

Guide to buying a car



Sainsbury's Bank

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Where to start when buying a car? Before you get behind the wheel, it's worth taking time to research your options. From choosing between new and used cars to finding the right make and model, test driving, and financing your decision, this guide offers tips on buying with confidence.



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questions to consider before buying a car

- 1 Would a three door or five door model suit you better?
- 2 Will you need to transport more than four passengers?
- 3 Do you need child-friendly safety features?
- 4 Would a petrol or diesel engine better meet your needs?
- 5 Should it be environmentally friendly?
- 6 How much boot space will you need?
- 7 Will you be driving and parking in the city?
- 8 Do you have bikes or other sports equipment to transport?
- 9 Will you be driving off-road or in the countryside?
- 10 Do you or any of your passengers have mobility requirements?

Ways to finance a car purchase

Taking out a loan

There are a number of options available for taking out a loan. If you are buying from a dealership, you may be offered finance directly. Alternatively, arranging credit from a bank or building society separately could allow you to shop around and find a loan with the most favourable terms. Securing a loan means you become a cash buyer, which could help with any negotiations.

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.

Hire Purchase

When you buy a car through hire purchase, you arrange credit through the car dealership. This usually involves 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. 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

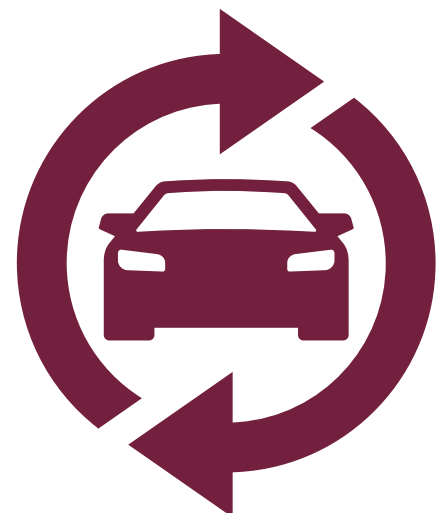
Trading in your old car against a new one is a popular option, partly due to convenience. You are effectively part-exchanging your existing vehicle for the new one. The dealership will take the value of your old car off the price of your new one.

Scrap your old car

Thanks to the EU's [End of Life Vehicles Directive](#), it's usually free to scrap a car at an authorised treatment facility (ATF). Scrap merchants may pay you for the metal they recover from your car.

If scrapping a car, you may want to think about the following:

- 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.
- Make sure you receive a Certificate of Destruction for your scrapped car.

Consider the running costs

It's easy to get caught up in the purchase price, but you might also want to consider typical running costs.

- **Insurance.** Age, claim history, and other factors can make [car insurance](#) one of the biggest expenses for drivers.
- **Road tax.** Different types of cars have different tax rates. Check the [GOV.UK tax rates table](#) for an up-to-date list.
- **MOTs.** Cars more than three years old need an MOT test every year. The maximum cost that test centres can charge [can be found on the government website](#).
- **Maintenance.** Carrying out regular checks on your car can save you both trouble and money in car servicing and repairs. For more information, have a look at our [Guide to car maintenance basics](#) and car maintenance basics infographic.
- **Parts and repairs.** Not all car repairs are equal. Researching these costs before committing can save you money over time.
- **Miles Per Gallon (MPG).** This is the standard metric used to show how many miles a car will travel per gallon of fuel. Choosing a car that offers good MPG can save you money on fuel over time.



New and used cars

- Used cars won't usually depreciate in value as quickly as new cars and this is one of the reasons why they're so popular.
- You could consider another option: nearly new cars. These often originate from showroom fleets or pre-registered stock. Typically they have a few thousand miles on the clock and are sold at up to 30% less than the original list price.

Type	Features	Things to consider
New	Wide choice. More advanced technology. Can offer improved fuel efficiency. You can choose exact specifications. No MOT tests needed in first three years. A warranty is included	New cars can lose up to 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. May involve more risk as you can't be sure of its history.

