

USED CAR BUYING

Everything you need to know before
you buy your next used car



GET STARTED

If you're in the market for a car, you might want to consider a used car. You may be asking, "but where do I start?"

Using Savvy's Comprehensive Used Car Guide and Checklist, you'll be well on your way to getting the best used car.



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WHY BUY A USED CAR?



Buying a used or second-hand car is one of the best ways to get on the road. It's especially great when you don't want to spend too much on buying something new.



This may be great for people on a budget, those who don't drive often or for someone who is looking for their first car as a teenager or young adult.



If you're an enthusiast, buying a used car is one of the ways you can expand your collection. Some used cars may have after-market modifications which are more suited to your tastes.

Buying a used car, even if it's less than a year old, works out much cheaper than buying a fresh-off-the-lot new car.



WHERE CAN I BUY A USED CAR?

There are three avenues where you can buy a second-hand car – a licenced motor car trader, or dealer, in a private sale or at auction.



LICENSED DEALER

Buying from dealers are a safer option because all cars sold are given a “cooling off” period if you change your mind, are guaranteed to be debt-free, and in some cases are “certified used” with an extended warranty.

You will also get to inspect and test drive the car in most cases.



PRIVTE SALE

Private sales do not have the same protections as dealers, but depending on who you buy from,

you may get to test drive and inspect the vehicle close up. Since you’re dealing with the seller personally, he or she may know the history of the car better than a dealer or auctioneer.



AUCTION

Auctions are good for saving money, but in most cases you will not be able to test drive or inspect the vehicle before you bid.

Some auction houses are less reputable than others and may not even provide a proper roadworthy certificate. Auctions are best if you know exactly what you’re looking for, or are a long-time motoring enthusiast.

HOMWORK & QUESTIONS YOU MUST ASK



On the Savvy Blog, our CEO Bill Tsouvalas always says “do your homework!” and researching used cars is no exception.

Asking the right questions will save you from buying a “lemon” or paying more than you should have for a used car. You should always ask:

- ➔ How many owners has this car had?
- ➔ Does this car have any existing damage, or has it ever been repaired due to an accident or incident?
- ➔ How many kilometres does it have on the odometer?
- ➔ Does the car’s internals have any problems, such as the wiring or fuses?
- ➔ Is the car still registered? (More on that in the “paperwork” section)
- ➔ Why are you selling this car?
- ➔ Show me the roadworthy certificate, log books and registration papers

Take a printout or copy of the advertisement with you to make sure everything matches up.



HOMWORK & QUESTIONS YOU MUST ASK



Once you have an idea of what the car's condition is, you should look up similar prices in an auto trade magazine or online.

RedBook.com.au is the best place for independent car evaluations.

With this in mind, you can make an informed decision on whether the car being sold is at a reasonable price. You should also go to the dealer, private seller or auctioneer (that is, if the auctioneer allows you to) and inspect the car, inside and out.

Look for dings, bumps, flood damage and obvious body repair. Look for buildups of engine oil or rust. If you're scared you aren't knowledgeable enough to conduct your own inspection, bring a friend or relative or arrange your own independent inspection from one of your state or territory automotive associations.

On a safer side, you should also check the serial numbers to make sure you aren't buying a write-off or a stolen car. And of course, you should test drive the car.



Personal Property
Securities Register



we're there for you



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Write down the Vehicle Identification Number (VIN)
to check your car hasn't got a troubled past.

YOU MUST GOT FOR A TEST DRIVE

At the very least, you should test drive any car you hope to own. This way, you'll find out how well it handles on the road. Don't just test it in "normal" conditions - arrange a test drive in a low-traffic area or private lot so you can check how it runs non-typical situations, such as tight corners or its performance over 100km/h.

Let it sit, to hear if the engine rattles or struggles during idling. You should also test electrics and mechanical functions, such as:

- The radio/audio system
- Steering-wheel alignment
- Brake wear and tear
- Air conditioning/climate control
- Smoking or sputtering exhausts
- Power windows and other accessories
- Headlights, blinkers, hazards and fog lamps

If any of these don't work or don't work as intended, you'll be able to figure all that out before you buy instead of getting a nasty surprise.

ORGANISING FINANCE

After you've agreed on the price, deposit, and date of collection, you should organise your finance. If you already have the money without the need for taking a loan,

You should ask if you can pay with a bank cheque, cash or any other method you prefer.



USE REPAYMENTS CALCULATOR

If you're unsure about how much you can afford, using a repayment calculator is a trusted and easy way to figure out what you can expect to pay each month, fortnight or week.



0% FINANCE

Many dealers offer finance when you buy used or certified used. You should be careful though - many low or "zero" percent finance rates may actually cost you more in the long run.



BANK LOAN

It's a common misconception that you need ask a bank for a loan. There are many lenders and brokers out there which you can find online.

You should also consider getting a credit check to sense your borrowing position.

