

Better car deals

A buyer's guide





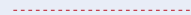
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Part 1: Getting started4

PART 1/

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When you start looking for a car, motorbike or scooter, the range of makes and models can be overwhelming.

Compare prices. The Federal Government's Green Vehicle Guide website greenvehicleguide.gov.au provides detailed information about a car's fuel economy and environmental performance. The Transport Accident Commission (TAC)'s How Safe Is Your Car website howsafeisyourcar.com.au provides information about the safety rating of new and used cars on the Australian market.

If you plan to fit a child restraint to your car, you may wish to contact the Royal Automobile Club of Victoria (RACV) for information about suitable cars. It is also worth taking prams and associated accessories when you're shopping for a car to see if these can be stowed adequately and easily. Call 03 9790 2190 or visit racv.com.au for details.

More resources to help you choose the right car are listed at the back of this guide.

What you really pay

Licensed motor car traders (also referred to as LMCTs, or licensed traders) must display:

- a single (total) price, usually referred to as the 'drive away' price, somewhere on the car (usually the windscreen). The drive away price includes ALL fees and charges. If the trader chooses to show a particular component of the price in advertisements, they must still provide you with a single price.
- a 'cash price', which excludes fees and charges. The cash price will be displayed on a car window display form.

Compulsory and standard charges

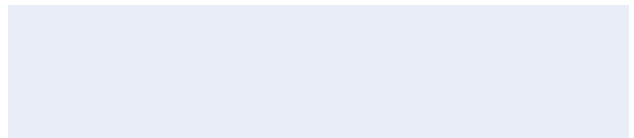
The advertised total price may include the following fees and charges:

- Registration fees (for new cars) are paid when the car is first registered and annually from this date (visit vicroads.vic.gov.au for current rates).
- Transport Accident Commission (TAC) charges (for new and used cars) are paid annually as part of the registration process. Fees vary.

Before you agree to a loan

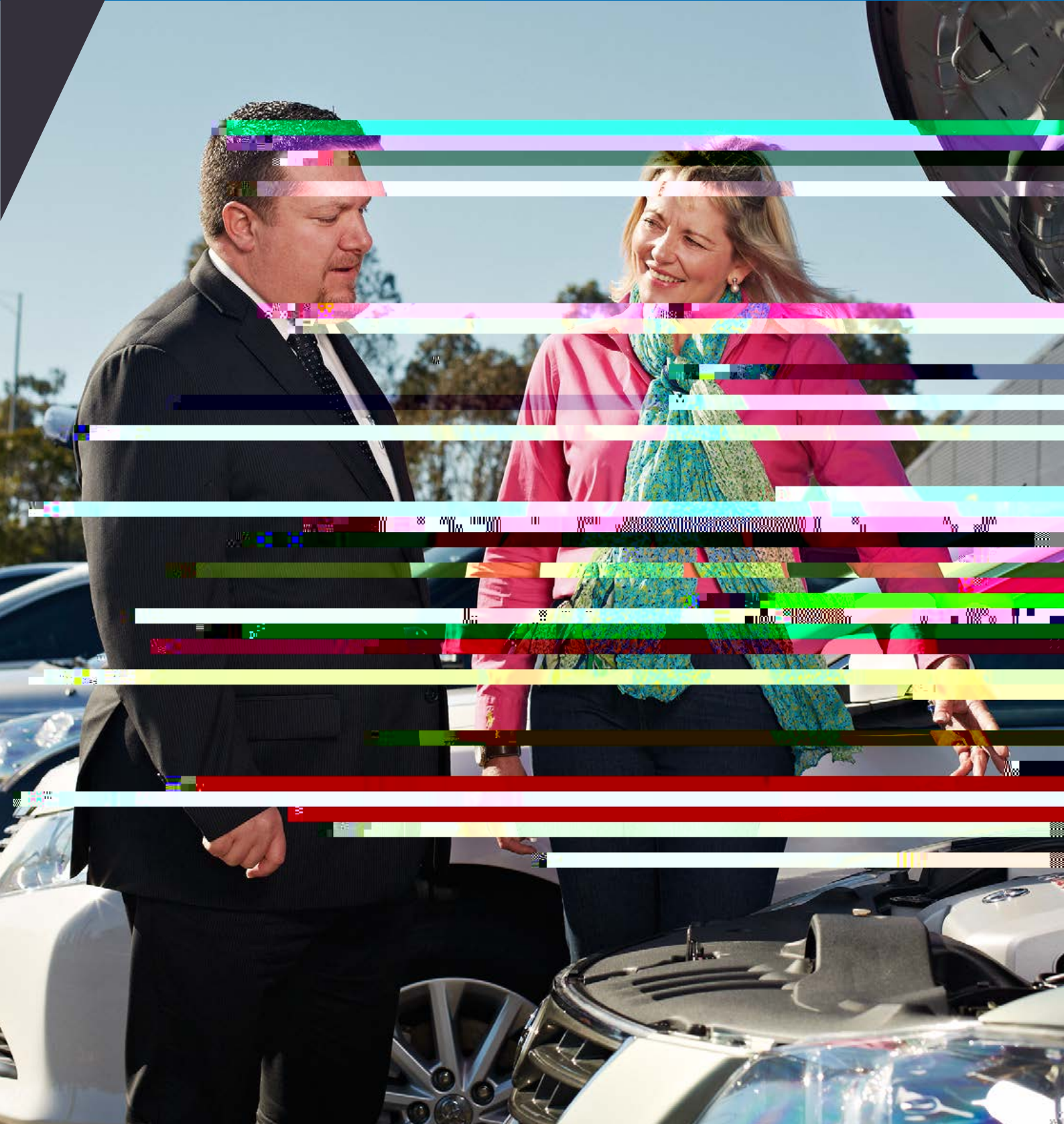
Read the finance agreement and make sure you understand it. Before you sign, make sure you are aware of:

