

Drive an online bargain

You can save hundreds, if not thousands, of pounds on a new car if you're prepared to buy over the internet, as our exclusive new research shows. Here's how to do it

Next to a home, a car is likely to be the most expensive purchase any of us make – and it is one of the easiest on which to make substantial savings. By shopping online, we saved an average of 11 per cent on the list prices of 15 popular cars – you could, too.

How we did it

We enquired about discounts on 15 new cars – from a Mazda2, officially priced at £9,999, to a Mercedes C-class listed at £29,097 – from UK franchised dealers and from ten online car brokers. These are companies that source discount prices for you from a wide network of main dealers.

Across the 15 cars, the dealerships offered us total savings of £18,601 (or 7 per cent) on list prices. The best individual discount was a substantial 16 per cent.

However, despite eventually getting some good prices, it was tough going at times. There were sales staff who couldn't be located or who consistently failed to make promised contact – five times in one case. Six dealers didn't send their promised quotation, and we even came across one showroom where the salesman couldn't find a price list. Perhaps surprisingly, we had the most difficulty in obtaining quotations from Fiat and Ford dealers, while Audi showrooms were the most professional in responding to our enquiries.

By shopping online, we saved an average of 11 per cent on list prices

By contrast, a simple search of online car brokers increased our total savings on the 15 cars to £29,833 (or 11 per cent) – although they didn't always offer us the best deal on individual models. One Fiat dealer, perhaps fighting hard to meet a target, offered us a £2,100 discount for an immediate deal – £1,500 more than the next lowest dealer and £700 more than the best broker price.

Would you buy online?

While many of us are very happy to buy smaller items online, buying a car in this way can seem off-putting.

In November we asked 2,095 Which? members if they had bought, or considered buying, a car online. Six per cent told us that they had already bought a car this way, and 42 per cent said they would consider it.

The survey revealed that the main aspects of interest when buying a car were the ability to take a test drive and get a good price. So we looked at the discounts on offer, how difficult such a purchase would be and how to secure a test drive. Were the 50 per cent who said they would not consider buying a car online right to be wary?

Do dealers offer customer care?

Despite the coffee and smiles that you should, but don't always, find at your local

dealership, remember that their profit margin comes out of your pocket. As a nation we are quite reluctant to haggle, and sales staff can turn this to their advantage – indeed, we found some who intimated that it is somehow impolite to ask for a discount.

Many buyers also tell us that the attitude of some sales staff can intimidate. One salesman told us that he would not give his best price until we sat down to sign an order. He admitted that this was so we could not take his quotation to another dealer to negotiate better terms. Such problems do not exist with online brokers, whose very essence is price comparison.

We also found that dealers didn't always factor percentage discounts into the cost of optional extras, which they should. Indeed, when we explained that we wanted a price for a standard car, four still added metallic paint at an additional £300 to £700, while two added even more expensive options such as satnav. We deducted these options for our price comparison.

Sometimes manufacturers offer their dealerships an additional discount if they register cars themselves, perhaps in a slack period or to bolster flagging sales –

IT'S EASY WHEN YOU KNOW HOW

Arnold Rabinowitz 73,
*retired educational
psychologist*

Arnold is an old hand at online car buying – he's bought a total of three so far, using various brokers. The first and second, a Volkswagen Passat and Touran respectively, were supplied by a VW dealer in Lincolnshire after the (now defunct) broker arranged the initial sale. In both cases the prices beat the best local dealer quotes by 16 per cent, according to Arnold.

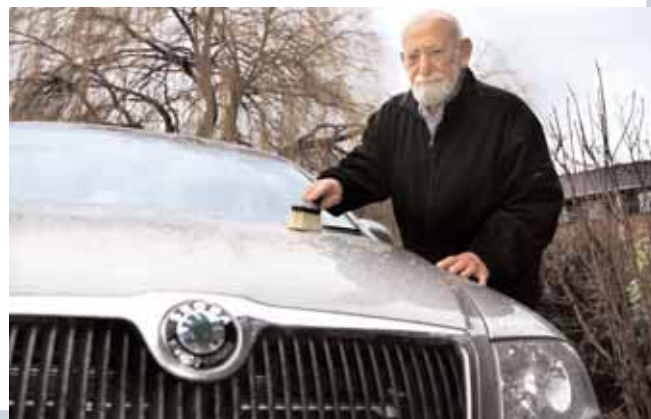
'I collected both cars from the dealer myself, to save on the delivery charge, and paid the balance with my Switch card,' he said. 'With the Touran I had one small warranty claim to make, and this was dealt with at my local Volkswagen dealer without any problem.

