

## Before you buy a new car

-  Work out how much you can afford
-  Narrow down your choice of cars
-  Maximise your credit score
-  Understand the different types of car finance
-  Be prepared to negotiate
-  Insure and tax your car before driving away!

## Choosing a car




## Ways to finance your new car



## Paying cash up front

 **Pros**

- No interest to pay
- No monthly payments
- You'll never owe more than the car is worth

 **Cons**

- Interest rate on other car finance could be lower than your savings rate
- Making loan payments could increase your credit score
- Other things to spend your money on



## Comparison of different types of car finance

### Hire Purchase / Car Loan

Lower overall interest charges

You own the car:

- no extra fees for doing too many miles
- You choose when to sell

### PCP / Car Lease

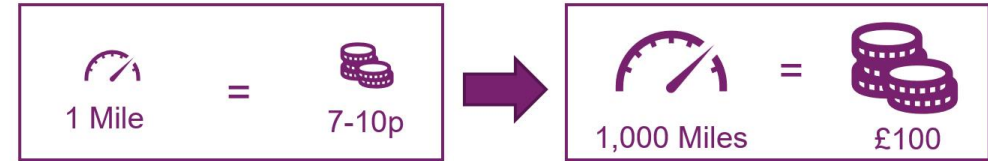
Lower monthly payments

Regularly change your car

Might be offered deals such as free services etc.



## Extra Costs on PCP and Lease Cars



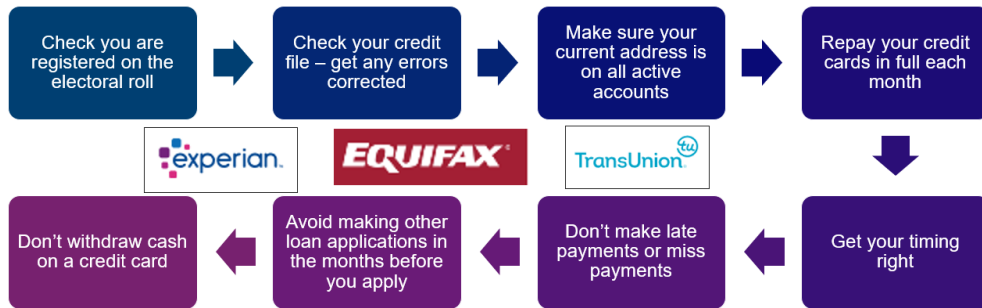
Think carefully about the mileage limits you sign up to!



### Damage Charges

It may be cheaper to fix yourself, but you may still have to use an approved service centre

## Increase your credit score



Don't reapply straight after rejection – repeat the steps above.

## Insuring your car

	Third party (minimum legal requirement)	Third party, fire and theft	Fully comprehensive
Cover for damage to another person's car, property and for their injuries	✓	✓	✓
Covers your car in the event that it is stolen, or damaged by a fire	✗	✓	✓
Covers your own car and property	✗	✗	✓
Covers your medical and legal costs	✗	✗	✓

### DID YOU KNOW?

Many fully comprehensive car insurance policies don't provide third-party insurance for driving other cars anymore.