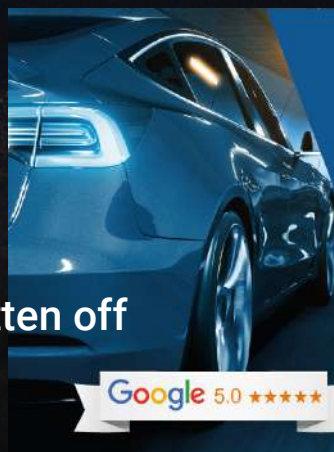




# 7 EASY STEPS TO BUYING & FINANCING CAR PRIVATELY

## YOUR COMPREHENSIVE GUIDE

How to choose the right car for you  
Tips to negotiate the best price  
What to look for on a test drive  
Find out if a vehicle is stolen or written off  
PLUS useful checklists & facts



**Credit One.**  
**New Zealand's**  
**Highest Rated**  
**Finance Broker!**



**CreditOne**  
Smarter Finance

 **CreditOne**  
*Smarter Finance*

0800 300 500  
[www.creditone.co.nz](http://www.creditone.co.nz)

# WELCOME

## This e-book is your informative and comprehensive guide to buying your next car.

### **Congratulations on your decision to buy a car.**

It can be a fantastic and exciting time, however it can also be very overwhelming and plagued with challenges and unforeseen events. This e-book has been designed to help take the guesswork out of purchasing a car privately.

If you have questions you need answered about the car buying process and want to make sure you get the best deal, then this e-book is for you!

Whether you're just starting to think about buying a car, or have found the perfect car for you but don't know where to go from here, this e-book will answer many commonly asked questions about buying a car as well as provide essential information to guide you through every step of your exciting journey.

You will also find handy little tips and facts as well as useful checklists and links to required

information to help guide you seamlessly through the process of purchasing a vehicle.

### **In this e-book:**

- Tips to help choose the right car for you
- Arranging your finances
- Handy questions to ask a seller
- What to look for on a test drive
- 100 point vehicle mechanical inspection guide
- How to avoid buying a written off or stolen vehicle
- Tips to negotiate the best price
- Ways you can protect yourself and your vehicle



**Know the facts with a Credit One FREE  
PPSR vehicle history check.**

*See Pg. 10 for details*

# 1. ARRANGING YOUR FINANCES

**Before you begin looking at cars, let's take a step back and look at how much you can spend.**

A lot of people start their journey by looking at hundreds of vehicles off the bat, become quickly overwhelmed and some even go on to make an emotional buying decision that may not always end up being the best choice for them.

Before you begin looking at cars, let's take a step back and look at how much you can spend. People tend to brush over this step, however it is a vitally important step to do early on in your journey.

If you're paying cash for your car, great - you know exactly how much you can spend. If like majority of the population, you're choosing to finance your car, it is important to start looking for finance early to avoid stress and possibly miss out on the car of your dreams.

## Get a pre-approval



A pre-approval lets you move quickly when you find that perfect vehicle!

Whether you choose to obtain your vehicle finance through us or your bank, now is the time to get in contact to start the finance ball rolling.

Having a pre-approval puts you at a great advantage to negotiate with the seller for the best price on the perfect vehicle knowing exactly how much you have to spend and that the money is effectively 'in your pocket'. It also ensures that when you find the car that is right for you, your finance in most cases can be completed or settled with funds transferred to the sellers account usually within 24 hours. Private sellers usually want a quick sale so they don't have to spend too much of their free time and this can potentially help you to negotiate a better price.

## How can Credit One help?

We compare finance products from 11+ leading financiers to get you a great rate

Save both time and money while we do the work for you

You can get an instant online quote on your finance 24/7

No waiting with same-day finance approvals

# 2. CHOOSING THE RIGHT CAR FOR YOU

There are so many cars out there to choose from! How do I find the perfect one for my needs?

This is a common question, but the answer is that one size definitely doesn't fit all when it comes to cars.

## Budget



The single most important thing to keep in mind when deciding on a car is your budget.

Make sure you have considered the information in step one above to help you choose your budget. If you are financing your car, it may be easier to work in weekly or monthly repayments, rather than overall cost.

Consider your existing liabilities and commitments including current loans, living expenses and rent or mortgage payments to establish how much you can afford to repay. You can use our handy loan repayment calculator to give you a general guide of what your loan repayments will likely be.

Don't forget to include additional costs such as vehicle insurance, fuel, routine servicing and maintenance items such as tyres. Make sure the repayments as well as ongoing vehicle costs fit within your current budget.

## Requirements

Once you've established a suitable budget, now you need to work out exactly what you need in a car. A tradesman who needs to carry his tools around every day probably wouldn't be looking for a little hatchback. Similarly, you need to take a look at your lifestyle and what you will be using the car for.

