

Motorists Seen To Struggle With Climbing Car Insurance Costs

It is a sensible idea for drivers to regularly review car insurance policies, it has been claimed.

April 20, 2008 (FPRC) -- Citing figures from the AA insurance index, research released by MoneyExpert reveals that the average cost of comprehensive motor insurance has risen to 629 pounds and four pence. However, in an attempt to secure the best premium possible MoneyExpert revealed that around 5.9 million Britons have switched their insurance provider during the last six months.

Following on from the increased cost of keeping a vehicle on the road, a quarter of all drivers state that they use their car less often. Financial difficulties appear to be felt the most by older motorists, with some 29 per cent of those over the age of 55 saying they have reduced travelling in their automobile because they cannot afford to do so.

Just over three-quarters of drivers claim that surging petrol prices are the reason that they have used their cars less, with eight per cent citing increased motor insurance expenses. Meanwhile, eight per cent of respondents report that the cost of maintenance is impacting on their capacity to afford running a car.

As a result of rising motoring costs, it might be possible that drivers encounter difficulties in managing the other various demands on their spending. Such areas may well include repayments on mortgages and personal loans, credit cards, meeting the cost of home insurance policies and utility bills.

In addition to rising motor insurance costs, the price comparison website also revealed drivers are seeing various other car-related expenses increase. At present it was revealed that the typical litre of unleaded petrol costs 107.5 pence, however in some parts of Britain such costs were shown to rise to 118.9 pence. Putting these figures into context, MoneyExpert reported that filling up a Ford Focus could set the owner back 65 pounds.

However, there could well be furthered financial pressures for drivers. In his Budget report earlier this year, Alistair Darling, chancellor of the exchequer, pointed out that fuel duty is set to go up by two pence per litre this October. Meanwhile, it is reported that the duty will go by half a pence per litre in real terms from 2010.

Sean Gardner, chief executive of MoneyExpert, said: "Many people are finding their finances are being squeezed to the limit and when that limit breaks something has to give. For some that means leaving the car in the drive and taking the bus or bicycle to work because driving has simply become too expensive. Petrol costs are high but the single biggest outlay a driver has to account for is their insurance premium. And as it's illegal to drive without it the only way to minimise the damage is to shop 'til you drop and get the best possible car insurance deal you can find."

When on the lookout for a car, consumers might find that a cheap loan provides assistance when making their purchase. By making the decision to apply for a loan, motorists could discover that they can purchase the vehicle of their dreams quickly and be left with an affordable level of repayments

to make. The monetary assistance that a loan provides could also help drivers to meet other motoring expenses such as getting comprehensive insurance. This could be particularly advisable after a recent Gocompare study revealed those who provide false information to insurance providers in an attempt to get cheaper cover could discover that their insurance is invalid.

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