

# Car Sales

**UNCOVERED**

£10.999  
MANAGERS  
SPECIAL

Andrew Clarke





# Car Sales Uncovered

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By Andrew Clarke

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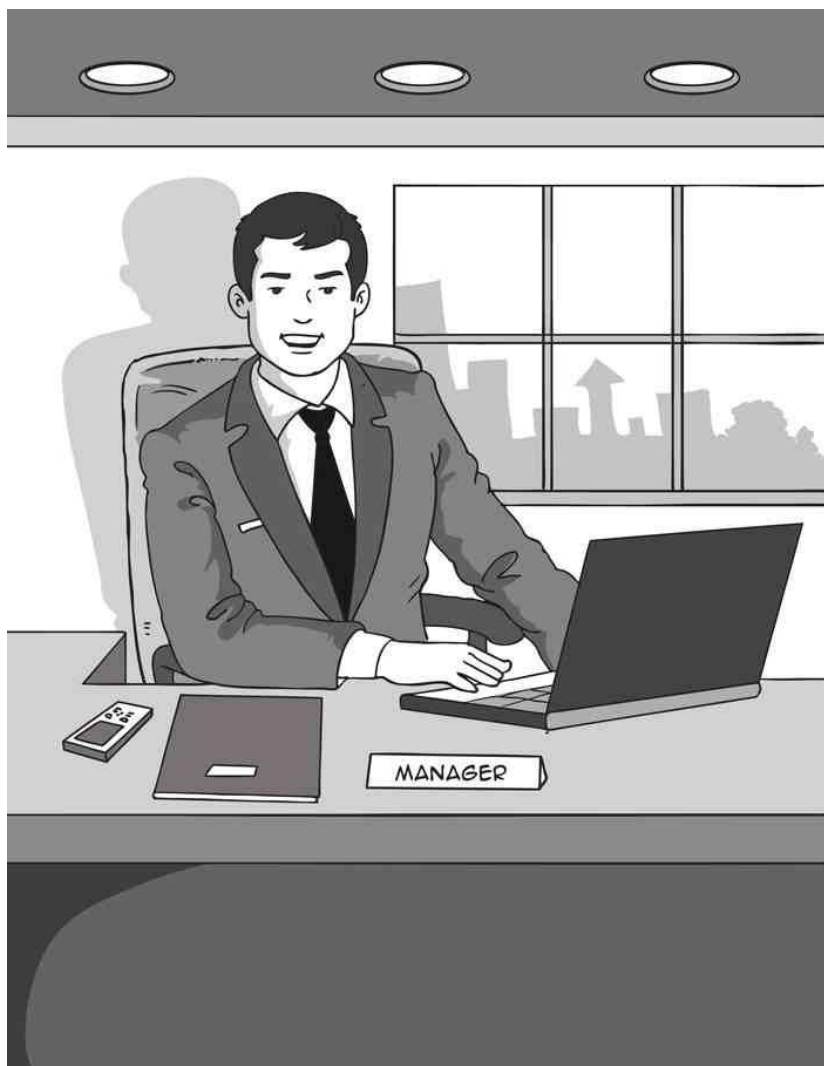
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## Introduction





## Introduction

“You can say what you like about used car salesmen, but...”

I'll leave you to complete that sentence with something nice, something positive, maybe even something complimentary.

Stuck, are you? Don't worry, you're not alone. Very few of us see car salesmen and car dealers in a good light. The sad thing is, in many cases, that perception is fully justified. Yet, when we want a car, we still venture out, heart in mouth, to all the used car dealers within a twenty mile radius, in the certain knowledge that we're going to be ripped-off in the end.

Perhaps I should introduce myself at this point. My name's Andrew and I've been in the new and used car industry for a very long time. In fact, between us, my partner and I have clocked up over twenty years of experience, so we know a thing or two about what goes on behind closed doors at the showroom. Some time ago, I realized that the whole buying process is lopsided. What I mean is, the salesman is fully trained in how to sell, yet the poor customer just doesn't have a clue how to buy! It struck me that this is a bad situation for both parties, leading to distrust on each side.

Bear in mind that I'm talking here about main/established dealers only, not the little ten-car garage down the road - you know - the sort that changes hands more times than the package in a game of pass-the-parcel (that's another guide book altogether!). I'm not saying there aren't some very decent, honest small garages out there, but from my personal experience, you shouldn't trust most of them as far as you can push one of their substandard cars. I should point out

that prior to writing this guide we spent four weeks in eye-opening undercover research, posing as private car-buyers. Some of our findings were truly unbelievable, but more on that later.