Make a list of the things that you need versus the things that you 'want' in your next vehicle. Consider how many people you will need to take. Use the checklist on the next page to help determine the things that are important for you to have in your next vehicle.

Fuel economy

Transmission

Max kilometres

Vehicle location

Fuel type

Body type

Drive type

Number of seats

Vehicle purpose

Towing capacity

Metalllic paint

Bluetooth

Reverse camera

Parking sensors

Navigation

Cruise control

Central locking

Climate control

Alarm/Immobiliser

Automatic lights

Rain sensing wipers

Sunroof

# 3. ASKING THE RIGHT QUESTIONS

**Once you have narrowed your vehicle search down till there's only a few contenders, it is time to start researching your choices.**

To help you decide which ones you want to test drive, the easiest way to find out the good, the bad and the ugly about each vehicle model is to research what other owners have to say about their experience through vehicle reviews.

There are a number of authority sites that can provide you with honest reviews and feedback from actual people who've owned the vehicle models you're looking at. It is a great idea to read vehicle reviews prior to viewing each vehicle so you know any common problems they may have and exactly what to look out for. Some review sites may even give you a guide as to the medium price

## Contact the Seller

Once you have narrowed down your search and are happy with the reviews on your chosen vehicles, it is time to contact the seller directly. Before you even consider going to see the car or taking it for a test drive, you can ask the seller questions to help you understand the general condition of the car. Sometime just talking to the seller can give you a good gauge whether the vehicle has been properly maintained and if they're likely to be negotiable on the price. Little things that come up in conversation such as that

they're in a rush to sell or that they don't have logbooks for the car can prove to be very powerful negotiating tools when it comes time to agree on a price.

### Questions to ask the seller:

Why are you selling the car?

Is there finance currently owing on it?

How long have you had the car and are you the first owner?

When is the next scheduled service due?

Do you have the vehicle logbooks?

Is the registration current and when does it expire?

Does it come with a Road Worthy Certificate (Safety Certificate) and registration?

Has the car ever been in an accident?

## 4. TAKING THE TEST DRIVE

Once you've spoken to the prospective sellers, it's time to take them for a test drive.



Before you take any vehicle for a test drive, there are two vitally important points to check with the seller.

Firstly, make sure the registration is current. This is important to ensure you don't receive a fine for driving an unregistered vehicle. Lastly, check that the seller has adequate comprehensive insurance cover that will also cover you as a driver. If their insurance doesn't cover all drivers, you may need to request that they add you to their policy temporarily as a driver. This ensures that in the event of an at-fault accident, you are covered by insurance and only liable to pay the excess premium and not the entire cost of the car in addition to any damage you do to other vehicles or property.

It is generally a good idea to arrange test drives and vehicle inspections during the day so you have adequate light to thoroughly inspect the car. Prior to embarking on your test drive, make sure you inspect the vehicle using the vehicle inspection checklist on the next page. Use it to note down any issues or problems you see with the car.

Alternatively, there are companies for a fee that offer vehicle inspection services.

Once you have completed a thorough inspection of the vehicle and are confident that it has suitable registration and insurance, you're now ready to take it out for a test drive. It is advisable that you take someone with you as a second pair of eyes and ears who may pick up things you miss while driving. It is also advisable that you test the car through varying speed zones and across different surfaces such as speed bumps to adequately check the car's vital components.

Get your co-pilot to fill out the Test Drive Checklist included below while you're driving so you don't forget anything.

# CHECKLIST - VEHICLE INSPECTION

## Interior

Condition of upholstery and carpets in good order compared to kilometres travelled  
Dashboard in good condition, no cracks  
Seats and steering wheel adjust easily  
All door handles and dash/steering wheel buttons in working order  
Front/rear seat belts are in good condition  
Child restraint anchorage points in good condition  
Car jack, tool kit and spare tyre available and in good condition

## Electrics & Misc

Check all lights inside/outside are working  
Windscreen wipers work well  
Air conditioning and heater in working order  
Check all miscellaneous electrics eg. electric windows, sound system, satellite navigation, power mirrors, alarm system etc

## Vehicle Body

Panels don't have rust  
No hail damage or other visible damage  
Paint in good condition and same colour  
All panels align as do door seams  
Bonnet and boot line up and are straight  
All doors and boot close firmly



## Underbody

Front and rear wheels align when looking down the length of the car  
No sign of oil leaks  
No sign of rust  
Car sits level

## Tyres

Legal tread on tyres  
Even tread wear across tyres  
Same size tyres - check side walls for size  
Consistent tyre brand  
Spare tyre inflated with legal tread

