

“Lifting the Lid on the Secret Truth that the motor trade just don’t want you to know...”

FREE REPORT

Revealing The Secret Truth About Cars

**Shocking Insights That’ll Keep You Street-wise
And Never Fooled When Buying A Used Car
(Saving You £11,022 and much much more)**

Darren Wagstaff

Introduction

Don't Even Think About Getting A Used Car For Your Family Until You Read This Shocking Report...

Buying a car can seem an absolute nightmare.

- What car will be the best for me, do I buy new or second hand?
- What's going to the job the best?
- How do I know if it's affordable to run and maintain?
- What if I end up with a banger or a complete death-trap?
- Where's the best and safest way to buy a car, what do I avoid?
- Do I get a manual, automatic, a petrol car or a diesel?
- How do I pay? What gives me the best long term savings and legal cover?

It's like a mine field out there and most people just enter into it blindly without having a clue, regretting their decision a few months later when they run into a whole host of problems with their car breaking down, flashing lights on the dashboard and more pain from being without a car to get them to work, get the kids to school and take their mates out for a cruise.

There are no guarantees in life that cover you against every unforeseen eventuality... but there are a number of things you can do to reduce the headaches to a short minor irritation at worst.

I've drawn this report up from my 20 years of experience of running a few car dealerships, a couple of service departments and answering 1,000's of peoples problems and issues in buying, selling and maintaining their cars.

Obviously this is all opinion... but it is opinion based on decades of experience and insider knowledge of how the industry and the whole car buying process works.

I've had many people turn to me for advice over the years both from private individuals and others with-in the motor industry.

This report may be shocking to you... and may upset many trade professionals because of it's candid straight and honest approach.

But I feel that it's time to give back and share what I've come to know from decades of experience. So I give this report to you to help you in the mine field of car buying.

This is a first in a series of reports that will be made available to you completely free of charge.

I hope you enjoy and find it helpful.

Darren Wagstaff

www.carsavingsuk.com

Table Of Contents

Introduction	2
Don't buy a used car until you've read this report.....	2
Table Of Contents	3
Chapter 1: Do I Buy New or Used?	4
Perhaps it is... perhaps it isn't...but how much does it cost you	4
Chapter 2: So Where Do I Buy From.....	6
A Franchised dealer.....	6
Beware dealer groups	7
Independent Car Dealers	7
Does size really matter?	8
Facilities to make life easy - danger	9
Car Supermarkets	10
Auctions	11
Private Sale	12
Chapter 3: Diesel or Petrol... what's best?	14
Diesel - the good.....	14
Petrol - the good.....	14
Good & Bad & Ugly	15
Chapter 4: Automatic or Manual Cars: which is safer.....	17
Less stress with automatics	17
More control with manual	17
Ultimately	18
Chapter 5: Cash or Finance - what're my options?.....	19
Paying cash	19
Car finance.....	19
Hire purchase	20
Personal Loans	21
Car Leasing.....	21
Personal Contract Plans.....	21
What other factors should you be aware of?	22
Chapter 6: What more do you want to know?.....	23
Getting all your Questions answered	24
Working on giving back - high value information	24
Let me know what information would help you now	24

Chapter 1: Do I Buy New or Used?

Obviously A New Car's Problem Free Isn't it?

Perhaps it is... perhaps it isn't... but how much does it cost you...

- The first thing you need to do is to honestly ask yourself whether you actually need to buy a new car or not?

Depreciation is the single biggest cost in running a car. With a new car the biggest drop comes in the first 12 months. You pay VAT on all new cars... you lose this element the minute you drive from the showroom. So on a new £17,000 car you lose £2,531 the first minute you drive it down the road. The rest of its biggest depreciation continues for the next 12 months. A new Focus 1.6TDCi Zetec 5dr is £17,222 when new but within 14 months the same car is available for £8,100... shocking!! That's a loss of £9,122!! And a 39 month old model is only £6,200. A loss of £11,022. That's a whopping 64% loss... for what? A registration plates that only LOOKS new for a few months... and then it's dated.