Let me give you a few examples of what goes on, from an insider's perspective.

The showroom's a noisy place, at the best of times. Sometimes it's the happy sound of salesmen laughing and joking, other times it may be the chatter of customers, excited at the prospect of buying their next car. This time, it was different. There were raised voices. One of those voices belonged to Roger, a salesman of the old school, in his sixties. Still as eager as any rookie, Roger had the patience of a saint.

I didn't recognize the other voice, so I got up from my desk and ventured into the showroom to see what the commotion was all about. To my dismay, I spotted it was a customer. This all happened a good few years ago but even now, the picture and words are crystal clear in my memory. Roger's angry red face was about six inches from the customer's and he was waving his business card under the customer's nose. I caught the tail end of Roger's rant.

"Read my card - it says, Sales Executive! I sell cars! It doesn't say Valuation Service. I don't value cars! Now, if you just want a car valued, go and buy a price guide; if you want to *buy* a car, then sit down and we'll talk!"

The customer looked at me, looked at Roger and then back at me. To be honest, I really didn't know what to say. I knew Roger's weekend had been the worst ever - people coming in just wanting odd bits of information or test drives. This unfortunate customer just happened to be the third person that only wanted his car valuing and Roger had finally

snapped.

I empathized with Roger, but I couldn't possibly condone his outburst and he apologized to the customer afterwards. Since I didn't say anything, and as Roger was clearly about to burst a blood vessel, the customer just sat down at Roger's desk and said nothing.

"Okay," continued Roger, "Now let's see if we can find you a great car...."

This customer ended up buying a car; he was probably always going to buy one - he just went about it in the wrong way.

That was the first time I remember thinking about the sales process and where it falls down. Put simply, it's because the customers are as individual in their own way as salespeople are in theirs. The difference is salespeople are trained to follow a process, whereas customers have no set process. Think of it as trying to force two like magnetic poles together – they repel each other, so it's damn hard work!

Now, you might ask, "Why doesn't someone simply design a standard 'buying process' for customers?" Well, if you think about it, you'd just end up in a tug of war contest, with the two processes pulling against each other.

Another incident, some months later, rammed home the message once more that the system just wasn't working. Too many customers seemed to be finding it more and more frustrating when it came to buying a car.

Young Tom was a salesman who always tried hard and was as open with the customer as he could be. He hated anything underhanded (Please - no comments like, "So what

was he doing in the motor trade, then?”). This was turning out to be a tough day for Tom. His first customer had said he was happy with everything and if the payments were right, he’d buy the car.

The deal was done but as Tom went to shake his hand, the customer hesitated.

“I don’t have any cash on me”, he muttered.

“No problem, we can take a credit or a debit card”, chirped Tom. “My wallet’s at home, I’ll just pop home to my wife and get it. We’ll be back in fifteen minutes”, the customer replied.

“I’ve got a better idea”, was Tom’s quick response.

“I’ll take you in my car to save your fuel. Come on, let’s go.”

Tom grabbed his car keys and headed out of the showroom with the customer in tow. Once in the car the customer confessed, “Actually, I’ve got my bank card on me but I can’t remember my PIN number. If you take me to the bank, though, I can draw the money out.”

“Even better”, said Tom, thinking he was finally getting somewhere.

They stopped at a bank and a jubilant Tom waited in the car while his customer got out. Tom whistled happily, watching him cross the road and head into the bank. He sauntered through the big glass door, ambled past the cashiers’ desks, along the length of the bank and skipped out of the door at the far end!

Tom returned shaking his head in disbelief to the sound

of much mickey-taking. We never heard from the customer again.

His second appointed customer turned up later that day, wanting to test-drive a high performance Honda Civic Type-R. Since the guy had travelled from a few hours away, Tom was sure he had a deal here. The customer had a great long drive in the car. On his return, he said he wasn't *quite* sure, so would we mind awfully if he just compared it to a similar diesel model we had. Another long test drive later he still hadn't made his mind up 100 per cent but he said, "I'll definitely make a decision tomorrow morning and I'll call you with the deposit." Tom rang him next day only to be told, "Oh yeah... Sorry mate, I just bought one from my local dealership but thanks for your time, you were a great help!"

