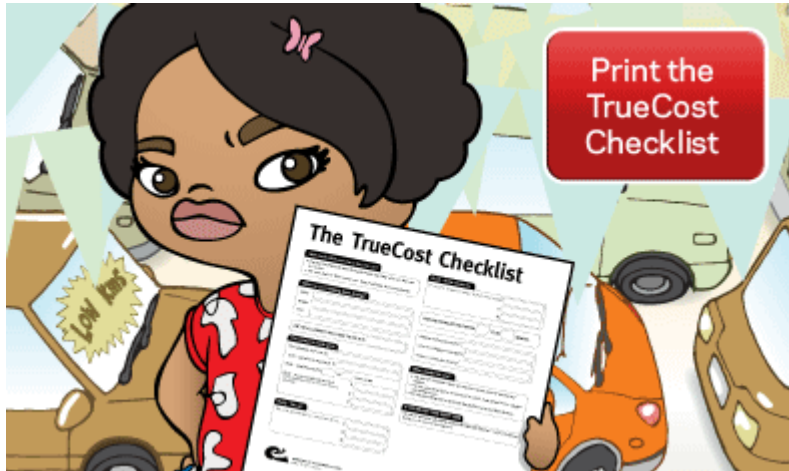




Truecost - for buying a car on finance



It can be hard to know what questions to ask when you're getting a loan (finance) to buy a car from a motor vehicle dealer and want to get a good deal. Take the TrueCost Checklist with you when you're looking for a car to help you make sure the car you want comes with a loan you can live with.

[Check the true cost](#)

[Check out the competition](#)

[Negotiate a deal](#)

[Download the TrueCost checklist](#)

[Check the true cost](#)

This is the total amount you'll pay. Add up the cash price plus the total interest, extra fees, insurance and warranty costs.

Ask the dealer to fill in the TrueCost Checklist to help you decide if their finance deal is a good one. Take the Checklist home and talk about the car and the finance deal with someone you trust, a law centre or budget advisor.

Also look at the window notice (Consumer Information Notice) for important information.

Check if there is money owing on the car. If the window notice says "there is a security interest registered over this vehicle", you could end up having to pay this money if you buy this car.

Get the car checked by an independent mechanic (not someone that the dealer suggests). This is a small price to pay to make sure it is a good buy.

An extended warranty (or breakdown insurance) may be a waste of money. This is because you are already protected by the Consumer Guarantees Act. Don't buy an extended warranty unless you are sure it will be useful, such as if the car is to be used in your business.

[Check out the competition](#)

Compare the price with other car yards and online. Also compare finance prices – look around for the best credit option for you.

Look at cars on other dealers' yards. Take the Checklist and ask if they can give you a better deal on the finance.

Take the Checklist to a bank or credit union or other finance companies; ask if they can give you a cheaper loan to get the car you want.

[Negotiate a deal](#)

Ask the dealer and your lenders about the fees, interest and security. Take time to think about whether it is a realistic and reasonable deal for you.

Loan fees have to be reasonable. Ask the dealer what the fees are for. If insurances or warranties are added to the finance deal, ask the dealer what they cover. If you are not in paid employment, insurance for redundancy may not be of any use to you.

When you decide which loan deal you want for the car read the whole loan contract before you sign it, especially the part headed "What could happen if you fail to meet your commitments". This will tell you the penalties and what can be repossessed from you if you don't pay.

Check that the cash price on the car window notice is the same as the cash price on the loan contract.

Find out more about:

[Cancelling or changing the contract](#)

[What the creditor has to tell you](#)

[Your credit contract – including fees, interest, and insurance](#)