

DESPERATESELLER.CO.UK's

THE 10 ESSENTIAL STEPS TO BUYING A USED CAR

STEP 1: Starting out

Who would have thought that buying a car you've never seen from a seller you've never met would ever take off? Well it certainly has thanks to the internet, and now more and more of us are purchasing new and used cars online. But, how do you pick a winner and not a banger?

If you've decided to buy a used car, you've already made a smart decision. You can get a car that's almost as good as a brand-new one, without suffering the depreciation that wallops new car buyers as soon as they drive the car off the lot. Used cars — even those that are only one year old — are 20 to 30 percent cheaper than new cars. But there are other good reasons to buy a used car:

The reasons:

- Buying a used car means you can afford a model with more luxury/performance.
- You'll save money on insurance.
- The glut of cars coming off lease makes finding a near-new vehicle, or "cream puff," easy.
- Bigger bargains are possible for the smart used car shopper.
- Used cars are more reliable today than ever before.
- Some used cars are still under the factory warranty.
- Most new carmakers now sell certified used cars, which include warranties.
- The history of a used car can easily be traced using the VIN number.
- Financing rates for used cars have dropped in recent years.

Stress free?

If you buy from a private party, the negotiation process is less stressful. True, you can't be the first one on the block with the trendiest vehicle. But your consolation will come with the knowledge that you got a great deal and made a smart financial decision. So read on, as we guide you along the road to used car happiness.

STEP 2: Finding the right used car

At the beginning of the car-buying process, many people already have in mind the car they want. But it's a good idea to stop right now and ask yourself: Will this car fit into my monthly budget? We'll explain how to determine what car you can afford in the next step. For now, make sure your choice isn't obviously exceeding your budget. You might want to think of other vehicles in the same class. For example, if you are considering a Vauxhall Astra then you should also look at the Ford Focus, Nissan Almera, or Honda Civic. These cars were built for the same market, but they often have different features at lower prices.

STEP 3: Used car bargains

The cost of a used car is based on its condition, mileage, reliability, performance and popularity. Of course, you want a car that is reliable and performs well. But do you want the same used car everyone else wants? If so, you will pay a premium for it. In some cases, the only difference is the nameplate. DesperateSeller.co.uk has bargain listed on the site every day. Click on the "Bargain Cars" link under the "Find a Car" option in the top menu to find the latest bargains in our database.

STEP 4: Do your research

You will find all the information you need to make an informed decision about what to buy on the DesperateSeller.co.uk website. The major topics are accessed by clicking on the "News & Reviews" links in

the top menu. This section lists information such as: prices, standard features, specs and safety, warranties, consumer discussions, photos and video and resale values.

One last vital step to getting a great used car deal: you have to run a vehicle history report on any used car you are considering buying. You can get a history report on any car by clicking on the "Car Check" option in the top menu of the DesperateSeller.co.uk website. You will find out the vital information about the used car including whether or not it has a salvage title (it has been declared a total loss by the insurance company) or evidence to reveal if the mileage has been altered.

STEP 5: What can you afford?

The smart shopper will consider how to finance the car at the beginning of the shopping process. This will avoid unpleasant surprises later in the game and help you make an unemotional decision that fits your budget.

You will need to estimate three figures that will guide you as you go shopping:

- Monthly payment. If you are going to take out a loan, how much can you afford to pay each month?
- Deposit or down payment. How much cash can you put down to reduce your monthly payments?
- Purchase price of the car. Answering the first two questions will help you determine a realistic price range for your used car.

STEP 6: Setting up finance

Once you've determined how much you can spend for a down payment, a monthly payment and the purchase price of the car, print out these figure and see what is realistic

Financing your used car

You have three ways to pay for your used car:

Cash. Need we say more? Money talks — you-know-what walks.

Financing through a bank or on-line finance lender. We highly recommend this route because it will usually save money and give the consumer the most control over the transaction. Financing through an independent source offers several advantages:

- Keeps negotiations simple in the dealership
- Allows you to shop competitive interest rates ahead of time
- Removes dependency on dealership financing
- Encourages you to stick to your budgeted amount
- Low interest loans can be arranged online
- To search for over 400 online finance lenders simply click on the "Car loans" option in the top menu.

STEP 7: Used car markets

The two most common places to buy a used car are:

Private parties

New car dealerships

Of these sources, private parties usually have the most reasonable prices. It is also a more relaxed transaction to buy a used car from a private party rather than to face a salesman at a dealership.

Still, there are advantages to buying a used car from a new car dealership. Dealerships usually get these cars at rock-bottom prices. If you make a low offer — but one that gives them some profit — you just might get a great deal. Furthermore, many dealerships offer certified used cars that have been thoroughly inspected and are backed by attractive warranties.

Search for your car by using Internet sites such as DesperateSeller.co.uk. The site allows you to search specific criteria such as make, model, options and price range.