- What can you get for your money? For a 6 month, 12 month or 36 month second hand car you'd [buy a better equipped](#), more powerful version of the model. You'd more than likely be able to buy a completely different class of vehicle instead. What could you do with that extra £11,022?
- You can read a bit more on the subject by [clicking here](#).
- One thing you might be thinking is you're safer with a new car... you get a lot less problems... And if you do you get it fixed for free. Now that is a very valid point. But 1,000's of people have problems with brand new cars every month. It's a piece of machinery at the end of the day and pieces of machinery do and can go wrong... That's why you get a warranty cover. With new cars you get a 3 year warranty included as standard. But is it really worth £11,022?
- Even if the car you're looking at is three years old or more, you can get it protected by a warranty. Many places can upgrade you to a 12 month, 24 month warranty and some will go one step further (better than new) and give you a warranty for life. Imagine... all your cares and worries covered for the lifetime of ownership of your car. You can even take out your own policy with an independent provider. You can find out more about warranties by [clicking here](#).
- If you've got the budget and don't mind about the depreciation. You're just determined to buy new, you need to haggle hard. Use the What Car? Off-set one dealer against another for exactly the same new car (unlike used cars, you'll get the same new car you specify whatever the dealership you go to - unless it's an import that is). Find out what kind of discounts you should be able to get in advance and that'll offset some of those painful depreciation losses you'll get further on down the road.
- Special offers and deals are readily available on new cars such as interest-free finance... which is quite a successful way to convince people new is a good option. But does it save you £11,022 in interest charges? You work it out. Unless it's on religious grounds do not let these offers blind your decision making.
- One thing you'll be certain of with a new car is that it will be exactly 'what it says on the tin', the specification you asked for, the colour you wanted, admittedly not available in days but definitely delivered on time (unless the salesman dropped a job threatening clanger).

You can find more helpful information by visiting www.carsavingsuk.com/free-advice.asp

- New car options for business users... Now if you're a business user or opting out of your company car scheme there's an option that don't cost you thousands by going new... It's called Contract Hire or Leasing...You get an agreement with an agreed fixed monthly payments for a set time of 1, 2, 3 or 4 years. At the end of this period you return the car in good condition with the mileage you estimated you'd cover with-out penalty. You can then strike a deal for another new or nearly new car. As a business you can off-set all the costs against your tax bill... But again, you would get a much better car for your monthly budget if it was 6 months, 12 months or 24 months old. For more information about this option [click here](#) or visit www.carsavingsuk.com/leasing.asp

Chapter 2: So Where Do I Buy From?

Do You Buy From A Car Dealer, Private or an Auction?

The Truth Behind The Mask - The Good, The Bad and the downright Dangerous

There are many options for you to buy your next car and each and everyone of them have their good points and bad points. If you understand these good points, bad points and the downright dangers you can decide which option best suits you with confidence?

Did you know that more than **six million used cars change hands every year**? Where can you go for your next car? Do you want a great service or a rock bottom bargain? Or do you want both?

Where you choose to buy a car from all depends on what's important to you. So I've reviewed various options below...

A Franchised Dealer

This is a dealer that sells new and used cars and specialises in a particular make, such as being a [Ford Dealer](#), [Vauxhall Dealer](#), [BMW Dealer](#), etc... As these dealers specialise in a particular manufacturer's brand they attract people wanting that particular make of car.

They [specialise in servicing](#) this particular make and are governed by stringent guidelines put down by the manufacturer for them to operate as a Franchisee.

All this bundled together usually gives you access to a quality outfit. It is one of the most expensive options available for sourcing for a used car, but you shouldn't let that put you off, just be prepared to get your Turkish hat on and do a bit of [hardcore haggling](#).

Generally franchise dealers are reputed to offer the best service with usually excellent after-sales support. Many people prefer to pay the high prices to get what they pre-perceive as an [excellent after-sales service](#). Many of these Franchisees run approved used car schemes that provide you with a selection of used cars that have undergone a thorough pre-sales inspection. But admittedly not every Franchise Dealer operates to the high standards as they should.

Beware Big Dealer Groups... (danger)

The big dealer groups operate under heavy pressure to reach high targets. They usually have sales systems and processes that work like clockwork but the approach can and usually is high pressure selling. This sometimes can feel a bit intimidating with their hardcore sell, sell, sell approach... you just need to be firm, clear and a bit thick skinned.