The Passat had no problems at all in its warranty period.'

His latest purchase was a Skoda Octavia 2.0 TDI Laurin & Klement hatchback with DSG auto gearbox. The list price for this car is £21,195, but Arnold says he beat the best price from a local dealer by around 6 per cent, eventually paying £17,764 for it. After he

placed a £1,000 deposit with Broadspeed, delivery took around eight weeks.

Arnold likes the fuss-free buying process, saying: 'Above all, I avoid the heavy-handed sales talk that I have previously experienced at dealerships. As long as you do your research there's very little risk.'



MODEL		MAIN DEALERS				ONLINE BROKERS				TOTALS
	LIST PRICE (£)	AVERAGE DEALER PRICE (£)	LOWEST DEALER PRICE (£)	BEST DEALER DISCOUNT (%)	SAVINGS ON LIST PRICE (£)	AVERAGE BROKER PRICE (£)	LOWEST BROKER PRICE (£)	BEST BROKER DISCOUNT (%)	SAVINGS ON LIST PRICE (£)	BROKER SAVINGS OVER DEALER (£)
AUDI A6 2.0 TDI TDV S-Line 4dr	28,550	26,909	26,605	7	1,945	26,049	25,771	10	2,779	834
BMW BMW 1 Series 118d SE 5dr	20,770	19,850	19,700	5	1,070	18,429	17,969	13	2,801	1,731
CITROEN C-Crosser 2.2 HDi VTR Plus 5dr	22,790	21,598	20,600	10	2,190	20,742	19,932	13	2,858	668
FIAT Bravo 1.4 T-jet Active Sport 5dr	13,595	12,248	11,495	15	2,100	12,601	12,203	10	1,392	-708
FORD Mondeo 1.8 TDCi Zetec 5dr hatch	18,195	16,998	16,395	10	1,800	15,805	14,449	21	3,746	1,946
MAZDA Mazda2 1.3 86 TS2 5dr	9,999	9,760	9,493	5	506	9,922	9,593	4	406	-100
MERCEDES C-class C220 CDI Sport Auto 4dr	29,097	27,992	27,642	5	1,455	27,323	26,103	10	2,994	1,539
MINI Mini Cooper 1.6D Chilli Pack 3dr	16,200	16,200	16,200	0	0	16,130	16,130	0	70	70 ^a
NISSAN Qashqai 1.6 Tekna 5dr	16,699	16,499	16,299	2	400	15,893	14,999	10	1,700	1,300
PEUGEOT 308 1.6 VTi S 5dr	14,095	13,596	13,295	6	800	12,482	12,275	13	1,820	1,020
RENAULT Clio 1.5 dCi Dynamique [AC] 5dr	12,835	11,640	10,843	16	1,992	11,189	10,285	20	2,550	558
TOYOTA Auris 1.6 VVTi T3 5dr	14,095	13,088	12,695	10	1,400	13,280	12,980	8	1,115	-285
TOYOTA Verso 1.8 VVTi T2 5dr	15,795	15,172	15,095	4	700	14,588	13,860	12	1,935	1,235
VAUXHALL Corsa 1.4i 16v Design 5dr	12,200	11,278	10,499	14	1,701	10,541	10,084	17	2,116	415
VOLKSWAGEN Eos 2.0 FSI 2dr	21,142	20,961	20,600	3	542	20,530	19,591	7	1,551	1,009
TOTAL SAVINGS				7 (ave)	18,601			11 (ave)	29,833	11,232

^a Mini found at one broker only

this is known as 'pre-registering'. These are then offered as second-hand cars with zero mileage. We were offered relatively few pre-registered models, and they weren't always cheaper than brand-new models from a different dealership.

The discounts that carmakers offer dealers are generally reducing, to be augmented by bonuses based upon registration targets, advertising allowances and even mystery shopping scores. If a dealer is within reach of such a target their discounts often increase – so the more dealers you speak to, the better your chance of finding a good price.

