

The right way to buy a car

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The right way to buy a car

By Jason Hulott

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Your no-nonsense guide to getting the right car at the right price.

Buying a car can be quite daunting. With so many makes, models and finance options available and other decisions, it can be difficult to find the deal that leaves you 100% happy.

However, the following pointers should help you make an educated decision when buying a new or used car.

Where to buy?

There are number of ways to buy a new or used car - a car dealership isn't your only option. For example, there are independent dealers, importers, brokers, auction, online, car supermarkets or privately.

Here we weigh up the pros and cons of each of them:

Car and Independent Dealers

Using a dealer to buy your new or used car can be convenient as you can have a test drive and the salesman should be more versed in the car details as compared to say buying a car from a broker, or by buying a car online.

Dealers will offer deals such as free insurance or low-rate finance. January - traditionally a very slow month for car dealers who offer extra specials incentives to try and get your custom - is also a time where you may be able to snap up a bargain.

Most new cars come with a two or three warranty (most with breakdown cover included as well for the same period).

If you have a car to part exchange, the car dealer will normally take it as part of a deposit, which means it is off your hands without the hassle of trying to sell it privately. However, do bear in mind that you will not get full the market value for it.

The right way to buy a car

However, the downside of buying from a car dealership is that their prices can be higher than elsewhere as they need to cover the cost of the showroom and staff.

And, if there aren't any finance incentives at the dealership, choosing their finance scheme will be, in most cases, expensive.

Importers

If you buy a car in from Europe, you do stand to save money, though in some cases, UK deals are increasingly competitive. Lower prices over here and exchange rate fluctuations mean imports aren't quite the outstanding bargains they used to be.

Brokers

A broker is an intermediary who negotiates with a dealer on your behalf to get you a cut-price car. Car brokers use their bulk -buying power to secure discounts which they then pass on to the customer (after they've taken their cut of course!)

Auction

You can be sure of snapping up a bargain if you buy at auction, but it is best if you visit a few auctions before taking the plunge. Visit and learn the ropes or take a knowledgeable friend. With Auctions, you will get more legal protection at an auction than buying privately.

Car Supermarkets

Car Supermarkets offer a huge choice at competitive prices. However, there is little room for negotiation and you may get a low bid for your part-exchange and limited pre-sales checks.

Some car supermarkets also charge you extra for a warranty (if the maker's cover has expired), a history check and road tax.

Online

This process is all carried out online. You can visit a manufacturer's website or a specialist online car broker such as JamJar. Everything can be completed online – finding and choosing of the car, the specification options, finance options, delivery details, and, in some cases even part exchanges.

The disadvantage to this service that you can not test drive the car.

Privately

Buying privately is a risky way to get a car as you have very little legal protection should anything go wrong. Many dealers masquerade as private sellers to duck their legal responsibilities, so always check that the log book details match up.

Always take someone who knows about cars along with you and always view any private car in broad daylight when any dinks, dents and damage are visible!

Financing your new car

The right way to buy a car

Once you've decided where to buy your next car, you need to think about finance.

Very few of us buy a car with cash, and borrowing money is the only option. However, there are so many different types of finance to choose from, it can be difficult knowing which is the right one for you.

Hire Purchase (HP)

HP is where a deposit is followed by regular monthly repayment. However, the car is owned by the finance company until the loan is repaid. So, if you fail to maintain the finance payments you could lose the vehicle.

Hire Purchase is fairly easy to obtain and widely available, and with it you also get additional protection under the Consumer Credit Act

Personal Loan (as opposed to Manufacturer's finance)

A personal loan is probably the cheapest way to buy a new or used car as personal loan providers tend to offer lower interest rates than traditional other car financing methods. Also, as you are classed as a 'cash purchaser' (because you already have the finance in place) you are in a strong position to negotiate a good deal.

As the loan will not be secured on the vehicle, the car is owned outright by you.

Manufacturers schemes

These are offered by manufacturers, dealers, finance companies and some banks for the purchase of new or nearly new cars.

More often than not, you will be paying interest at a higher interest rate than that offered on a personal loan.