## Engine Bay

VIN number visible, no signs of damage  
No signs of oil or fluid leaks anywhere  
Engine and fluid levels topped up  
No corrosion on bolts, clamps or mounts  
No parts loose, disconnected or hanging



## Things to look for:

- Temperature gauge stays in safe range
- Excessive exhaust smoke
- Idles smoothly in an acceptable rev range
- Revs at appropriate level for speed and gear
- No smoke from under bonnet while driving
- Speedometer working accurately
- Smooth steering, no vibrations
- Steers straight, doesn't pull to one side
- Brakes in a straight line, doesn't wander
- Smooth gear change



## Things to listen for:

- Easy engine start
- Smooth engine sound
- Smooth gear changes
- No rattles or knocks
- No squealing or noise while braking
- Exhaust doesn't rattle and isn't too loud
- No rattles or knocks when turning at high or low speeds



## BE SURE TO CHECK

- Driving - low speed (< 15km/h)
- Driving - avg speed (50-70km/h)
- Driving - high speed (100-110km/h)
- Left-hand turn
- Right-hand turn
- Reverse
- U-turn
- Quick but smooth braking
- Uneven surfaces
- Speed bumps

# 5. VEHICLE RESEARCH & AUTHENTICATION

**Thousands of people every year in New Zealand purchase vehicles thinking they're buying their dream car only to find out it's not!**

Thousands of people every year in NZ purchase vehicles thinking they're buying their dream car only to find out that it has previously been in a significant accident and repaired or even in some cases stolen. Another unfortunate but common occurrence is finding out that a finance company has an encumbrance or security over the vehicle. Even though you are the new owner of the vehicle, a finance company with security over the vehicle can still repossess the vehicle if there is money owing by a previous owner.

All of these scenarios can have a seriously devastating impact upon you and your new vehicle and put a major dampener on your car buying experience.

## **Get the facts on your vehicle**

Fortunately there is a very simple way to check the history of your car to find out if it has ever been listed as stolen, written off or currently has any encumbrances from finance companies. The Personal Properties Security Register (PPSR) is a national government register that can provide information to help protect consumers when they are buying personal property such as cars or boats.

A PPSR certificate will show the following information for a vehicle:

- Vehicle make, model, colour
- Vehicle registration details
- Written-off vehicle notifications due to accident, fire, flooding etc
- Stolen vehicle notifications
- Financiers with security over the vehicle

## **What is a VIN and how do I find it?**

Every vehicle produced after 1989 will have a VIN, it is the vehicle's unique serial number and is used to identify individual vehicles. A car VIN will always be 17 characters long, will never contain the letters "I", "O" or "Q" and will usually be a mix of letters and numbers. If the vehicle was produced prior to 1989, it will have a Chassis Number instead.

It is always important when checking a vehicle's VIN that you check for any signs of tampering such as scratching and grind marks. If the vehicle shows any signs of tampering, it is best to steer well clear of it, no matter how good the deal may seem.

# FREE PPSR Vehicle History Check

## Know the facts about the vehicle you're looking at with a Credit One **FREE PPSR Vehicle History Check**.

Here at Credit One, it is standard procedure for us to check the history of our client's prospective vehicles for their peace of mind. We know your vehicle is important, so we want to make sure you know the facts about the vehicle you're looking to purchase.

For a small fee, you are able to perform your own search to check the history of a vehicle

using its unique Vehicle Identification Number (VIN).

### **Or we can do the hard work for you!**

Or let our Specialist Consultants do all the hard work for you, saving you time and money and giving you the most up-to-date information on the vehicle you're looking at purchasing.



Know the facts about the vehicle you are looking to purchase with a Credit One **FREE PPSR Vehicle History Check**.

# 6. MAKING THE PURCHASE

**If you're satisfied with the Vehicle History Check and all other aspects of the vehicle, it is now time to consider making the purchase.**

After completing your research on the vehicle, performing a PPSR vehicle check, completing your inspection of the vehicle and taking it for a test drive, if you are now satisfied that it is the right vehicle for you, it's time to make the purchase.

The purchase is the part of the journey that most people stress about the most, but in truth if you have completed the steps outlined above, you can be confident your vehicle is in good condition.

When it comes to negotiating a price, some people tend to get overwhelmed and flustered, so following steps below may help to take the guesswork out of making an offer.

## 1. Know the average vehicle price

Use a site like [Redbook](#) to help you determine the average sale price of the vehicle you intend to purchase. You can also use sites like [Carsales](#) to gauge how much similar vehicles to yours in the same condition are currently listed for. Remember to take into consideration the kilometres and overall condition.

## 2. Make a realistic offer

Use all the information you have on the car, such as your inspection checklist and test drive checklist to identify any money you may potentially have to spend on the car and take these things into consideration when making your offer. It is ok to use these items to genuinely explain how you calculated the figure you are offering.