- all fees and interest rates
- monthly repayment rates and due dates
- the total amount you will have paid at the end



PART 2.

Building a Business



Warranties

All new cars come with a manufacturer's warranty. Study the warranty carefully, because details such as the length of the warranty period can vary between vehicle retailers and manufacturers. The warranty covers any faults or defects. Identify any faults and have them corrected at the first mechanical service, which should happen soon after delivery.

If repairs are required during the warranty period, take the car back to your authorised dealer. Scheduled services may be done by qualified, independent mechanics without affecting the warranty, provided the work is performed in accordance with the conditions of the warranty (manufacturer's specifications) and appropriate quality parts and lubricants are used. Check the terms of your warranty before scheduling a service.

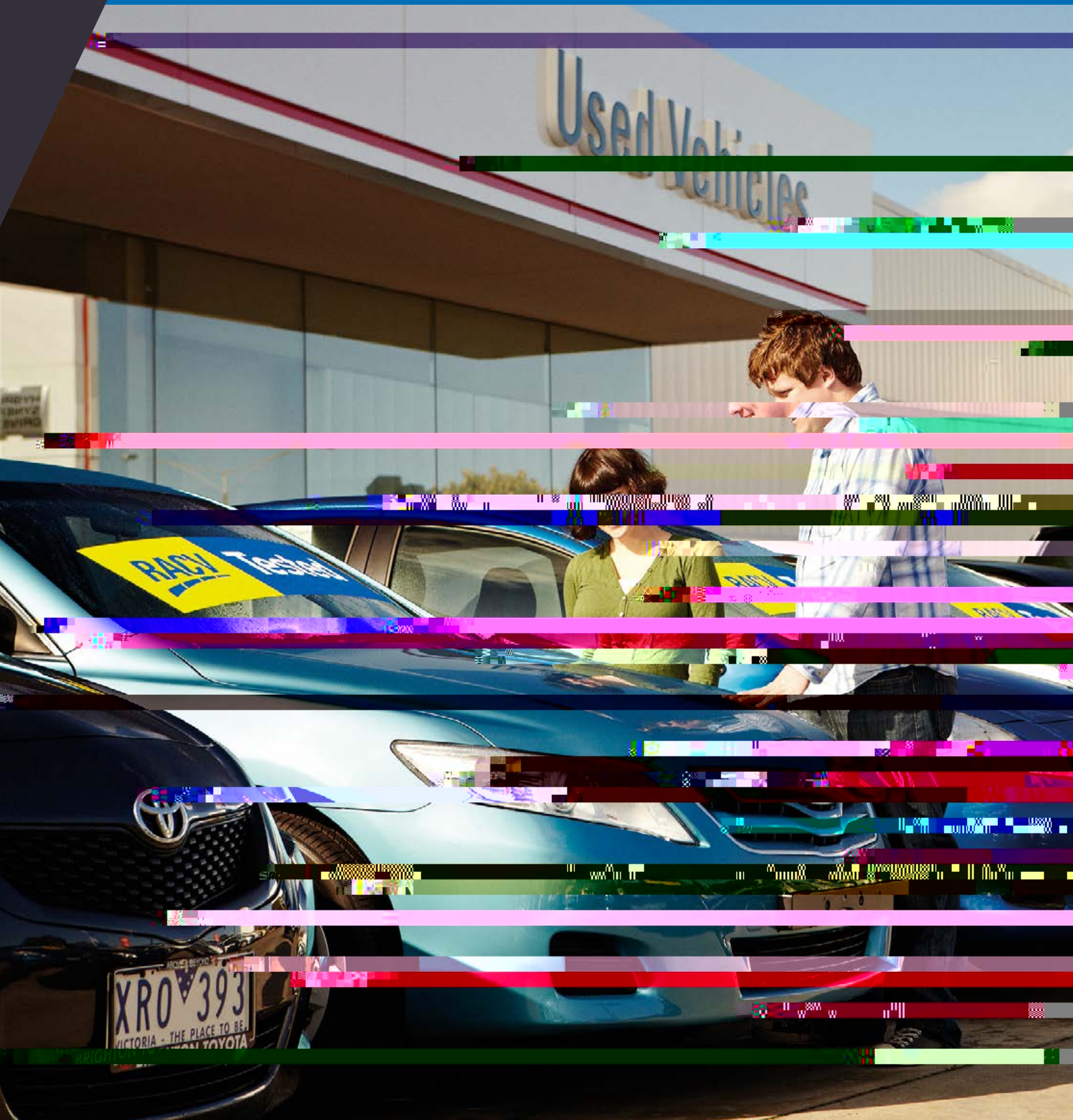
Dealers may offer extended warranties at the point of sale or at the end of a manufacturer's warranty, usually at an additional cost. Extended warranties may restrict your choice of mechanic and parts used, and tie you into a service schedule with a specific dealer or group of dealerships.

For more about warranties, visit [consumer.vic.gov.au](https://www.consumer.vic.gov.au)

Consumer guarantees

PART 3.

BUILD



Notice of particulars

This important notice should be displayed on the car's rear side window. It will tell you:

- if the car is covered by a statutory warranty
- the car's build date
- the car's engine number or the serial number on its registration label
- the car's model designation (any words, letters or numbers specified by the manufacturer to identify a particular model series)