With manufacturers schemes, you can part exchange your own vehicle and may also need to make a deposit. You will then have a finance agreement for the remainder of the cost of the vehicle. As with HP, if you do fail to keep up the repayments on the vehicle, it may be repossessed.

Personal Contract Purchase (PCP)

PCP schemes available from car dealers as well as banks. You pay a small deposit and a set amount of monthly payments. When the contract ends, you have three options:

- you can hand the car back and owe nothing,
- you can pay the balance (which, in any contract you sign, will be stated as the Minimum Guaranteed Future Value) and keep the car,
- you can trade it in for another, and begin a new PCP.

PCPs are best for people who like a new car every two or three years. If you are looking to keep a car long term, then personal or hire-purchase loans will be cheaper.

By now you should have a good idea of where to buy your car from and how to finance your purchase. Here are...

The right way to buy a car

Ten top tips on what to do when buying ...

.... from a car dealer or broker

- Do your research first - get a good idea of what car you want and how much you are prepared for pay for it and stick to the price
- When the salesman asks you what your budget is, always come in at least £500 under what you are really prepared to pay. Salesmen will always add £500 on top of your budget because by the time you are sitting down and talking about figures with him or her, it is obvious you really want the car and will find a way to finance the `extra' £500
- If you are part exchanging your vehicle, check out it's value somewhere like Parkers Price guide. While you will never get 100% market value on your p/x from a dealer, at least you have a rough figure as to what it should be.
- Always be confident, polite, but firm. You are likely to get a better deal if you come across as someone who won't be messed about with!
- Consider buying an ex-demo. These are normally no older than three months' old, but you can expect to get up to 15% off the new price!

..... privately

- Always take someone with you to give a second opinion - two pairs of eyes are better than one and go during broad daylight so that any scrapes or dents will show up
- Always meet the seller at their house so you can check they are genuine and that all documentation tallies up
- Test drive the car and listen out for any noises, as well to check that there are no `blind spots' and that the car feels comfortable
- If you feel the car is right for you, arrange to have an independent survey carried out by one of the motoring organisations. This will highlight any flaws or potential problems.
- Always be confident, polite, but firm. You are likely to get a better deal if you come across as someone who won't be messed about with!

an automotive resource guide for those looking to buy, insure , sell or in fact do all

most anything with a car. Sign up to our free car insurance course, send an email to motorcarloans@getresponse.com

How To Know When Not To Buy A Used Car!

By "Dr. Drew Henry"

If you are looking to save money by buying a used car, it can be a very viable tactic. However, even though you are on a tight budget, buying a used car should not be immediately decided upon and should take a lot of consideration. Why? This is to avoid throwing your hard earned money away.

Below are some pointers that may help you decide when to buy or not to buy a used car:

The right way to buy a car

1. You should consider your budget.

If the reason why you choose to purchase a used car is because of your budget, then it should be the same reason why you should be careful and meticulous in choosing a used car. Thus, if the car needs a lot of maintenance, repairs, and other modifications, it is best not to buy that used car (or else you lose the benefits of buying a used car).

2. You should be wary of buying used cars from owners that do not have complete and pertinent documents.

This could mean a lot of negative things and you are the only one who will be at the losing end. Documents are crucial especially if the car is second hand. It is the only solid guarantee that you can get hold of when buying used cars. If this is the case, then, you might as well not pursue the deal.

3. If the you are not comfortable after test-driving the car, then it is best not to buy it.

There are instances wherein some people tend to opt for used cars because of the model of the car being sold. It is their dream car and there is no other way they can purchase them but to buy them second hand. However, if you are not comfortable with the car after test-driving it, then it would be better not to pursue the deal, even if it means the world to you to have that car.

The bottom line is that buying used cars should never be your sole alternative if you cannot afford to buy new ones. This means that you should value the process of choosing a used car like what you would do when buying a new car. In the end, it is your money that will be put to risk. Thus, it is extremely important to consider all the factors in order to have the best buy ever. Happy hunting!

Dr. Drew Henry maintains a network of auto-related sites, including

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and

. For more auto-related

articles and resources, visit his sites.

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