GETTING CAR INSURANCE

After you've got your finance sorted, you will need to take out an insurance policy. You will need to know what make, model and year the car is before you get started.

Savvy offers a range of insurance options to secure your vehicle investment.



CAR INSURANCE

If you're on the road you need car insurance in case of accidents, theft or property damage. Savvy can connect you to many of Australia's leading comprehensive car insurance providers. Pick and choose options such as roadside assist, free hire car during repairs or a lifetime Rating 1.



LOAN PROTECTION

Loan Protection insurance makes sure you can pay back your loan when circumstances don't allow you. This may be caused by extended illness, injury or sudden retrenchment or redundancy at work.



TYRE & RIM INSURANCE

Most comprehensive car insurance policies don't cover broken rims or blown out tyres. Tyre and Rim insurance covers all tyre and rim damage. Some policies offer hotel stays and hire cars when incidents occur away from home.



GAP INSURANCE

Gap or Motor Equity Insurance covers the "gap" if your car is written off and the payout is less than your amount owed on the loan. Some policies cover excess payments and replacement vehicle costs.



VEHICLE WARRANTY

Some dealers and brokers offer an extended vehicle warranty, which may cover basic repairs, mechanical failures or scheduled servicing within a set time period. Ask a dealer or broker for more information.

PAPERWORK, STAMP DUTY & OTHER BORING STUFF

Once you've inspected the car and had a test drive, now comes the boring stuff. First, you should sign a statement that includes the agreed price, deposit and date of collection. Once that's done and you've got your finance and insurance ready to go, you'll need to transfer the car registration and pay stamp duty.

If the car is not currently registered, you will have to register the car at your state or territory road and traffic authority.

You must pay stamp duty when purchasing a motor vehicle. It doesn't matter if the car is new, used, bought at a dealer or privately, you will have to pay stamp duty of some kind.

A dealer will collect your stamp duty along with other charges when buying a new, certified used or used car. In a private sale, you must calculate the stamp duty yourself and pay it to your state's revenue office.

Here are links to all the state and territory stamp duty calculators:

- ➔ [New South Wales Motor Vehicle Registration Duty Calculator](#)
- ➔ [Victoria Motor Vehicle Duty Calculator](#)
- ➔ [Queensland Vehicle Registration Duty Estimator](#)
- ➔ [Tasmania Motor Vehicle Duty Calculator](#)
- ➔ [Western Australia Licence Duty Calculator](#)
- ➔ [South Australia Stamp Duty Calculator \(Non-commercial vehicles\)](#)
- ➔ [South Australia Stamp Duty Calculator \(Commercial vehicles\)](#)
- ➔ [Northern Territory Motor Vehicle Revenue Duty Calculator](#)
- ➔ [Australian Capital Territory Motor Vehicle Duty Calculator](#)

The seller will be responsible for this. A dealer will always perform this duty, however private sellers may not. You may also be liable to pay a registration transfer fee.

USED CAR BUYING CHECKLIST

EXTERIOR

- Windshield free of cracks
- Body panel colors match
- No panel irregularities
- Door and boot seals in tact
- No paint chips or variations
- No upholstery wear and tear
- Windshields wipers and blades fully functional
- Headlights and directional lights intact and functional

EXTERIOR

- Seats unworn and free of cracks
- All doors open and close freely
- No dashboard warning lights remain illuminated
- Air conditioner and heater works
- Power windows operate properly
- Headlights, including brights, work properly
- All seats adjust and seat belts work properly
- Sunroof, car alarm, stereo work properly if installed

ENGINE

- Free of fluid or oil leaks
- Battery terminals free of corrosion
- Oil dip stick free of dark, black oil
- Door and boot seals in tact
- Free of odors while engine is running
- Exhaust pipe emissions are neither blue or black
- Oil filler neck not coated with thick, black deposits
- Engine VIN and body no's to match with registration

ENGINE

- Vehicle does not drift to one side without prodding
- Vehicle is stable; no shaking or vibrating
- No grinding noises when applying brakes
- Parking brake engages and disengages freely
- Each gear shifts smoothly
- No grinding noises when in reverse
- Transmission neither slips nor delays when driving
- No clicking or clunking when turning

BEFORE YOU DRIVE, MAKE SURE TO CHECK

- All the keys for the car
- Info on deactivating alarm if any
- Service book, owner's manual and log book
- Info on hidden switch if any



ABOUT SAVVY

Savvy is Australia's leading online financial services business providing a range of car & vehicle finance, home loans and insurance.

We have all the major banks and funders on board and it's our job to source the best possible deal for each of our valued customers.

ANZ/Esanda, Macquarie Bank, CBA, Liberty and NAB are just some of the funders we have access to.

We hope that through time Savvy can become your trusted port of call for all your financing needs.

We are here for the long term and want what's best for each and every one of our clients.

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Sources: NRMA car buying guide, DMV.Org and Personal Property Securities Register