- the year the car was first registered
- the cash price (excluding statutory charges)
- the name and address of the previous owner, if the last owner was a trader
- that the name and address of the previous owner (other than a trader) is available upon request (so you can contact them to ask about the car's condition)
- the odometer reading (you can verify this by phoning the car's previous owner)
- your cooling-off rights
- whether the car is a repairable write-off and on the WOVR in Victoria or an interstate equivalent
- your rights under the ACL, if the car comes with a statutory warranty.

When you buy a car, you must sign the notice of particulars and the trader must provide you with a copy.

The contract

The 'agreement for sale' is a legally binding contract; do not sign it until you are absolutely ready to do so. You may have to pay a deposit when you sign the contract.

If you cancel the contract for a used car during the cooling-off period, the trader is entitled to keep some of your deposit (\$100 or 1 per cent of the purchase price, whichever is greater).

The trader should refund your deposit in full if:

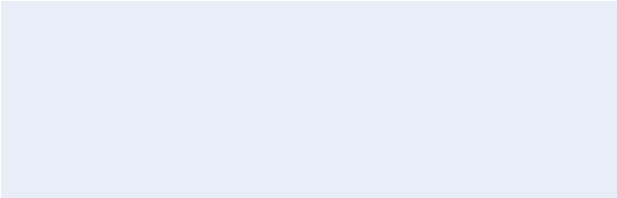
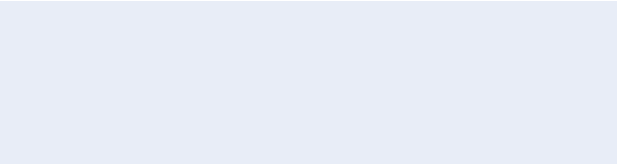
- the contract is conditional upon the mechanical state of the car, and an inspection by a qualified mechanic shows this is not satisfactory
- the contract is conditional on getting finance to your satisfaction, and finance is not approved
- the contract is conditional on gaining approval from another person, and approval is not given
- any other contract conditions are not fulfilled
- the contract contains unfair terms – see consumer.vic.gov.au for information about these.