Online brokers: what to expect

Internet car brokers have wide-ranging contacts at different franchised dealerships, so they should do all the legwork for you.

The brokers' websites we tried (see 'Contacts', opposite) all had good terms, clearly shown, and were straightforward to

use: you click on options to progressively select your chosen model and, in most cases, you're presented with an immediate and discounted price – although these varied widely. The Ford Mondeo we were looking at, for example, varied by £2,307 and the Citroën C-Crosser by £2,329. Some sites failed to show the list price, so you need to check (as we did) that the quoted prices are up to date.

No single broker covered the entire range of 15 cars, while New Car Deals would quote only by email – not very satisfactory for browsing the market. Jamjar and Carselect are bank subsidiaries aiming to sell their own finance, and Autobytel is part of major dealer group Inchcape, which offers its own cars only. Most have some special offers, but these are generally on cars that are not selling well.

Most online brokers simply seek to display the best prices they have found and then pass your details on to a main dealer

You'll still be doing business with a franchised dealer – just not your local one

in return for a commission (paid by the dealer). The dealer then telephones you and discusses the sale direct. So you'll still be doing business with one of the manufacturer's franchised agents – just probably not the one local to you.

Deposits and finance

A deposit – usually £500 – is payable when you order, with the balance upon delivery, once you've had chance to inspect the goods. We feel it is safer to pay the dealership direct, although Buyacar collects the deposit itself, as does Jamjar, which is owned by the Royal Bank of Scotland, and Carselect, part of the Lloyds TSB Group. Payment by credit card will give you additional safeguards.

If you're speaking directly to a main dealer, finance should be available on normal showroom terms, although you still need to check that the interest rate is competitive. Only agree to take finance once they've sent you the papers to look through. Some brokers, especially those owned by banks, will offer their own finance and again you should compare interest rates.

What about imports?

Imported cars are worthwhile when the pound is strong and Continental cars are cheap. However, most brokers prefer to deal in UK-sourced cars only these days, as you can still make significant savings without many of the hassles of importing.

Where imports are offered, treat them with caution to ensure that warranties and specification meet UK standards. Typically, an EU warranty is only two years, instead of the UK's mandatory three, while some features aren't fitted to European versions of what appears to be the same car. We didn't find any imports from the brokers we searched, although we found some car supermarkets (see left) stocking them.

Part exchanges

Trading in your old car is certainly the simplest means of disposal but not so easy when buying online. Drive the Deal recommends that you sell your old car privately, which is the best option if you're prepared to put some effort in.

Buyacar will give a part-exchange quotation online, while Broker4cars says part exchanges may sometimes be possible via the quoting dealer. Jamjar will also quote a price, but that is subject to confirmation

Car supermarkets

You can use the internet to help browse stock at car supermarkets, too

Car supermarkets mostly sell used cars and sometimes pre-registered or imported cars. Each site may have 20 times the number of cars you will find at your local dealer, and prices are usually keen.

Although you don't buy online – it's vital to inspect the car before you hand over your cash at a supermarket – it's well worth browsing their online stock lists.

While we were comparing broker prices, we found that Motorhouse had six newly-registered VW Eos convertibles, each with delivery mileage and a good specification, including CD player and metallic paint. They were around 12 per cent less than list price, which compares well to our broker savings.

Trade Sales' website showed 85 new cars with zero mileage and all, it says, to UK specification. A Honda Accord 2.0 Executive saloon, for example, was on offer at

34 per cent below UK list price.

You do have to be flexible in your choice – you're buying from the supermarket's stock, not placing an order. Usually, the price doesn't include road tax or first registration fee (if it's a new car). And ask to see all the car's paperwork before you pay a deposit – look for a foreign dealer's stamp in the 'pre-delivery inspection' section of the service book to help spot non-UK cars. If the deal is good you can still buy it, but be aware that future

buyers will also want money off because it's an import.

Motorpoint is one of the biggest multi-site sellers, with very keen prices. It will let you test-drive the car if you take a driving licence and proof of address. Carcraft asks for six items of ID – so go prepared.

Car supermarkets will value your part exchange (often not that highly), sort out insurance and get you away the same day. But always check their terms and conditions before making a long journey.





