



**T&R Direct**  
Insurance services

# Buying a car from a private seller

T&R Direct Article

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## Buying a car privately

In contrast to a dealer, private sales are not protected by the Sale of Goods Act 1979 (as amended). This means the seller does not have to justify the satisfactory quality of the car he is selling. As a buyer it is up to you to make your own inspections and checks.

The only duties a private seller owes to a buyer are to ensure that:

- The seller can prove his ownership of a car; and
- The car is correctly described and roadworthy for the price paid.

Although buying a car privately should be cheaper than buying from a dealer, it can involve a lot of risk. For example, the car might not belong to the seller, the car may be stolen or belong to a finance company as security for a loan or hire purchase.

If you have a dispute, you will need to prove that the seller made a misrepresentation or that the car did not meet its description at the time of sale. As many such contracts are only verbally agreed, representations can be very difficult to independently confirm.

## The car has outstanding finance?

If a finance company is still owed money from the previous owner of the car it would be unable to recover the car against your will. The Consumer Credit Act 1974 gives "good title" to the innocent private purchaser of a car which later turns out to be subject to a claim by a finance company. However, if you had known or had suspicions about any agreement, and didn't ask any questions, you would not be considered to be an innocent purchaser – ownership would not pass to you and the car could then be repossessed.

The only action you can take in these circumstances is to sue whoever sold you the car – if you can find them.

## The car is recorded as stolen?

If you buy a car that has been stolen, you have no legal right to the car. The car belongs to the original owner and would have to be returned. In these circumstances you would have to pursue the seller of the car although this can sometimes be difficult if they have disappeared overnight or are selling the car to "work overseas".

Always ask to see the registration document and use the information on it to help you decide whether or not the seller is telling the truth.

### **How can I reduce the risk of buying a stolen car?**

HPI checks can reduce this risk although they cannot presently guarantee the title of cars before they enter the UK. For example, cars first registered in Eire.

### **When is a private seller not a private seller?**

Some dealers masquerade as private sellers to avoid their legal obligations or to get rid of faulty or over-priced cars. Look out for signs such as ads giving a mobile number and specified time to call or the same number appearing in several different ads.

It is a criminal offence for a motor trader to pretend to be a private seller. If you become aware or have a suspicion that a potential seller is a commercial dealer notify your local Trading Standards department immediately.

If you buy a car from a masquerading dealer, the sale isn't void, but you do not have the protection of the Sale of Goods Act 1979 (as amended).

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.