Useful wording for your contract

Consider including the following in your agreement for sale:

"This sale is subject to and conditional upon the purchaser being satisfied with finance from [insert the name of your credit provider] and being satisfied p2_Cep2_Cxp2_Cent fwf tnd[(and being 7 0 publC h5(eday1 TD)3der aopy

Buying from a private seller



Buying at an auction

Buying a car at auction is often cheaper than purchasing one privately or from a licensed trader. However, it carries more risks and is best suited to people who know about cars.

If you buy a used car at an auction, you will **not** have a statutory warranty, some of the consumer guarantees, a cooling-off period, roadworthy certificate or registration.

The auction house is responsible for ensuring that no money is owed on the car and is therefore sold with clear title.

If the auction house is a licensed motor car trader (LMCT) and you buy 'off the door' and not during an auction, you are entitled to the usual benefits offered by licensed traders. See '[Buying from a licensed trader](#)' on page 11.

Inspect the car

Generally the auction house will not let you test drive the car. However, you should inspect it and arrange an independent mechanical inspection.

Be prepared to make a down-payment

Expect to make a down-payment of about 10 per cent, or \$500, at the end of the auction. You usually make this payment by cash or bank cheque.

Your responsibilities

If the car is registered, it is your responsibility to obtain a roadworthy certificate (RWC). You must provide VicRoads with the RWC within 14 days of buying the car in order to complete the transfer of registration.

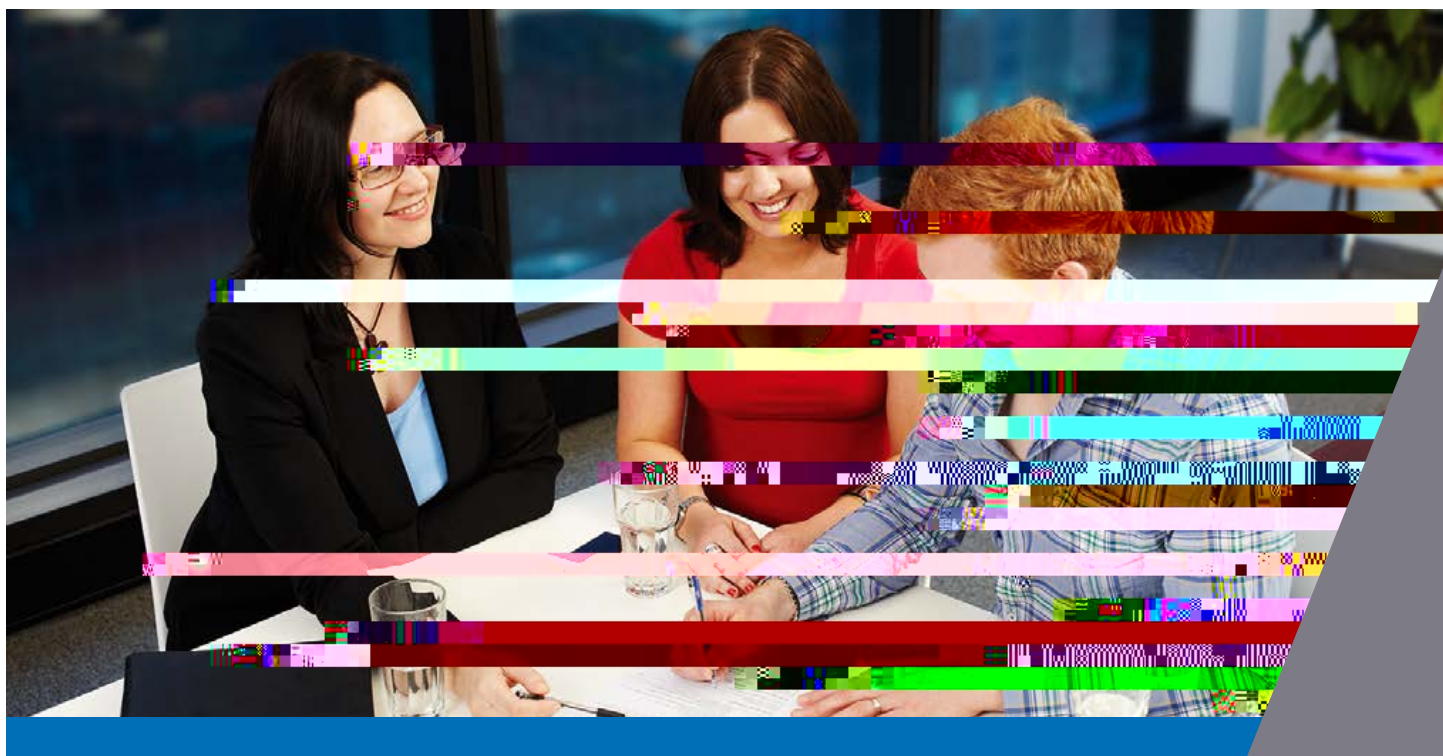
When you buy a car at an auction, the same transfer of registration process applies as buying from a private seller. See '[Transfer of registration](#)' on page 14.

