



# Running out of cash

Fuel bills, insurance, servicing... Ever stop to think how much your car actually costs to run? We've been comparing new cars – both budget and expensive – to see how the costs stack up

If you're about to splash out on a new car, don't get hung up on the price in the brochure or slapped on the wind-screen. What you should be thinking about is how much it will cost you to run. There are huge differences from car to car – and sometimes 'cheap' cars may not work out cheap at all...

We've investigated the running costs for a selection of popular cars over the first three years and 36,000 miles of ownership, taking into account genuine discounts (from online car brokers), insurance quotes

and current fuel prices. We've also looked into the cost of borrowing the money to pay for the car, reflecting increasing consumer interest in finance packages.

Some of our results are particularly illuminating – who would think a routine Chevrolet hatchback could cost more to run than a sports car, for example? What our investigation clearly shows is that list prices certainly aren't the whole story. Read on to find out how you can save thousands on the cost of your motoring just by choosing the right car in the first place.

## Checklist How to cut your running costs

■ **Are you carrying excess weight?** Unnecessary luggage will adversely affect fuel economy.

■ **Are you under pressure?** If your tyres are not correctly inflated, you may not be getting the best possible fuel economy.

■ **Keep your car fit** Regular servicing keeps your engine healthy and performing efficiently.

■ **Drive greener** Consider an eco-driving course (see *Which?*, April 2008, p75) to reduce your fuel bills.

■ **Cut the cost of cover** Shop around for insurance; consider a car with a smaller engine.

■ **Alternative lifestyle** Very high-mileage drivers might investigate alternative fuels (such as LPG and biodiesel), which can slash fuel bills.



## COMPANY CAR CONUNDRUMS

**Geoff Johnson, 62, service manager**

Running a company car can be expensive, due to benefit in kind (BIK) tax. But deciding whether it is cost-effective can be very hard, thanks to the differences between running your own car and having it supplied and looked after.

Geoff Johnson used to run an Alfa Romeo 156 and did about 12,000 business (and 8,000 private) miles each year. The car fell within his company lease allowance of £367 a month, and, as well as personal mileage costs, Geoff paid £136 a month in BIK tax.

By the time his lease ended, company policy had changed, restricting Geoff to cars from Ford and General Motors. So he decided on the 'cash'

option: £567 a month from the company to fund his own car, plus about 13p a mile for fuel and oil on business use.

He bought a Citroën C4 with four-year 0 per cent finance. Totting up this cost, and taking into account road tax, servicing, insurance, depreciation and tax allowances, Geoff says he's now £138 a month better off.

No two companies are alike, though, so do your sums before opting out. Changes to his company car scheme motivated Geoff, but others may want a wider choice of car or just lower costs.

The AA's company car tax calculator – found at [www.theaa.com](http://www.theaa.com) – can help you decide which is the most frugal route.

## SUPERMINI SWEEP: MINI STILL HARD TO BEAT

SUPERMINIS	COST (£)							
	LIST PRICE	DISCOUNTED PRICE	FINANCE	DEPRECIATION	SERVICING	THREE YEARS' FUEL	THREE YEARS' INSURANCE	THREE YEARS' ROAD TAX
<b>MINI</b> One [Pepper Pack] 3dr	13,230	13,153	1,246	4,818	175	3,177	1,086	230
<b>MAZDA</b> 2 1.3 TS2 5dr	9,999	9,801	1,105	4,802	362	3,238	1,017	230
<b>VAUXHALL</b> Corsa 1.4 SXI [AC] 5dr	12,125	10,027	1,131	4,935	365	3,713	945	230
<b>CITROËN</b> C3 1.6 Exclusive Sensodrive	13,095	10,486	1,183	5,772	218	3,713	1,080	230

Superminis can do it all these days – ferrying passengers, lugging loads and pounding motorways. No wonder they're some of the most popular cars among Which? members.