While the Internet is an amazing resource, you should still try the conventional sources. Ask friends and relatives if they are selling a used car. Keep your eyes peeled for cars with "For Sale" signs in the window. Scan the bulletin boards at supermarkets or in local schools and colleges.

After talking to the seller, set up an appointment for a test drive. If possible, make this appointment during the day so you can more accurately determine the car's condition. Also, ask for the VIN number so you can run a car check report. This will tell you if the car is clean.

STEP 8: Test driving the car

Used car shopping will involve inspecting the vehicle to determine its condition. This process is simplified if you buy a certified used car that has passed a thorough inspection and is backed by a manufacturer's warranty. But while buying a certified used car removes a lot of the guesswork about the vehicle's mechanical condition, you pay for this service.

If you are serious about buying a used car but have doubts about its condition, take it to a mechanic you trust. A private party will probably allow you to do this without much resistance. But at a dealership, it might be more difficult. If it is a certified used car, there is no reason to take it to a mechanic.

Once you get behind the wheel, your first impression will be the way the car feels when you sit in it. Is it a good fit? Does it offer enough headroom? Legroom? Are the gauges and controls conveniently positioned?

Try to arrange your test drive so that you start the engine when it is completely cold. Some cars are harder to start when they are dead cold and, when doing so, will reveal chronic problems. Turn off the radio before you begin driving — you want to hear the engine and concentrate on the driving experience.

On the test drive, evaluate these additional points:

- Acceleration from a stop
- Visibility (Check for blind spots)
- Engine noise
- Passing acceleration (Does it downshift quickly and smoothly?)
- Hill-climbing power
- Braking
- Cornering
- Suspension (How does it ride?)
- Rattles and squeaks
- Luggage space

On the test drive, take your time and be sure to simulate the conditions of your normal driving patterns. If you do a lot of motorway driving, be sure to go on the motorway and take the car up to 70 mph.

After the test drive, ask the owner if you can see the service records and if receipts are available. If so, note whether the car has had oil changes at regular intervals. Be cautious of buying a car that has had major repairs such as gearbox rebuilds, valve jobs or engine overhauls.

STEP 9: Negotiating

Whether you are buying a used car from a dealer or a private party, let them know you have the cash in hand (or financing arranged) to make a deal on the spot. Preface your offer with a statement like, "I'm ready to make a deal now. I can give you cash (or a cashier's check) now. But we need to talk about the price."

At this point, you need to have a persuasive argument about why the price is too high. So let's talk about pricing. The foundation of successful negotiation is information. This is particularly true when buying a used car. And yet, the condition of used cars means prices will vary widely.

DesperateSeller.co.uk has removed much of the guesswork in used car pricing with their free used car valuation service. After you have gathered information about a car you are considering, look it up on the DesperateSeller.co.uk valuation section.

Dealers have lots of experience negotiating. Most private parties do not. Therefore, buying a used car from a dealer or a private party will be two very different experiences. But there is one overriding similarity — they both want to sell the car. In fact, the incentive to sell the car might be greater to the dealer than to the private party owner.

You should, however, follow these guidelines when negotiating:

- Only enter into negotiations with a salesperson you feel comfortable with

- Make an opening offer that is low, but in the ballpark

- Decide ahead of time how high you will go and leave when your limit's reached

- Walk out — this is your strongest negotiating tool

- Be patient — plan to spend an hour or more negotiating

- Leave the dealership if you get tired or hungry

- Don't be distracted by pitches for related items such as extended warranties or anti-theft devices

- Expect a "closer" (another salesman you've haven't previously dealt with) to try to improve the deal before you reach a final price

- Once you have a deal, you need to make sure the transaction is completed properly. The next section, which is the final step, will tell you what to expect and what you need to do.

STEP 10: Closing the deal

If you are at a dealership, you still have to go through the finance and insurance process. If you are buying a car from a private party, you have to make sure that payment is made and the title and registration are properly transferred.

In both cases, you also need to make sure you have insurance for the car you just bought before you drive it away. Also, the dealer will probably try to sell you a number of additional items: an extended warranty, alarms or anti-theft services, prepaid service plans, fabric protection, rust proofing and emergency roadside kits. Some people swear by extended warranties, so this is something you might want to consider (unless your used car is certified or still under the manufacturer's warranty). However, the other items typically sold in the dealer are expensive and hold little value for you.

Once the agreement is ready, review it thoroughly. Make sure you understand the charges and question the appearance of any significant, sudden additions to the contract. Finally, you should inspect the car before you take possession of it. If any repair work is required, and has been promised by the dealer, get it in writing.

When you buy a car from a private party, you will probably be asked to pay with a banker's draft or in cash. But before money changes hands, request the V5C and have it signed over to you. If you have any doubts then check with the DVLA

Once all of the paperwork is complete, it is finally time to relax and begin enjoying your new purchase: a good used car.