

## **Motorists 'Fail To Do Financial Homework When Buying A Car'**

*British drivers need to become more financially astute when purchasing a car, it has been claimed.*

August 18, 2007 (FPRC) -- According to research conducted by esure, some 26 per cent of consumers would spend less than a hour researching how they are to fund the buying of a new motor vehicle, with respondents more likely to take much time over choosing which model they want. An estimated 19 per cent are revealed to be browsing car showrooms and industry magazines for more than 20 hours to pick out the automobile for them. Consequently, the insurance firm suggested that such a lack of thought into monetary expenditure could see motorists lose out on "considerable savings" or sign up to an unsuitable forecourt finance deal.

The study also revealed a deficiency in the understanding of the financial terms surrounding the buying of a new car. One in 20 people surveyed believed that the expression 'hire purchase' refers to renting a vehicle while away on holiday, with six per cent unable to even make a guess as to what the phrase means. And with the new '57' registration cars being sold from the beginning of next month, Britain's financial difficulties caused by motor spending could be set to deepen.

Colin Batabyal, director of underwriting and business development for esure, said: "As a nation we're always out for a bargain and value for money, yet motorists aren't putting this into practice when it comes to buying a new car. It is crucial for all motorists to do their research before stepping on the forecourt and be one step ahead of the salesman. Being shrewd and shopping around for the best price, finance and insurance deals could slash hundreds, if not thousands off the cost of driving away in a new 57 plate."

Furthermore, just over one in ten (11 per cent) think that the advertised price on a new car cannot be negotiated as it is firmly set. However, men were revealed to be more willing to haggle on the cost of a vehicle than women. Almost four-fifths of males (79 per cent) would barter with a salesperson on a car to get a more competitive deal, in comparison to 72 per cent of females.

Research from the company also showed that 35 per cent of Britons do not think about getting an insurance quote for their new car, before signing on the dotted line. Meanwhile, only 43 per cent would look into finding out what insurance category the vehicle would come under - a factor that esure claims could have "a significant effect" on premiums and in turn drivers' finances.

Earlier this year, Lloyd East, director of personal loans for AA, claimed that too many drivers are opting for a forecourt finance deal instead of low rate loans due to convenience - a move he claimed is costing them millions of pounds. He added that the "savvyness" shown in how Britons manage the day-to-day costs of running a car is not reflected in the way they choose to purchase them. The study also showed that 20 per cent of consumers are deciding what car to buy on environmental grounds.

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