When buying your used car from a franchised dealer you should find that:

- it's almost like buying a new car – but don't get sucked into spending more than you originally bargained for
- most of the cars will probably be less than three years old... a nearly new car (fairly steeply priced) but no doubt reliable
- you'll be offered a test drive quite easily... they'll probably chatter you to death in the process but the whole experience will be fine
- you can part-ex your old car – you're unlikely to get the best price for it although it'll be a quick and painless way to get rid of it
- you'll be given good warranty terms with plenty of options to upgrade to a longer and better policy even future servicing packages

Be warned

- That they'll try to sell you everything under the sun with your car.. just take a breather to make sure you want what's on offer
- The costs of some of the warranty upgrade packages can be extremely expensive... such as £700 for a warranty
- That the finance facilities are usually limited to one or two lenders which can greatly limit your options

Independent Car Dealers

These are likely to stock a wider range of cars than franchise dealers including older cheaper ones. The prices are much keener too.

You'll find that:

- you'll get a [very competitive trade-in price](#) on your old car

- you'll be [offered a test drive](#) without problem (unless there's something wrong with the car that you're asking about that the dealer is trying to hide)
- dealers specializing in certain makes or models can offer more price and specification options
- dealers specializing in [extensive finance facilities](#) can get you a more honest comparison of the best deals in the market place (usually this requires the choice of 10 – 20 finance companies on their books)
- some dealers will locate and [source a specific car](#) in a specific colour to suit you and your budget
- the mid-range dealers are usually less high-pressure selling. Some dealers are [relaxed and give you more space](#) rather than having a sales man breathing down your neck every second you're on site

Be warned

- Watch out for imports, if they're under 3 years old they've probably not got the remainder of a manufacturer's warranty left on them. Check the spec carefully make sure it's got what you want.
- The variations on warranty that independents offer are wide ranging – not all independents can offer you upgrade warranties
- The after-sales and service facilities at some independents are limited. Not all independents have their own service departments, some don't even have a mechanic

Does SIZE really matter?

There are many different sizes to independent dealers.

You can have small lots with only 10 cars... Lots with 30 cars... Lots with 50 or 60 cars... and larger ones with 200 cars...

But are there any differences between these?

Usually the smaller 10 or 20 car lots are one man bands... They try to give a personal service but one man can only do so much. You may find that the service is not very professional and many won't have much in the way of finance, after-sales and warranty services. Just ask the questions... you might end up with a bargain but at what cost.

Are they too Small - Danger

We've had reports of a number of people buying from these smaller lots that have found problems in getting the faults on their cars fixed, that on occasion the mileage on the car is incorrect... Admittedly buying from a dealer with a car lot gives you near maximum legal protection... but one man bands may drag issues out with a painful process of Trading Standards and Court actions.

Many do not HPI or check the history of the cars as a way of cutting their short term costs. You could end up with a written-off accident damaged car or one on finance. You will have legal protection on this because you're buying from a trade professional but the process can be messy getting it sorted.

Now there are always a few bad apples that paint a bad picture for the rest. There are some small dealers that have integrity and will give you a good service... but see if you can get any feedback about the dealer... a recommendation or 2 is all you'll need.

Do they have the facilities to make your life easy - Danger

The mid-range independent of 30 - 60 cars again is a mixed bag.

- Some have limited finance facilities (if any) so they might not be able to get you the best packages or deals that are available in the market place. They might not even get your finance approved where as [a dealer with up to 20 finance companies](#) on their books would
- Why do some have limited finance options? Many of the mid-size and most of the large size independents have had to arrange stocking loans to buy their stock of cars. This usually means they have to give the finance company they've borrowed the money off a large amount of business at the rates the finance company wants to offset the loan the Independent Dealer has taken out... So you end up paying higher rates so that the dealer's loans are sustained. Shocking but true!
- Some have no service department of their own or even an onsite mechanic... so getting any problems or niggling faults resolved can be dragged out and hard work.. although some professional set-ups have got a smoother system in place where they use a select choice of local repairers
- The lack of after-sales service can make the experience a head-ache if you get problems with your car... but if you're flexible then you may work around this
- Some have the narrow-sighted approach of 'get their money - say anything to get the sale' then once they driven off forget them.. where's the next victim. It's shocking that some dealers still have this mentality. Again it's so short sighted and definitely not the grounds for a growing flourishing business. This again can be a headache at problem times and even when you want some free helpful advice. They make you feel as though they don't care unless you're giving them money.
- Not all Independents offer extended peace of mind upgrade warranties... they just leave you high and dry a number of months down the road. Even if you've got to go online to find a longer term policy... I recommend getting peace of mind one way or another.

