrol-and-diesel-fuel-costs/>
- 18) <http://www.which.co.uk/cars/driving/driver-tools/petrol-vs-diesel/>
- 19) <http://www.efficientenergysaving.co.uk/electric-car-facts.html>
- 20) <http://www.perrys.co.uk/car-news/buyers-guides/manual-or-automatic-transmission/>
- 21) http://www.sainsburysbank.co.uk/borrowing/bor_borrowing_zone.shtml#tab-7500---15000
- 22) <http://www.whatcar.com/car-leasing/car-leasing-guide/maintenance-packages.php>
- 23) http://ec.europa.eu/environment/waste/elv_index.htm
- 24) <https://www.gov.uk/vehicle-tax-rate-tables>
- 25) <https://www.gov.uk/getting-an-mot/mot-test-fees>
- 26) <https://www.gov.uk/getting-an-mot>

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