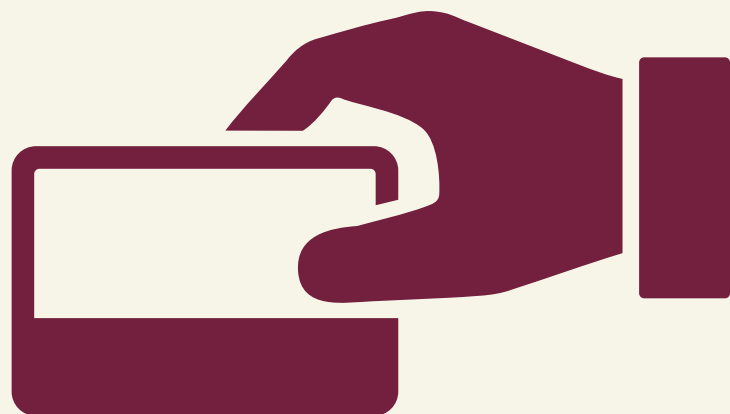
Before buying

- Do your research. Independent car reviews can be a helpful way to narrow down your decision, and test driving a few models can be worthwhile. It's also a good idea to shop around for the best deal.
- Age, mileage, and engine size are important considerations but not vital:
 - **Age** can have an impact on your car's features, running costs, and reliability.
 - **Mileage** is likely to affect a car's condition, but doesn't tell the whole story. Motorway driving can result in higher mileage but produce less wear and tear than city driving.
 - **Engine size** will determine how powerful a car is. Bigger engines tend to perform better, but smaller engines can have benefits like savings on tax, insurance and fuel.
- Car shopping during certain times of year, like the end of each quarter, could potentially offer savings. This is because dealers often have quarterly sales targets to meet.
- Reputable sources such as [Which?](#) and [Auto Trader](#) provide information on known, recurring issues in some car models. Although some of these issues are very minor, this information could help you make your decision.

Buying a used car

If you're thinking about buying a used car, considerations like make, model, and the vehicle's age and mileage, can have an impact on price.

Dealerships and private sellers are your two main ways to find used cars. You could choose to visit a local dealership or you might start your search with websites such as: Auto Trader, Parkers and Motors.



Useful tips for buying a used car

- ✓ Many buyers are discovering discounts on cars ordered online, from specialist dealerships or even direct from manufacturers. It's often cheaper to buy cars online, as you don't contribute to overheads like staffing and showrooms.
- ✓ Look at the car's logbook, tax, MOT and service history and check these details match those you've been given by the seller.
- ✓ The DVLA's [vehicle enquiry service](#) will reveal what details they hold on the car.
- ✓ The government's MOT [history check tool](#) can help make sure everything is as expected.
- ✓ Consider viewing and test driving a car before buying it.
- ✓ If a used car doesn't have a manufacturer's warranty, an independent used car warranty could offer cover against repairs such as mechanical breakdowns.
- ✓ The DVLA advises against buying vehicles without a V5C form. Sections 6, 8 and 10 of a V5C must be filled in by you and the seller, and the form should then be sent to the DVLA.

Buying online

- Many buyers are discovering discounts on cars ordered online, from specialist dealerships or even direct from manufacturers, as it's cheaper to buy cars online if you don't contribute to overheads like staffing and showrooms.
- Once you've chosen a car, your choice is sent to the most competitive dealership. You may be able to test drive the car if the dealership is close enough.
- The benefit of buying online for used car buyers is that you don't have to limit yourself to finding a car in your local area.

Your rights as a consumer

- The 'Consumer Contracts Regulations' are in place to protect you when you buy a car online. This allows you the right to a 14 day cooling off period after you receive it. During this period you can change your mind. However, these regulations don't apply when dealing with private sellers.

Diesel, petrol, electric or hybrid

When choosing between a petrol and diesel car, you may want to consider that:

- 1** Petrol cars are generally cheaper to buy.
- 2** Although diesel models can be more expensive than petrol ones, they can offer a greater fuel economy over 30,000 miles.
- 3** Diesel models can retain value better than their petrol equivalents.



Electric and hybrid

Electric cars are the most environmentally friendly. They produce no CO2 emissions during the driving process, though a small amount is produced by the electricity that charges them.

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:

- An electric car may be more expensive than an equivalent model in petrol or diesel.
- There are fewer options available.
- Electric cars are often limited in speed.
- You will need access to a recharge point.
- Recharging can take as long as 6-8 hours, though there are some faster options available.

Hybrid cars combine traditional fuel 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. There are some 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.



Test driving

You should always try and test drive a car before buying.

- Is the car comfortable to drive?
- Does it handle well on different types of road?
- 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?

- 1) http://www.sainsburysbank.co.uk/borrowing/bor_borrowing_zone.shtml#tab-7500---15000
- 2) <http://www.whatcar.com/car-leasing/car-leasing-guide/maintenance-packages.php>
- 3) <http://ec.europa.eu/environment/waste/elv/index.htm>
- 4) <https://www.sainsburysbank.co.uk/car-insurance/index.shtml>
- 5) <https://www.gov.uk/vehicle-tax-rate-tables>
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- 8) <http://www.which.co.uk/cars/survey/car-reliability/car-reliability-best-and-worst-cars/>
- 9) <http://www.autotrader.co.uk/content/all-cars-expert-reviews>
- 10) <https://www.gov.uk/get-vehicle-information-from-dvla>
- 11) <https://www.gov.uk/check-mot-history-vehicle>

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