

Motorists Abroad Should Be Aware Of Finance Implications

Motorists intending to take the car abroad this year could end up returning with a financial hangover.

March 23, 2008 (FPRC) -- Such is the warning from price comparison site uSwitch, which has released a report on the high cost involved in taking a vehicle to the continent. The firm observes that extending car insurance to provide the suitable amount of cover for such a trip can cost drivers as much as 510 pounds. Such a sum might be best met by some consumers using such financial means as a cheap personal loan.

According to the firm, millions travel to the continent by ferry or using the channel tunnel each year, while many more hire a car on arrival at their destination. However, two-thirds are said to be "oblivious" to their changing level of cover while one in ten wrongly assume that they are covered by their travel insurance.

uSwitch asserts that drivers would be best advised to check the full details of their insurance policies to ascertain exactly what level of cover they hold before venturing on to foreign shores. It states that those finding that they are not covered could suffer significant financial consequences should they have an accident or breakdown when out of the country. Estimating that 17.2 million motorists remain unaware of what level of cover they hold should they exit the country, uSwitch adds that three million of them will head to the continent this year, with clear potential for a personal finance disaster.

EU law requires that all insurers provide third party cover to their customers who choose to take their vehicle elsewhere on the continent - but many with fully comprehensive policies do not realise that they may not be covered for theft, accidental damage to their own vehicle or personal injury when out of the country. This could result in significant costs being incurred.

Ashton Berkauer, personal finance expert at uSwitch, reports: "As car-friendly transport links to the continent are speedier, cheaper and more reliable than ever before, many motorists are happily travelling to their holiday destination in this way. uSwitch's advice is simple - research the length and level of cover providers offer for driving abroad when you first purchase the policy. If consumers cannot find the details on driving abroad within their existing policy details and have any doubts they must phone their provider. This will minimise the risk of shouldering the bill for an invalid claim."

Any drivers ruefully returning home with a dented bumper after an unfortunate incident on holiday might need financial assistance to cover the outlay required to put the damage right - where they might find personal loans could fit the bill.

The various costs associated with car travel can often be addressed effectively and cheaply with a personal loan, as suggested in recent commentary from AA Personal Loans. In the run-up to the release of the first 08 number plates, the AA stated that consumers should assess financing options with as much care as they afford selecting the vehicle itself. This is because so-called forecourt finance can charge a high level of interest, while a competitive personal loan could prove much more economical in the long run.

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