Tom was fuming. He disappeared for about ten minutes and came back with two laminated signs that he stuck on his desk. The first one read:

PLEASE DO NOT SAY YOU ARE BUYING A CAR  
TODAY IF YOU HAVE NO INTENTION OF BUYING A CAR  
TODAY

The second, which made me smile, said:

I DON'T GET PAID FOR TEST DRIVING CARS,  
VALUING CARS OR PROVIDING FINANCE QUOTES -  
ONLY FOR SELLING CARS

I let him keep that one on his desk for a week.

By this time then, I'd realized that customers didn't trust dealerships and that the lack of trust was mutual. The only way this was going to change was for customers to be better prepared. Car dealers are never going to change their tactics. A

new sales process will replace the old one and sales trainers will come and go, each one thinking they have the solution.

The only true solution is contained in this guide.

As with anything in life, if you know what you're facing you'll always be better prepared. This is why a boxer will watch fight video after fight video on his opponent and why a football team will analyse every move their opponents make on the pitch.

Now the customers in Tom's case are in a minority but they'll always be with us and there's not a lot we can do about that. My main concern is the kind of customer we saw in Roger's case.

A customer can walk into a showroom and ask for a part exchange price or finance figures. Some will simply demand a deal/discount. To a salesman who just wants an easy ride, this translates to, "Here we go - another so-called customer who's not buying today - just wants figures." So he launches into his spiel, "Well, Sir, what we have to do first is find you a car, take you on a test drive... etcetera, etcetera."

Up go the customer's defences. "This guy's gonna try and push me into buying a car here" he thinks, and so he reacts accordingly. End result – the customer walks out fuming and the salesman feels vindicated, thinking, "See, I knew he was a time-waster."

You know, and I know, that this is not the case. If the customer wasn't looking to buy a car, he wouldn't have been there in the first place. The problem is, half the time salesmen can't be bothered and customers are not adequately prepared.

Listen to this tale of woe from my brother-in-law, about

his pal Archie.

The kids have been nagging Archie to get a new car – they're embarrassed when he drops them off at their friends' houses. Now his wife's started nagging too, so it's turned serious. Between them all, they settle on an estate car made in France. Archie earmarks a couple of days when they can visit showrooms, take a look at a few different models and organize some test drives. Hopefully, they'll sort him out with part exchange and finance figures. Simple.

Saturday comes and they all climb aboard the embarrassing old banger – “Not for much longer” says Archie, and they chug off to start working through the list of dealers.

After much echoing of, “Are we there yet?” Archie pulled onto the forecourt in front of the big glass showroom and the kids clambered out, wide-eyed with amazement at the sheer number of cars on view. Archie had that feeling of self-importance that we all get when we're in a position to spend big money, and he stood there waiting for the flood of attention to arrive in the form of salesmen.

Okay, even one salesman... he waited a bit longer. He strode up to one or two cars and peered through the driver's doors. Surely they must be able to see he's here to buy.

“Maybe things have changed a bit since I last bought a car”, he mumbled. Maybe I have to go inside the showroom.

“Don't touch anything in here,” he barked at the kids. Strolling past a pile of brochures, he selected a few and began shuffling them around. Then he ambled over to a gleaming estate car and tried to look conspicuous. Not conspicuous enough, obviously. There were plenty of staff in the showroom, but for some reason, they were all otherwise



engaged, with their heads down.

After thirty minutes of this, the kids and Mrs Archie were getting restless and Archie was feeling decidedly uncomfortable. Baffled, he decided that if this dealership didn't want his money, that was fine by him. There were plenty more on his list that did. Time to move on. As they headed out of the door, all the heads stayed down, buried in work at their desks.

Not one to let an incident like that get him down, Archie was soon back on the case, making plans for the next dealership on the list. He reminded himself that "forewarned is forearmed" and was determined to be more proactive this time, if needs be. He'd give them a chance to approach him first but if they were all too busy, then he'd get help from the receptionist first.

Guess what? There was no receptionist to be seen. Luckily, he spotted a salesperson walking past and grabbed him.

"At last, a real person to talk to! I wonder if you can help me – I'm about to change my car and I'm interested in the red Peugeot estate over there."

"Certainly, Sir, I'll go and get the keys for you."

Archie breathed a sigh of relief as the salesman unlocked the car. The small talk got under way and the salesman asked when Archie was planning to change his car.

"Real soon now", said Archie. "I'm looking at a few others, then that's it. Any chance of a test drive in this one?" He liked the car and was eager to give it a try.

The salesman looked at his watch.

“Love to. Thing is, I’ve got an appointment booked in and the rest of the guys are all tied up right now.”