The larger independent dealers of 150 - 250 cars are usually similar in style

- They have a degree of pressure selling to get the sales targets they have to meet
- They virtually all having stocking loans that limit your finance options.. you've got to help pay their loans as well as yours
- They will have warranty upgrade options but it might be limited to 12 or 24 months
- They are usually less generous with their part-exchange allowances

- They have an after-sales service and service department but rarely follow-up on their customers satisfaction and offer them extra on-going value until they need to change their car again
- They have lost the personal touch because of the size and need to meet high sales target...usually not on purpose... only because they can't afford to spend lots of time with everyone (they think) because they've got hefty bills to get paid

But again these are across the board experiences and generalities... within each and every category there will always be a star that goes that extra mile to give you everything you really want. Just see if you can get a few recommendations if you can. Other people's experiences are usually a good benchmark for you to refer to.

Car Supermarkets

The number of these has increased over the past few years. They all have their own web sites and can be found adverted in motoring magazines and newspapers. You might have to travel further to visit a 'car supermarket site', so doing your research in advance before travelling would be a good idea. But you'll be rewarded with a huge choice of cars at competitive prices (dependant on which supermarket you go to that is).

You should find that:

- The price on the screen is the price you pay - they don't do Turkish, so haggling generally doesn't get you anywhere.
- They may take your old car - but their offers are usually the lowest available... so make sure you know what your car's worth before you arrive.

Be warned

- Watch out for imports. Lots of supermarkets sell European imports that have slightly different spec than UK... and their warranty expires after 12 months old.
- Test drives aren't usually available or at least very difficult to arrange - so make sure the car's you're after is the right one for you before visiting.
- You may only get 1 months warranty - but you'll be offered upgrade warranties to choose from.

Is Big Best? What are the dangers?

Supermarkets have their ups and downs...

- Supermarkets have to sell a hell of a lot of cars. They spend big on advertising, their overheads are gigantic, so the sales teams are under a lot of pressure... this usually comes across with a sense of pressure selling... or even a 'I couldn't care' attitude if they don't get what they want from you in a matter of minutes. They are usually busy and the person who gets

the most direct attention is the one that's buying today with the least amount of objection

- The level of personal service is almost non-existent, you're almost made to feel like a number, as you're heard-ed from one thing to another, one person in the sales process to another.
- Not every supermarket has [low prices](#), some work on the premise that big advertising, big choice means big sales at any price... so some choose this option... mainly it's the ones you see advertised in every paper, on the radio, on the TV and on billboards... It's big bucks and someone's got to pay for it... and that's you... So compare their prices before you sign on the dotted line
- The after-sales can surprisingly seem non-supportive... they're so big, with so many customers, a high level of complaints... so they tend to have a policy of saying no to many things unless it gets legal and then a manager of authority might look at the situation to resolve it. But the law of averages means most people give up and don't pursue their problems

Auctions

Buying a [used car at auction](#) is a gamble even if you're a trained professional. So it's not advisable to run the risk unless you're well-informed, know what to look-out for, know what to avoid and are aware of current price trends. Most auctions will take imaginary bids to get an excited buyer to pay more for a car, so the auction house can please the vendors that give them the cars to sell.

Be warned

- Auction terms of sale vary from one auction to another – do your homework know what you're getting into.
- It's very easy to get carried away, and auctioneers are professionals at reading peoples behaviour for getting more money for the cars
- Part exchange is definately not available.
- Your legal rights are very limited compared with buying from a dealer. There's no warranty and once your bids accepted you've the car's yours even if the engine or gearbox packs up on the way out of the yard.
- All auctions charge a buyers fee which is added to the bid you bought the car for. The buyer's fee can vary from £80 to £550.

What Dangers are there...