Another reason is their affordability. Our winner, the Mini One, costs £9.80 a day to run. That's not bad when you consider that the costliest, the Citroën C3, will set you back £11.13. That's £1.33 more a day or, over a year, enough for a new washing machine.

We'd also choose the Mini over the Citroën regardless of finances. It's nicer to drive, and

electronic stability control (ESC) is standard. Watch out for the long waiting lists, though, and be wary of picking too many options. These will skew the running costs, and you won't necessarily recoup the options' full cost when you come to sell the car, especially on items such as fancy paint jobs and bodykit.

Overall, the Mazda2 is not far behind the Mini, with costs of £10,754. Its fuel-efficient engine and impressive resale values ensure it's actually quite cost-effective to run, as well as being better equipped than the Mini One.

## TOTAL RUNNING COST

Mini £10,732

Mazda £10,754

Vauxhall £11,319

Citroën £12,196



## FAMILY FORTUNES: KIA SHOWS UP CHEVY'S POOR VALUE

MEDIUM CARS	COST (£)							
	LIST PRICE	DISCOUNTED PRICE	FINANCE	DEPRECIATION	SERVICING	THREE YEARS' FUEL	THREE YEARS' INSURANCE	THREE YEARS' ROAD TAX
<b>KIA</b> Cee'd 1.6 CRDi GS 5dr	13,045	11,219	1,265	6,784	451	2,817	1,152	230
<b>FORD</b> Focus 1.6 Zetec 5dr	15,295	12,300	1,387	5,723	344	4,012	1,245	280
<b>VW</b> Golf 1.4 TSI (122) S DSG [AC] 5dr	16,170	14,685	1,656	6,762	216	3,535	1,078	230
<b>HONDA</b> Civic 1.8 SE 5dr	15,130	14,227	1,660	6,359	400	3,840	1,377	280
<b>BMW</b> 116i ES 5dr	17,530	16,646	1,993	7,530	175	3,477	1,311	230
<b>CHEVROLET</b> Lacetti 1.8 Sport 5dr	12,495	11,789	1,329	7,916	525	4,444	1,395	330

The term 'medium car' can be misleading, especially in terms of purchase price. The cheapest such car in our chart, the Kia Cee'd, costs £11,219 after discount. But the BMW 116i, costs over £5,000 more.

Regardless of how the various cars drive and their relative levels of sophistication, the running costs are interesting. The Chevrolet costs most to run, despite having the lowest list price, but the premium BMW is also costly.

After three years and 36,000 miles, the Chevrolet will have shed £7,916 (two thirds of

its list price) – even with the discount factored in. Spend £500 or so more on a Ford Focus and you'll lose only £5,723 in depreciation.

The winner here is the humble Kia Cee'd, thanks to its low price, cheap fuel costs (courtesy of its diesel engine) and affordable insurance. It's fine to drive, too, and has good equipment and a seven-year warranty.

But the Ford Focus is close behind. Its low running costs reflect the generous discount we found and its popularity, which means parts and servicing are affordable.

## TOTAL RUNNING COST

Kia £12,699

Ford £12,991

VW £13,477

Honda £13,916

BMW £14,716

Chevrolet £15,939





## EXECUTIVE EXPRESS: MERC UNDERCUTS CITROËN

EXECUTIVE CARS	COST (£)							
	LIST PRICE	DISCOUNTED PRICE	FINANCE	DEPRECIATION	SERVICING	THREE YEARS' FUEL	THREE YEARS' INSURANCE	THREE YEARS' ROAD TAX
<b>MERCEDES</b> E280CDI Sport tip auto 4dr	37,020	31,333	3,724	13,193	764	4,528	2,208	410
<b>BMW</b> 530d SE Steptronic 4dr	36,435	33,695	4,005	14,749	187	4,147	2,124	330
<b>AUDI</b> A6 3.0 TDI Quattro SE tip auto 4dr	33,725	31,245	3,713	14,045	376	5,220	1,866	410
<b>HONDA</b> Legend 3.5 EX auto 4dr	36,452	33,731	4,009	17,692	461	7,144	2,127	600
<b>CITROËN</b> C6 2.7 Exclusive auto 4dr	38,195	36,621	4,352	19,433	358	5,461	1,983	600

It's no shock to find that executive cars aren't cheap to run, but what is surprising is the gulf between cars from the three 'usual suspects' (Audi, BMW and Mercedes-Benz) and those from other more mainstream manufacturers.