What Archie didn’t know was that he’d triggered the salesman’s automatic “Time waster” response. He’d lost interest.

“Tell you what - to save time, why don’t you go and check out the other cars, then I’ll be free and we can sort something out. Here, take my card and give me a buzz if you need me.”

With that, he was gone, leaving Archie and Co. perplexed.

“Come on, let’s have no long faces. They’re probably all busy like this on a Saturday.” Archie put on his stiff-upper-lip tone and they all trooped back to their car.

During the half-hour drive to the next dealership on the list, Archie thought hard about his first two experiences.

“Maybe it’s my fault”, he told himself. “This time, I’ll get straight to the point – no messing.”

Striding straight into the showroom, he confronted the first salesperson he spotted and gave it to him straight.

“Right, I’m in the market for a replacement car and I’d like you to tell me what I’ll get for my part exchange, and go through the finance details with me, please.”

There – he’d done it. His time on the journey here was well-spent in rehearsing this little speech, even if he did say so himself.

The salesman shuffled his feet and looked down.

“Umm... I’m afraid that’s not how it works. First you need to do a test drive. When did you say you’re looking to buy?”

That was it for Archie – game over. He let the salesman have it with both barrels and stormed out, the family trailing behind him. He swore that was the last car dealership showroom *he’d* ever set foot in.

Poor old Archie. What he didn’t know, of course, was that he’d now become a *rucker* or *tyre kicker* the trade’s term for the losers who come in spoiling for an argument, with little prospect of becoming a buyer. Archie was by no means a rucker, of course – in fact, he was a dead cert buyer for the right car and from the right salesperson. It was just a case of the wrong signals being sent out, but how was he to know that?

At the first dealership, all the heads went down because, in the salespeople’s eyes, Archie had brought the wife and kids for a family day out and the sales team were the entertainers. They’d all got better things to waste their time on, hence the ‘busy, busy’ performance.

No car salesman wants to set the target deal to be matched and beaten by the competition, and that’s what would have happened if the second dealership had set up a test drive, complete with figures for Archie to tout around the other showrooms. Hence the advice to go and look at the other cars first.

What Archie and his family went through is an everyday occurrence at car dealerships right now and it’s a sad reflection on the car retail trade, particularly the franchised dealerships. I can vouch for the fact that this goes on all the time.

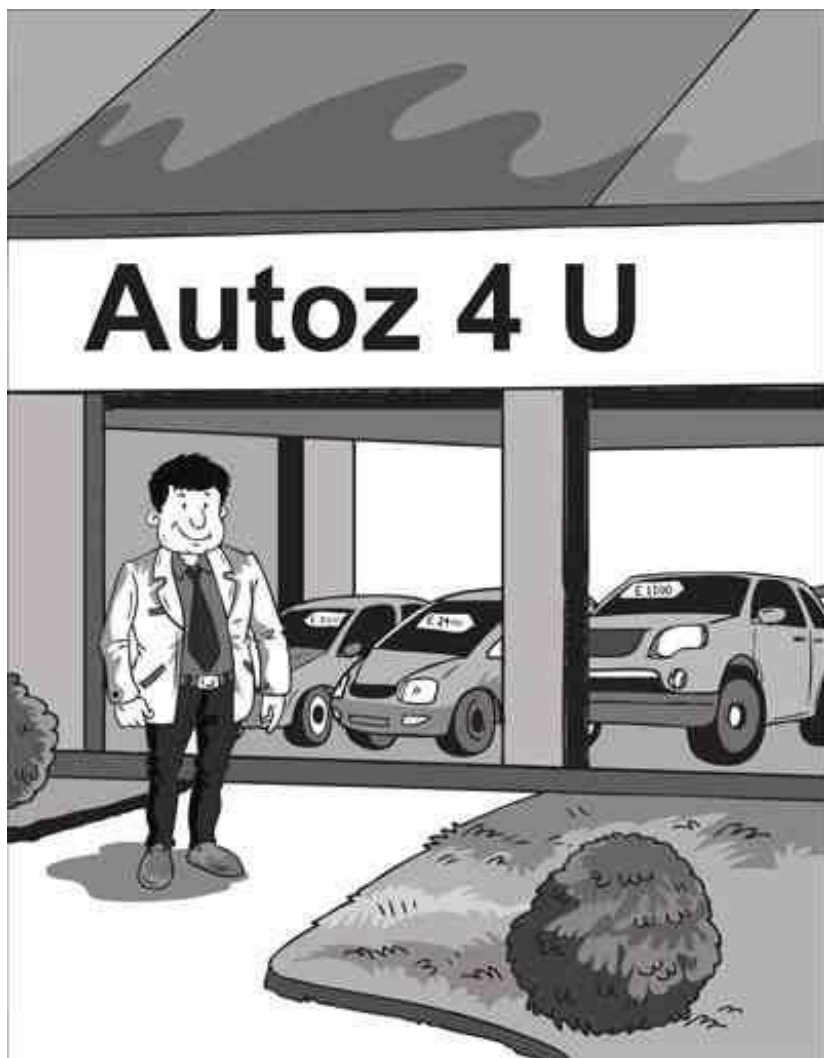
For instance, during our research, we were on the lookout for the 'heads down' syndrome, where staff will find anything else to do – answering non-existent phone calls, staring intently at laptop screens – anything rather than make eye contact with the customer they've already flagged as a likely dud. Why get caught up like that when, at any moment, a genuine, money-spending real customer might walk in?