- If you buy a car and there's faults... it's tough you get it as it is... Some auctions give you 1 hour to test the car after your bid... but usually it takes longer than an hour to get the keys to look at it
- Many trade dealers put their problem cars that they can't fix in auction... so you could end up with a complete wreck... You need to be selective what cars you buy and what vendor has entered it in the sale
- You need to understand and be used to the fast talking of the auctioneer to understand the contract description of the car you're buying. My first week buying at Auction I paid £1,000 more for a car than I thought I was because I wasn't clear on what the auctioneer was saying.
- If the car doesn't start or run when you come to collect it it will be your responsibility to get the car recovered or you'll get charged storage charges.
- Auctioneers are excellent readers of people's behavior and will take imaginary bids on a car to get you to pay maximum money. They will know if you're a professional or new to auctions at a glance. I've been at many sales where a private person has paid more than dealer retail for a car because of how excited they were when bidding and the auctioneer knew he could get more money out of them. The auctioneers are very, very skillful at this, they should be it's their job to please the vendors who enter the cars for them to sell.

Private Sale

[Buying private](#) you've got a big choice and sometimes the low prices, but you must do your homework. It's always best to get an inspection done by an expert before you buy.

Be warned

- Your legal rights are limited.. once you've bought you've got no come back unlike buying from a dealer.
- You won't be able to part exchange your old car 99% of the time
- You won't get any guarantee, warranty or after-sales service
- A private seller is not obliged to tell you the truth about the car unlike a dealer but what he/she says or advertises must not be a blatant lie.

- If the seller does not tell you all the facts you have virtually no options for a refund or recourse
- Many written-off cars are sold privately, even ones still on finance, you must get the car [HPI checked before you buy](#)

Make a list of your biggest wants from buying a car and a list of your biggest fears and frustrations and see which route suits you personally the best.

Chapter 3: Diesel or Petrol... what's best?

Are there other options, I'm confused?

It used to be an easy decision to make whether you wanted a Diesel Car or Petrol.

You chose diesel for better economy or petrol for a better ride. But things have changed dramatically over the years thanks to large advances in diesel technology. It's all down to what strengths you are after from your new car. So lets look at the good, the bad and the ugly...

DIESEL...

The Good - the advantages of diesels:

- They're far more economical than petrol engines across the board. For every model of car that has a petrol version and diesel, the [diesel is more economical](#)
- You might not know this, but diesels have lower emissions, especially CO2 That makes them cleaner more environmentally friendly and as such have a lower road tax banding than their petrol counter part... i.e. you pay less money
- They are renowned to have better "pull" in their gears, reducing the need for gear change.

With the advances over the past few years Turbo Diesels have become a common force in the car market... no longer noisy sluggish tractors of yester-year. They will cost you a bit more than a petrol model but it's well worth spending the extra few pounds on a turbo-diesel for better economy and a smoother ride.

PETROL...

Petrol engines are still the most popular choice though. Their performance has always traditionally been superior with 0-60 mph times offering a higher performance and acceleration for pulling out at junctions or over taking on the motorway. If your after a luxury vehicle you may be put off by extra vibrations and noise under acceleration offered by diesels, even though these are quite minimal with the more modern cars.

The Good - the advantages of petrols:

- Petrol engines are quieter, more responsive and faster revving than diesel engines
- Petrol engines are generally cheaper to service, but usually need servicing more often
- Due to technological advances they are catching up to diesels in the economy stakes.

Even though the massive advances in diesel engines have been grabbing all the headlines petrol engines have been equally impressive in advances as well. The outputs, both torque (the cars pulling and towing power) and bhp (the engine's power), have been improving dramatically and surprisingly not to the detriment of fuel consumption.

These engineers are clever guys. Because of many years of 'going green' pressure and responsive government guidelines emissions have also significantly dropped in recent years. Petrol engines do not need soot filters fitted like a diesel powered engines does (the replacing of this extra filter on a diesel is what makes the diesel engine slightly dearer to service).

Diesel cars give you more miles to the gallon than petrol cars, even though petrol cars are catching up. You can check and compare fuel consumption figures and other car data at a government supported website: <http://www.vcacarfueldata.org.uk>... [Click here to search for fuel consumption figures](#).