All of the 'big three' have total running costs of less than £26,000, which are remarkably similar, despite wildly varying individual costs.

The Citroën C6 and Honda Legend are from makes generally associated with more affordable cars and both cost more than

£32,000 to run – at least £6,000 more than the others. They're not bad cars – indeed, the Citroën is a uniquely stylish vehicle harking back to the classic DS. It's just that the used-car market doesn't rate them as highly as the other three, making for worse depreciation.

There's also no diesel engine available in the Honda Legend, so its fuel costs are higher than the others'. But it's still on a par with the Citroën in terms of overall running costs, thanks in part to a lower purchase price.

### TOTAL RUNNING COST

**Mercedes £24,827**

**BMW £25,542**

**Audi £25,630**

**Honda £32,033**

**Citroën £32,187**

### LOOK ONLINE

#### Every detail on every car

Before you buy a new car, check the online Which? Car Buying Guide at [www.which.co.uk/cars](http://www.which.co.uk/cars), where you can find detailed running costs for every mainstream UK model, as well as reviews of their performance, equipment and size. We also give every make's reliability record.

## SPORTS STARS: MAZDA SHOWS ITS MERIT

SPORTS CARS	COST (£)							
	LIST PRICE	DISCOUNTED PRICE	FINANCE	DEPRECIATION	SERVICING	THREE YEARS' FUEL	THREE YEARS' INSURANCE	THREE YEARS' ROAD TAX
<b>MAZDA</b> MX-5 1.8 [option pack] 2dr	16,530	15,845	1,897	7,249	357	4,375	1,473	330
<b>VW</b> Eos 2.0T Sport 2dr	23,905	22,920	2,744	10,011	215	4,922	1,452	410
<b>AUDI</b> TT 2.0T convertible	27,240	26,951	3,203	9,790	426	4,677	1,680	410
<b>NISSAN</b> 350Z 3.5 [313] convertible	28,295	26,395	3,137	11,116	402	7,205	2,295	600

A convertible sports car is a present that none of us would refuse. But do you know the true costs of owning one? Excluding the price of the sun cream, there's a big difference in ownership costs.

True, we've cherry-picked cars from a wide range of price points, but it does show the benefit of 'looking before you leap'. The purchase of a sports car is usually made with the heart rather than the head, but a little maths before taking the plunge can end up saving you thousands of pounds.

The most expensive model in our calculations is the brawny Nissan 350Z, a 313bhp V6 roadster capable of 0-60mph in

just 5.9 seconds. However, it's also a thirsty beast, averaging only 23.5mpg.

Although it's not a direct competitor, the smaller, lighter Mazda MX-5 can arguably provide just as many 'smiles per mile' as the 350Z. More importantly, it will end up costing you at least £9,000 less over three years and 36,000 miles.

Premium-badged rivals the Audi TT and the VW Eos are surprisingly closely matched (they even use the same engine). However, the figures above don't tell the whole story – remember the TT is a basic specification, but the Eos is generously specified in Sport trim and has an electric metal folding roof.

### TOTAL RUNNING COST

**Mazda £15,681**

**VW £19,754**

**Audi £20,186**

**Nissan £24,755**





## PETROL vs DIESEL: WHICH IS CHEAPER?

PETROL vs DIESEL	COST (£)							
	LIST PRICE	DISCOUNTED PRICE	FINANCE	DEPRECIATION	SERVICING	THREE YEARS' FUEL	THREE YEARS' INSURANCE	THREE YEARS' ROAD TAX
TOYOTA Avensis 2.0 diesel T3-S 5dr	18,095	16,562	1,983	9,505	339	3,453	1,254	230
TOYOTA Avensis 1.8 petrol T3-S 5dr	17,095	15,762	1,887	9,095	280	4,319	1,254	330

One of the biggest quandaries when you're buying a new car – especially if you have an eye on running costs – is whether to go for a petrol or diesel engine.