They're on the lookout for people sporting "I Won The Lottery" banners and lighting cigars with fifty pound notes, whilst shouting out "A Car, a Car, My Kingdom for a Car." Then all hell breaks loose as every last one of them leaps into action, doing what they're paid for.

This guide will show you how to get a salesman to take an interest in you and believe you're serious about buying a car. We can't change the salespeople so let's change our approach. Not only do you need to play their game you need to beat them at it.

Once you learn to say and do the right things, buying a used car will be a walk in the park, not a *Nightmare on Elm Street*.





The Dealership



## The Dealership

A main dealer will be affiliated with a certain brand such as Ford, Vauxhall, or VW, and will have used cars for sale as well as new ones. Smaller dealers will have just one department selling both, while larger ones will have separate new and used car departments.

Top management usually consists of a dealer principal or general manager, who is in charge of the whole dealership - new cars, used cars, service, fleet and bodyshop departments. His or her bonuses will come through good performance by all of these, although the biggest contributors will be the used cars and service departments. The new cars department usually receives a large amount of money from the manufacturer by selling a certain number of cars over a specified period of time. The profits on used cars come solely from you, the customer, and believe me, any manager worth his salt will happily take £500 profit instead of £1,000 if there is a customer in front of him willing to buy a car. Therefore, most of these big bosses will focus on used cars; if this department is doing well, it is inevitable that the service department will do well too. This is because every used car has to go through service, plus there's a good chance that sold cars will come back for servicing and MOT's.

At the next level, each of these departments has a sales manager. The used car manager is responsible for ensuring his department is selling enough cars and making enough money. If your negotiation phase grows lengthy, this is the last person you'll normally see. He usually has the final say, but occasionally he may need authorization from his boss. Just remember, all decisions are made by someone at the dealership. Don't believe anything else you're told about 'head office' and so on.



Under the sales manager, there will be a business manager, or sales controller. These days you're more likely to find one person filling both roles. His or her job is to put the actual deal together for the salesman to present to you, get the finance figures together, and come and see you when the salesman is struggling or when he's finished. The business manager/controller will usually have limited scope for movement on the figures, and will try hard to convince you that the deal is good and that you should take it. He or she will have to get authorization from the sales manager for any big variation from the deal that's been offered.

Lastly we have the salesperson - the first person you'll get to talk to. These are the people who look at your part exchange (PX), show you a few cars, test drive you, and try and sell you one. Most can't make many decisions on their own, which is why they keep going backwards and forwards. Bear in mind you can easily get them on your side, because if you don't buy a car they don't get paid. Usually the more the deal makes the more they get, but they also realize that if you don't buy at all they get nothing. Even a small commission is better than none and so they'll do everything they can behind the scenes to make the deal genuinely good for you.

On a final note, you must remember that these dealerships are businesses and, like any other business, they exist to make money, to provide a service, and to achieve targets. More importantly to you, the customer, there are rules and regulations that they're obliged to follow. Since the introduction of the Financial Services Authority (FSA), dealerships are accountable for how they sell their financial and insurance products, and customers don't generally realize just how much protection they have. In the words of one irate ex-colleague of mine to a customer who had blatantly lied to him, "There are laws protecting you from salesmen like me, but

there are no laws protecting me from customers like you!"

He was completely right, and the more you realize how much protection you actually have, the more confident you'll be about purchasing your car.