If the car is unregistered, you will need an Unregistered Vehicle Permit (available from VicRoads) to drive it. You also need to get a RWC to register the car.

Dummy bidding

Dummy bidding at public auction is illegal. A dummy bid is a false bid made or accepted by the auctioneer. This can include bids made by a non-genuine bidder and 'circuitous' bids pulled out of the air by the auctioneer. An owner or their representative cannot bid at an auction.

The auctioneer may make a bid on behalf of the seller (also called the 'vendor') if the auctioneer makes it clear before the auction starts that such a bid may be made. The auctioneer must declare a vendor bid before making it.



PART 4/

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Regularly maintain your car to protect the investment you have made and to keep it in good condition.

When you leave your car for servicing or repairs, tell your mechanic to contact you before any unscheduled or unexpected work starts.

Service and repairs

Whether your car is new or second-hand, it may have come with an owner's handbook that sets out scheduled services and maintenance work required at each service.

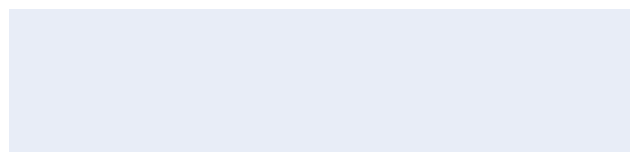
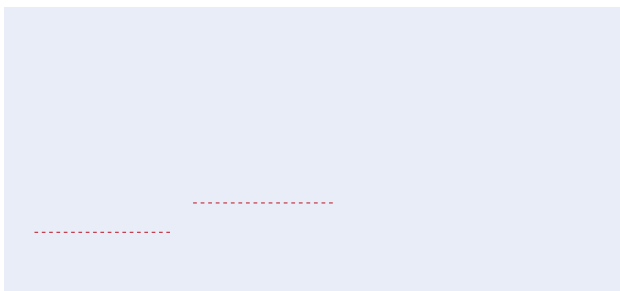
Follow the maintenance schedule to keep your car in good condition and to avoid breakdown or expensive repairs. If it is still under warranty, check warranty conditions regarding choice of repairer and manufacturer specifications.

You may be able to have your car serviced by an independent mechanic (rather than a dealership) without affecting the manufacturer's warranty, as long as repairs and parts used are consistent with manufacturer standards.

When you're booking a service, clearly explain to your mechanic the type of service you require. Different costs are associated with different types of services. If you do not have a handbook and are not sure what your car needs, ask the mechanic to explain what is involved with each type of service and its associated cost.

If you have a problem with a new car that is still under warranty, refer to your warranty and talk to the licensed trader who sold you the car.

Finding and dealing with a mechanic



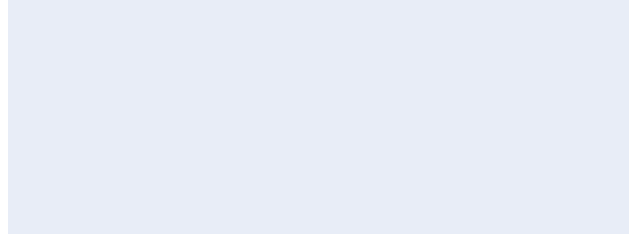
PART 5.

