



T&R Direct
Insurance services

Buying a new or used car from a dealer

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When buying a new or used car is generally regarded as a minefield. Here are some helpful tips you can keep in mind for when you're looking to buy a car from a dealer.

It's good to know that when you buy a car from a dealer you have consumer rights which will hopefully make your dreams of buying your car a safe reality!

When you buy a car from a dealer you will have rights under consumer legislation. Under the Sale of Goods Act 1979, when you buy from a dealer you have the right to expect that:

The car meets its description

A car said to have a "new reconditioned engine" should not have a nearly expired engine. It's a good idea to get a description of the car's condition from the dealer and ask whether there is a pre-sale inspection list.

The car is of satisfactory quality

A used car must meet the standard a reasonable person would regard as satisfactory. The quality expected from a used car is variable, and lower than a new car considering age, price, mileage and other factors such as accident damage.

The car is reasonably fit for any normal purpose

The car is suitable for its normal, intended use and any other purpose the dealer advises you at the time of purchase.

The car is reasonably fit for any other purpose you specify to the seller

For example, you tell the dealer you want the car to tow a caravan.

If you are not happy with the car, act quickly and contact the dealer and explain the problem. If you are still unhappy, get advice from your local trading standards department or go to the Citizens Advice Bureau. If the dealer is a member of a trade association, they may also be able to help.

Can you return the car?

If you identify a fault and wish to return a car you must stop using it and advise the dealer in writing of your intention. It is a good idea to keep a diary to support your reasons together with any comments or offers made by your dealer.

If you keep a faulty car for longer than a “reasonable” time (which may be as little as 3 weeks in respect of a new car, or even less in respect of a used vehicle), or travel more than a few hundred miles, entitlement is generally limited to repair and an element of compensation.

Paying for your car on credit?

Section 75 of the Consumer Credit Act 1974 provides that in certain circumstances the finance company is equally responsible for any breach of contract or misrepresentation by the car dealer. You may be able to claim against the finance company provided:

- you paid by credit agreement or credit card; and
- the cash price of what you are buying is more than £100 but no more than £30,000 (including VAT); and
- the amount paid using credit is £25,000 or less; and
- if you made a credit agreement, the car dealer introduced you to the finance company.

If you intend to reject your car, and there was a finance company involved, make sure you write to them at the same time as you write to the dealer. If you bought the car on credit and you wish to reject the car you should consult a legal adviser or your local Citizens Advice Bureau about your specific rights.

Does it come with a warranty?

Dealers often throw-in their own 3-12 month warranties (or longer) for free to buyers to secure a deal or for an extra fee. Such warranties are ‘in addition to’ and not ‘instead of’ your statutory rights listed above.

Always read the terms of the warranty carefully. For example, some warranties will only provide parts not labour cover.

Also remember that free warranties offered on or after 31st March 2003 are legally binding upon the warranty provider. Although a free warranty offered before this date will only be binding if you can show it was part of your contract with the dealer or manufacturer, this can be difficult to achieve, years after the issue of the warranty.

The information in this article is intended to provide you with general information only. You should seek detailed legal advice for individual cases. The information given is based on the laws of England and Wales.