Diesels tend to be more fuel-efficient – which keeps costs down – but the cars, and the fuel, are significantly more expensive to buy. Some buyers won't see any benefit unless they're covering a high mileage. But others will reap the rewards, as diesel

models sometimes hold on to their value better than their petrol counterparts.

In our example, we've pitched a petrol model against a diesel version, but in all other respects the two cars are the same.

Depreciation is a bit heavier for the diesel car, and it's more expensive to buy, but this is more than offset by its lower fuel cost.

The total fuel bill for the petrol car is £4,319, but the diesel car uses less fuel and

### TOTAL RUNNING COST

Toyota diesel £16,764

Toyota petrol £17,165



costs £3,453 (in spite of higher diesel prices). This difference more than offsets the diesel Avensis's higher costs elsewhere.

Of course, we're using the official fuel consumption figures to calculate these costs, but they illustrate the point perfectly. Even if you don't quite match them in everyday life, the economy advantage of diesel over petrol is likely to be in proportion to these figures.

## HYBRID HYPE: PRIUS IS STILL THE BEST

HYBRID CARS	COST (£)							
	LIST PRICE	DISCOUNTED PRICE	FINANCE	DEPRECIATION	SERVICING	THREE YEARS' FUEL	THREE YEARS' INSURANCE	THREE YEARS' ROAD TAX
TOYOTA Prius 1.5 T3 5dr	17,797	16,267	1,948	6,490	318	2,577	1,134	70
HONDA Civic Hybrid ES 4dr	17,120	16,293	1,951	7,401	323	2,758	1,239	70

We also compared two popular hybrid cars, the Honda Civic Hybrid and Toyota Prius. Both cost around £16,300 to buy (after discounts), yet their overall running costs are far from similar.

The biggest difference is the cost of depreciation. After three years and 36,000 miles, the Toyota could be sold for £9,777, representing a loss of £6,490 on the discounted list price. However, the Honda loses nearly £1,000 more in value over the same period.

Fuel costs for the Honda are higher, too. According to official figures, the Prius returns an average of 65.7mpg, while the Honda's figure is 61.4mpg. That difference may not sound like



much, but it equates to an extra £180 in fuel costs during the three-year ownership period.

This, combined with an additional £105 for insurance,

means the total running costs are £1,200 higher for the Honda.

Luckily, our experience backs up this choice. We prefer the Prius, as it seems an altogether more coherent car than the Civic Hybrid. It's also the more practical of the two, as it's a hatchback rather than a saloon – the rear seats fold down and there's more room in the back.

Be warned, though, you may not be able to match the official fuel figures. In our tests the Prius achieved 54.3mpg and the Civic 51.4mpg. Even so, the official figures still make a good starting point for comparing costs and, besides, our test figures also show the Toyota to be more economical.

### TOTAL RUNNING COST

Toyota £12,537

Honda £13,742

### USING THE TABLES

**Discounted price** Found by shopping around online brokers.  
**Finance** The cost of borrowing the discounted price, based on a loan at 6.5%, repaid over 36 months.  
**Depreciation** The discounted price minus the resale value.  
**Servicing** An estimate of the first three years' servicing costs, using figures from experts Cap.  
**Fuel** Calculated over 36,000 miles using official figures and current fuel prices.  
**Insurance** Based on a typical quote from a Best Buy insurer for a 45-year-old male bank worker living in East London, with five years' no-claims discount.  
**Road tax** Included in the purchase price for year one, so only payable in years two and three. (All figures correct in February 2008.)