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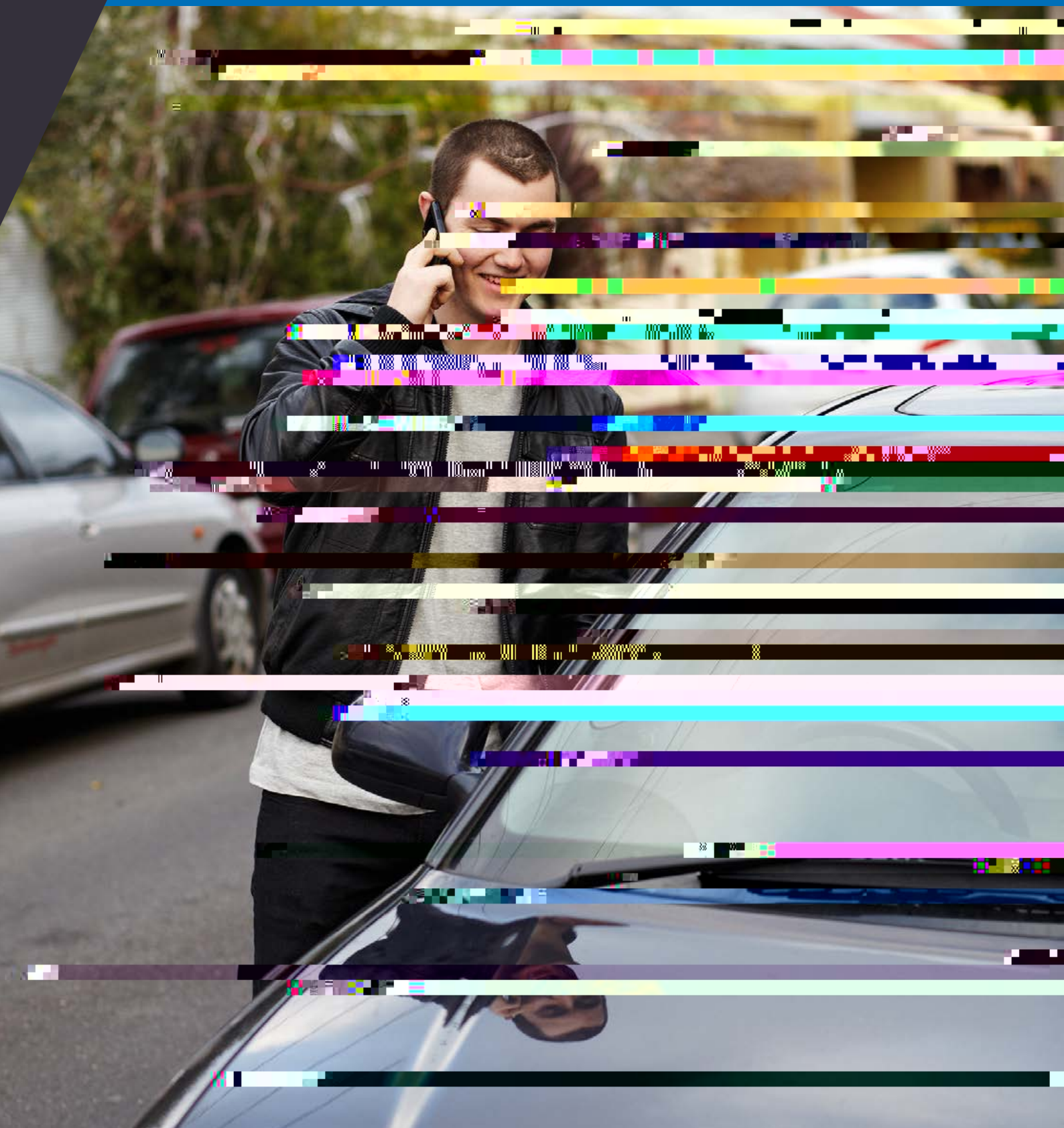
Trading in your car

A trade-in may be the quickest and least stressful way of selling your old car, as you do not need to advertise it or show it to buyers. However, you may not get as much



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Royal Automobile Club of Victoria (RACV)

PART 7.

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Take this basic checklist when you shop for a used car. Be aware of what you will need to pay to repair or replace any of these items. If necessary, ensure the costs are written into your contract.

Before the test drive

Electrics

Do the following work properly?

consumer.vic.gov.au

1300 55 81 81 (local call charge)