GOOD & BAD - Purchase Price

Diesels cars may cost more than petrol cars to buy... but you'll be able to sell them for more money than a petrol too.

GOOD & BAD - Servicing

Both diesel and petrol cars cost about the same to service but a full service will be slightly dearer on a diesel by about £5 or £10 as an extra fuel filter will need replacing.

Most manufacturer's have longer service intervals for a diesel car but changing the oil regularly like a petrol never hurt anyone.

UGLY - Cambelt changes are a serious service item due every so many years and so many miles... These vary from engine to engine, manufacturer to manufacturer, but most petrol engines are due at some point for this service costing between £300 and £700. With many of the modern diesel engines they do not have a rubber belt that needs they usually have a chain, which unlike rubber does not stretch and need changing. You'll find that a diesel engine will most of the time be excluded from the need for this service work.

Road Tax [Road tax](#) is based on official CO₂ emissions which you can find on your V5 document. Diesel cars produce less CO₂ because of their greater efficiency.

For Company Cars Diesel cars are very popular with company car drivers. They mainly cost less in company car tax because of their low CO₂ emissions.

Driving on the Road Diesel engines warm up more quickly from a cold start than petrol and as they get more aged they rarely have starting problems. If you do frequent short journeys where your engine barely warms up, then a diesel could be better.

Diesels are better for towing with their greater torque, while extreme performance is still better with a petrol, even though there are increasingly more powerful diesel engines coming in to the market place year after year. A popular performance diesel car is the [VW Golf GT-TDi](#), not as powerful as the 1.8 and 2.0 turbo petrol models but getting closer.

GOOD & BAD - Noise

Diesels many years ago had the reputation of being noisy tractors and not liked by many ladies. But as the years have gone on and the engines are smoother quieter and more lively in performance.

Admittedly diesels are slightly noisier than a petrol but most of the time it's negligible. [Test drive one](#) and see what you think.

Conveniently Diesel or Petrol

Most of the cars on the road today are either petrol or diesel as these fuels are easy to get hold of and easy to handle making it convenient for motorists through-out the UK. But as time goes on [alternative fuelled cars](#) are starting to make an entrance into the market. We will be sending you a future report on your alternative fuel options later, you can read a [discussion on this subject here](#).

Which fuel?

Just get yourself behind the wheel of both types of car. Drive them. Get the fuel consumption figures, be honest with yourself as to what driving you're going to do. Is the extra economy make that much difference if you don't do many miles per year. Do you like your big performance acceleration... have you tried performance diesels or are you a Scooby fan through and through.

You know what you want deep down, just [be honest](#) to yourself and your pocket.

Chapter 4: Automatic or Manual Cars: Which is Safer?

This is quite a debatable subject and the truth is that there is a broad variety of opinions on the matter. There are arguments for both sides that seem intuitively compelling but there's little concrete data that could settle this one way or another.

It's natural to assume, at first, that an automatic drive vehicle would be safer when there's less for the driver to do with less opportunity for things to go wrong. There's no need for the driver to remove a hand from the steering wheel to change gear so there's no loss of control.

Less Stress With Automatics

Studies that monitor stress levels by measuring heartbeat have shown that drivers of manual-transmission vehicles do experience significantly more stress than those in automatics. Shocking! In fact, the differential is so great that drivers of automatics experienced stress levels which were comparable to that of passengers!

It is argued that the fact that there is less for the driver to do, [drivers of an automatic](#) can be inclined to pay less attention to the road and less likely to detect the signs of an up and coming accident. And some go further to say that the greater ease of driving an automatic leads the driver to take an excessively relaxed view of road safety, doing things that they would not normally contemplate doing in a manual, such as fidgeting with things or picking up the teddy bear their children in the back has dropped. But do distracted people do this anyway whether auto or manual? If your tendency to acting irresponsibly whilst driving is there are you going to do it more in an automatic car more than a manual?

A driver's inattention is a factor in approximately 25% of road traffic accidents. Whether an automatic transmission helps reduce the problem or worsens it is not completely clear. One study which measured reaction time to hazard stimuli and found that there was no significant difference between manual or automatic drivers.

More Control With Manual?