HOW I SAVED £5,500

John Fitch

retired teacher

John Fitch's 14-year-old, 214,000-mile Land Rover Discovery was declared dead after needing a new gearbox. But he needed a seven-seat car to ferry visiting relatives. 'When they arrive by Eurostar or by air we need a suitable vehicle to take adults in all seats,' he said.

Retired teacher John liked the look of the new Ford Galaxy – one of our recommended MPVs. He ordered a 2.0 TDCi Ghia model through Drive the Deal, and the supplying Ford dealer delivered it directly to John's

door. John was quite particular about the extras he wanted, and had to wait around seven weeks for delivery: 'We wanted roof bars, bi-xenon lights, heated front seats and a Sony 6-CD/radio.'

With these and other options, the list price of the Galaxy is around £26,000. John saved a healthy £5,500 on this, eventually paying £20,052 including delivery. His advice to others considering an online car purchase is simple: 'Be quite clear what you want, and thoroughly research your car before ordering. There is no salesman to hold your hand – or your purse.'

when the new car is delivered – and then it would effectively be too late to argue against a price reduction.

If you are part exchanging your old car, concentrate on the price difference between the new car and your old one – try to make this as small as possible. You will need to describe the condition of your part exchange carefully over the phone. Guides to condition, such as the 'fair wear and tear guide' available on Jamjar's website, will be a great help when doing this.

Test drives, delivery and servicing

Most online brokers can arrange a test drive for you but it may be simpler to book one at your local dealer – while you also check its part-exchange, finance and discount terms. Armed with an internet quotation, you may even find your local dealer will be willing to match it.

All brokers said they could arrange delivery to mainland Britain, although they may charge for this. Northern Ireland has its own vehicle number registration system. While Buyacar quoted us £180 to deliver a car to Northern Ireland, it would still carry a mainland registration number.

Don't worry that buying online may cause hassles with servicing and warranty work. Sales staff may tell you otherwise, but servicing is a profitable part of any dealership and your local dealer is unlikely to turn your car away. Similarly, the warranty is underwritten by the

manufacturer, regardless of which of its dealers sold you the car.

On the consumer's side

We found that buying a car online is simpler than negotiating with several dealers yourself, and, in most cases, we obtained a better price.

Remember, you're not really buying online at all. Choose a broker that allows you to talk directly with the supplying franchised dealer, and the difference is really only the price – in effect you use the web to browse prices, but you make the actual deal and payments over the phone with a reputable named dealer.

Of course, some car manufacturers don't like it – there are many rumours of dealerships being actively 'discouraged' from selling to customers via brokers – but the dealers need to hit their targets, so they're often forced to discount. Brokers put a lot of power, and savings, into car buyers' hands – and we think that should be welcomed.

Online brokers put a lot of power into car buyers' hands

Contacts

ONLINE BROKERS

www.autobyte.co.uk
www.broadsped.com
www.broker4cars.co.uk
www.buyacar.co.uk
www.car-brokers.net
www.carselect.lloydstsb.com
www.drivethedeal.co.uk
www.jamjar.com
www.new-car-deals.co.uk

www.ukcarbroker.co.uk

CAR SUPERMARKETS

www.carcraft.co.uk
www.motorhouse.co.uk
www.motorpoint.co.uk
www.trade-sales.co.uk

FIND YOUR NEAREST CAR SUPERMARKET

www.car-supermarkets.com

Checklist

Follow our essential advice if you're thinking of buying a car online

- **Prices** Ensure that the prices offered are up to date.
- **UK spec** Make sure the car is to UK spec, is the latest model and carries a decent warranty.
- **Fees** Does the price include 12 months' road tax and the first registration fee? Delivery should be either free or at a fixed price.
- **Use a credit card** Paying the deposit by credit card offers a further financial guarantee.
- **Options** Expect the same percentage discount on optional extras as on the car itself.
- **Finance** If you decide to take the broker's finance, check the rate is competitive.
- **Part exchange** If the broker will take your old car, make sure the trade-in price is fair. Use the Which? *Car Buying Guide* at www.which.co.uk/cars to check.
- **Delivery time** Be sure to get written confirmation of delivery time. That way you can pursue compensation if the car is late.
- **Upon delivery** Thoroughly inspect the car for damage and to make sure it's as you ordered.