The most important thing to consider before submitting your offer is that it fits within your budget.

It is also important to consider any additional changes you may incur when choosing a private sale vehicle such as registration transfer fees, stamp duty and the costs involved with getting a safety certificate if the vehicle doesn't already have one. For more information on the fees and charges for transferring ownership of a vehicle, visit NZTA..

# 6. MAKING THE PURCHASE (CONT.)

## 3. Negotiate

In general, sellers don't tend to take the first offer, therefore it is likely that a negotiation will have to take place. Remember that there are plenty of vehicles out there and you can't let emotions dictate the outcome of the negotiation. If you have submitted a fair and genuine offer, you will usually end up with an agreed price somewhere in the middle of your offer and the asking price of the vehicle.

## 4. Complete the paperwork

Once you have come to an agreed sale price, it is important to get it in writing to avoid any misunderstanding or attempts at further negotiation. You can use the private sale invoice on the following page as a guide.

If a deposit is paid, make sure it is either listed on the private sale vehicle invoice or alternatively, make sure you get a receipt for the deposit from the seller. Once both parties have signed, it is now up to you to organise the funds to give to the seller. Once full payment has been made, make sure you get a receipt for this payment from the seller or have some kind of record of funds transfer.

It is up to you to make sure that all required paperwork is completed to transfer the

registration into your name. For further information on registration transfer, select your state below.

## 5. Make sure your vehicle is insured



**Before you drive away in your car, make sure you have adequate insurance. We cannot stress this point enough!**

If you are confused about what types of insurance are available or which insurance is right for you, scroll down to read the next section on protecting yourself and your car or our friendly staff are always happy to help, give us a call on **0800 300 500** to discuss your options.

We can help you to be protected from the unexpected by arranging your insurance from a variety of carefully selected insurance options by Australia's leading insurers.



## Seller's Details

Name

Licence number

Address

Phone

Date

## Buyer's Details

Name

Address

## Vehicle Details

Year

Make

Model

VIN

Registration No.

Registration Exp.

Kilometres

## Pricing Details

Agreed Sale Price

Deposit

Amount Payable

## Signatures

Seller's Signature

Date

Buyer's Signature

Date

## Conditions of Sale

# 7. PROTECTING YOU & YOUR VEHICLE

## **FREE PPSR Vehicle History Check.** **First of all, congratulations on your car purchase!**

**If you've followed the steps outlined in this guide, you can enjoy your car knowing that you've done everything you can to ensure you made a great buying decision and selected the right car.**

It's now up to you to keep it maintained and in good condition. The good news is that we're here to help with that as well. Our specialists understand that every one is different, so we wanted to make it simpler for you to choose the options of cover best suited to your needs.

Options include: [Comprehensive Car Insurance](#), [Extended Vehicle Warranty](#), [Short Fall Insurance](#) and [Loan Protection Insurance](#).

### **Extended Vehicle Warranty**

Did you know that it is possible to get a warranty for a used car as well as a new car? It is also possible to get a warranty for a vehicle you purchase privately. This can take a lot of the anxiety out of buying a private sale vehicle because you have the peace of mind of being backed by Mechanical and Extended Vehicle Warranty we have on offer.

An Extended Vehicle Warranty provides similar cover to a manufacturer warranty and various

levels of cover are available for comprehensive repairs on the following mechanical and electrical components:

- Engine
- Transmission
- Steering
- Air conditioning and heating
- Engine cooling and fuel systems
- Electrical
- Instrumentation
- Anti-Lock brakes
- All electrical systems
- All engine management systems
- Torsions bars
- Engine mounts
- Suspension
- All liftgate, door & window mechanisms
- And much more



**By planning now you can potentially avoid costly repairs expenses.**

Speak to your friendly Credit One consultant on 0800 300 500 for more information.

# A HUGE THANK YOU

Thank you for reading our comprehensive 7 Easy Steps to Buying a Car Privately guide, we hope you've found it to be beneficial and helpful during your car buying journey.

If you would like any further information on anything you've read in this guide including finance, insurance or warranties or would like to receive an obligation-free, personalised quote, please don't hesitate to contact our finance and insurance specialists on 0800 300 500.

## **Credit One - Smarter Finance**

Phone: 0800 300 500

Address: 692 Great South Road

Penrose, Auckland 1061

Website: [www.creditone.co.nz](http://www.creditone.co.nz)



---

Please keep in mind that although we do our best to ensure the information is as accurate as possible at the time of printing, this guide is general in nature only and does not take into account your personal circumstances. It should not be taken as financial advice, an offer of finance or guarantee any specific outcomes from the used car buying process.