Drivers who've been driving for many years and have experienced both types of transmission insist that a vehicle with a manual gearbox gives greater versatility for acceleration and better fuel consumption. But for the luxury of driving many say that once you've started driving an automatic you just don't want to go back to manual. They all said that the first time they drove an automatic it took a while to get into the rhythm of not going for the clutch but in a few days time it was second nature. For this reason you can see how people who drive automatics and passed their test in an automatic would find difficulty going to manual with all the extra actions needed.

[An automatic](#) makes a very well informed guess about your optimal gear to be in for any given situation taking this reactive action out of your domain. Although if you want to accelerate or drop down a gear you put your foot down and it just happens with one foot. Obviously this is mechanical and electrical control of your driving which may not be as responsive as a skilled driver, but will most definitely be more precise than a poor driver's gear changes.

But a die hard manual driver prefers the greater flexibility and control a manual gearbox gives to react to unusual driving conditions, such as a slippery road or a possible collision, by adjusting gears in a non-standard way.

Ultimately...

From a [safety perspective](#), neither an automatic nor a manual transmission would appear to have any decisive advantage over the other... otherwise, one or the other would have probably displaced the other in general use... and insurance companies would be reflecting the difference in their premiums.

None of these things have happened so, if you are pondering which transmission type you would like to have in your next vehicle, there's no need to be unduly concerned with the [safety implications](#) of your choice, it just needs to be what you feel most comfortable and confident in driving.

Chapter 5: Cash or Finance - what're my options

Why you should plan ahead and budget.

The most important factor when deciding on a method of financing the purchase of your next car is to plan ahead. Make sure you research the topic and think carefully about which option suits you. Look at all the car finance options that suit your circumstances to make educated comparisons.

PAYING CASH

If you're a good saver or have come into some money cash seems to be an obvious choice. It's quick, it's simple and you've not got an ongoing debt around your neck.

Even using your credit card buying at a dealer is considered as a cash purchase... even though you're borrowing from the credit card company.

This method is usually restrictive to what's available in your cash budget. You might only have £400, £1,000 or £2,000. Now this is a decent amount of money but it will only get you a certain level of quality in a used car. Usually it will be a car over 8 years old and obviously, depending on the car, the older it is the more wear and future maintenance it will need. So the debt around your neck is the car's maintenance costs rather than a finance loan.

Legally, your rights are more limited on a cash purchase than on finance limiting you to only a 6 month time frame to bring forth any grievances.

CAR FINANCE

This option makes the world your oyster as long as you're sensible with it. Your £99, £400, £1,000 can get you a much newer higher specification car that's warranted and unlikely to suffer as many mechanical defects as an older cheaper car. But you do need to be honest with yourself.

Work out what you can [comfortably afford each month](#) and the amount of cash or part-exchange you want to use. Look at all options when choosing car finance - so that you can clearly choose the option that's right for you.

Shop around for the best deals, consider buying a new car online and familiarise yourself with the value of the vehicle you're purchasing.

What different methods of car financing are available?

There are many car finance options available to you - broadly these are buying the car outright for cash; [hire purchase](#); personal (car loan); [car leasing](#) and personal contract plans. Let's look at the good and bad points of each.

Buying the car outright... Cash...Re-iterated

If you have plenty of money to spare, buying outright is an obvious option - you simply pay for the value of the car.

Advantages of buying a car outright...

- No interest charges to be paid.
- You own the vehicle immediately.

Disadvantages of buying a car outright...

- Involves you coming up with a large sum of money
- No long-term security
- Your legal rights are limited
- The quality of the car you get is limited to your cash available

Hire purchase: pros and cons.

This is the most traditional way of financing a car. Most of the time it's arranged through a dealer but in some circumstances online you can approach car finance companies directly. In practice the finance company registers it's debt against the car until the loan is paid, like a mortgage is registered against your house until it's paid - full ownership does not pass to you until the loan is repaid.

Hire purchase advantages...

- The car is fully yours once the loan is settled.
- Rates and minimum deposits are typically low.
- Total interest should be low and may surprisingly be negotiable.
- You can get loans for up to 5 years (6 in some circumstances) to lower your monthly payments
- You can end the agreement voluntarily and settle any balance remaining on your agreement.
- Once you've paid half of your loan back you can surrender the car back to the finance company in years to come even if the car's worth less than the amount outstanding!! Shocking!!

