

A Cheap Loan "Could Put the Brakes on Rising Motor Costs"

As the cost of motoring rises, more and more people are finding it harder to keep their car on the road....

June 18, 2007 (FPRC) -- Congestion charges, insurance, parking, tax, not to mention rising fuel costs. It is perhaps unsurprising that a car alongside getting married or getting on the first rung of the property ladder is one of the biggest expenses Britons face.

According to Zurich, the average car owner spends more than £1,700 every year on day-to-day running costs of their vehicle.

The majority of consumers (91 per cent) surveyed claimed that their expenses have risen since 2002, as Britons pay more than £51 billion every year to keep their vehicles on the road.

Chief marketing officer Mark Searles said: "The cost of motoring has risen dramatically over the past few years, putting drivers under increasing financial pressure."

However, he reminded consumers looking to cut motoring costs that they are legally required to have a valid MOT and insurance.

Mr Searles advised they should look to "budget carefully" for other motoring costs and should particularly plan ahead in case of a breakdown.

As a result, those looking to reduce the day-to-day running costs of their vehicle could be well advised to use the cash from their motor loan to purchase a competitively-priced car insurance policy.

Research conducted by American Express reveals that rising petrol expenses and other costs have led 15 per cent of respondents to drive less often, with one in ten changing to a more economical car.

However, with only 57 per cent of drivers reported to shop around for motor insurance, opting for an uncompetitive policy could see a significant portion of consumers develop debt management difficulties.

Marketing manager for American Express Joanne Field said: "The cost of motoring seems to rise year-on-year and whilst there is little motorists can do to cut the cost of fuel or road tax, insurance is one area where real savings can be made."

Meanwhile, a study by M&S Money indicated that a number of motorists could struggle financially if they have an inadequate insurance policy.

The company indicated that about two thirds of drivers believe their insurer will automatically provide a replacement car if theirs is written off or stolen. However, only one in five were reported to receive this benefit as standard.

Following this 36 per cent of motorists said they would find it difficult to keep on the road, with a quarter potentially having to take on increased debt costs as they look to either borrow or hire a car.

Chief executive Brendan Cook said: "Those unfortunate enough to have their car written off or stolen are left high and dry by most insurers."

Earlier this week, a KwikGuides.com study indicated many drivers could effectively be paying out twice for their insurance as several firms make a number of hidden charges.

The findings revealed that consumers could be paying up to £150 to arrange a courtesy car, drive their vehicle abroad or just to register a change of address.

According to the publication, motorists are being misled as such services were once provided as free as a basic part of their premiums but are now commanding fees which are only mentioned in the small print of policies.

Author of the report Stuart Coster said: "Some insurers are cashing in. Millions of drivers are hit yet their premium already includes a good proportion of profit for the insurer."

Mr Coster revealed that as motorists lose out on about £150 million every year, consumers across the country could begin to develop debt management problems.

As a result, those wishing to offset the rising costs of owning a car effectively should be well-advised to take out a cheap personal loan.

Meanwhile, taking out a personal loan is also well advised for those consumers looking to buy a car itself.

A study conducted by Moneyextra indicated that consumers could lose out on thousands of pounds by opting for an uncompetitive finance deal instead of using cheap loans.

So for those looking to keep the costs of running their vehicle as competitive as possible why not take out a cheap loan?

Contact Information

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