Hire purchase disadvantages...

- If you don't keep up your repayments your car may be repossessed.
- Hire purchase rates can sometimes be slightly higher than personal loan rates.
- Monthly payments will be higher than leasing or PCP.
- You need to pass a credit check
- Your credit score will affect your loan rates and the companies available to give you the loan

Personal loans: Keeping it personal...

You approach a bank, a loan provider or a dealer who has access to personal loans and ask for a [car loan](#). Once your loans approved and you're in receipt of your loan take that cash to the dealer and buy the car outright. If the dealer arranges the personal loan the money will be paid directly to them. You make your loan repayments to the loan company by direct debit. Remember to shop around for a good deal and a good loan rate.

Personal loan advantages...

- The loan is not secured on the car so you can sell it whenever you like.
- Total amount of interest to pay is usually low compared to other options.
- It's usually very simple to arrange and requires minimal paperwork.
- You can get loans up to 5 years to get lower monthly payments.

Personal loan disadvantages...

- Don't assume it is always a cheaper option than hire purchase - some dealers may be able to offer better deals as part of an incentive program from their providers.
- Monthly payments can be high if you've a less than excellent credit rating.
- You need to pass a credit score and credit check.

Car leasing: a lesser used option

This method of car finance is usually over 2 - 4 years where you pay a monthly sum for that period. But at the end of the agreement you simply hand the car back in. You never own the car though some leasing companies will give you the option to buy at the end of the term.

Car leasing advantages...

- Great for those who want a new or nearly new car every few years.
- Monthly payments are usually quite low and there is nothing to pay at the end.
- Usually only a small deposit is required.

Car leasing disadvantages...

- The car is never yours - unless you take advantage of the lease companies option to buy.
- The long-term cost of leasing may exceed that of buying... but only if the owner keeps his car for years after the loan end. If you change your car every few years it may work-out cheaper.
- You will agree to a mileage limit that you give at the start of the deal. You will be charged for exceeding that limit you gave and agreed to.

Personal contract plans: another lesser known option..

Personal contract plans or most commonly known PCP, is similar to leasing and hire purchase combined. You don't fully own the car when you come to the end of your agreement. The finance company gives a future value of the car in relation to your mileage and future age and this at the end of the agreement will be what you'd have to pay to own the car or simply return it to the dealer or the finance company and walk away.

Personal contract plans advantages...

- Low monthly payments.
- Maintenance charges are often included, saving you on service costs.
- If the car is worth more than the predicted value you can sell it on; if it's worth less you can hand it back to the car finance company.

Personal contract plans disadvantages...

- You'll agree to a mileage limit at the beginning and must stick to it if you want to return the vehicle at the end of term.
- At the end of the term you do not own the car unless you are willing to pay the balloon payment or take on another loan.

What other factors should you be aware of?

Look out for [special offers](#) - such as 0% finance. Though on the surface this appears to be the most cost effective way of buying a car and might satisfy your religious obligations regarding loans, but there are often conditions attached such as paying up to a 50% deposit or paying off the loan within one year.

Essentially... be wary of taking on more than you can afford. I know it's common sense but we can all get caught up in the excitement of the moment. It's not a good idea to extend your mortgage to finance a car but if that's the only way you can afford the low monthly payments be aware that you'll be unlikely to upgrade the car in a few years time unless you get a windfall.

Always keep yourself conscious of your budget and stay within what you can comfortably afford.

Chapter 6: What more do you want to know?

Getting all your Questions answered

Has the information been of use to you?

I hope it has.

Leave me your feedback by [clicking here](#)... or visiting www.aBetterCarPurchase.com

Working on giving back - high value information

I have an ethic of giving back and providing high value information and advice. If this information has been of high value to you let me know. If this information lacking in any way and is missing something let me know and I'll send you a revised copy FREE of Charge.

Let me know by [clicking here](#)... or visiting www.aBetterCarPurchase.com

Let me know what information would help you now

Is there anything that you want further advice on?

What information would help you greatly?

I'm in the process of getting another report together... so if you let me know what you want information on I'll create it for you and forward a free copy to yourself in return for your valued input.

Let e know by [clicking here](#)... or visiting www.aBetterCarPurchase.com