As much as dealerships have to make money, they are also smart enough to realize that in the current marketplace they have only one chance to sell you a car, and if you walk out of the dealership for the sake of a few hundred pounds they may never see you again.

Although the final deal and the amount of negotiation both depend on the car and the manager, a car that's new into stock is less likely to be reduced than one that's been there for a while. Just like fruit and veg on a market stall, cars in stock have a limited shelf life. They may not become rotten and mouldy (okay then, maybe mouldy), but they do lose value with each passing week that they don't sell. So two cars could be marked at the same price, but one may have been there for two months and the other newly arrived. Chances are you'll get a better deal on the car that's been there longer.

If you're looking at a fairly common model, the dealer will be able to replace this car quite easily with another one, so will be more likely to sell it at a lower price to reach the sales targets. They would rather sell five cars at £300 profit than just one at £1,200, although in reality they would probably sell those five cars at somewhere between £300 and £1,200. If you're looking at a car that's quite unique, with non-standard options such as full leather, sat-nav and so on, don't expect a massive discount. However, even though the dealer may be convinced the car will sell at that price, the fact is, you're also sitting in front of him waving your credit card under his nose.

Bear in mind, of course, that no-one at the dealership is

going to tell you how long a car has been in stock. Ask any salesman, and they'll tell you that the car has only just arrived! They don't want you to think they're not shifting cars. If the car's making odd noises, they'll tell you not to worry, "It hasn't been through the workshop yet."

Now get this: no car can be offered for sale or have a price on it, unless it's been prepped through the workshop - full stop! So, next time you're told this, ask them how Trading Standards would feel about them selling cars that haven't been prepped. That puts you in control straight away. Putting that fact to one side, you'll still be shown cars that are round the back, unpriced. No dealer is going let you walk away, if the perfect car for you has just come in.

How you deal with this is down to you, taking into account the above facts.

As for cars on the pitch, if they're spotlessly clean inside and out, as well as in the boot, then the chances are they're new arrivals. If they have any dirt in the foot-wells or in the boot, or they're a bit damp and smelly, or have a flat battery, then you can take it they've been there for a while, whatever else you may be told.

Remember to bring up these snags in your negotiation, not forgetting to point out that the car not starting is a huge problem for you.



The Salespeople



## **The Salespeople**

Definitely an interesting bunch, these. I couldn't even begin to guess how many salespeople I've worked with over the years, and they come in all shapes, sizes, and emotional stability levels. They include the money-hungry, "jump-on-every-customer-who-walks-in" type (or even who-just-walks-by, in some cases); the nervous, "Please-don't-talk-to-me-I-don't-even-want-to-be-here-and-will-probably-get-sacked-at-the-end-of-the-month-anyway" type, and of course all those that fall in between. Don't get me wrong - there are a lot of very good salespeople out there, but they're very much in the minority, and if you ever do come across one, you'll know about it. Count yourself lucky and use them to your advantage, as I'll explain during the course of this book.

## **Salesman types**

Typically, there are 3 different groups of sales people.

### **The Used Car Salesman**

These people hate selling new cars, as it can involve lots of questions they can't answer and a lot of time they don't have. They'll tend to focus on selling as many used cars as possible, whilst rushing through the process. They don't have the time to mess around. Every used car is unique, and they expect you to either make a decision there and then on the car, or come back once you've decided this is the car for you (assuming the car is still available, of course).

Their product knowledge is usually limited, since they'll often be selling many different brands of used cars, and it's difficult to be on top of every make and model, including specification levels. They also tend not to have any control over the price and finance rates. The down side of this is that they'll

over-promise and under-deliver, with comments such as, "Don't worry about that scratch, we'll get it sorted." Once you've bought the car, they'll completely forget the remark and may even deny ever having said it. The good news though, is that if you're genuinely looking at buying a car, they'll work hard for you, to try to get their boss to do the deal you want.

## **The New Car Salesman**

These guys are a bit more switched-on. They know a fair bit about the product, as they usually tend to specialise in selling just one brand. They're generally more aware of manufacturers' special offers and new finance deals that may be available. They'll be happy to spend more time with you and they'll appreciate that you may not be buying straight away, or that the car may not be available immediately. It's not unusual for a customer to wait, sometimes 2 or 3 months, for a fairly standard model.

They prefer not to sell used cars, since these usually require a certain amount of work to be carried out, meaning they'd be constantly having to chase up the workshop. They'd much rather just sell a new, spick-and-span model with no faults. Any part exchange just gets passed on to the used car department. The drawback with this is that the new car sales process can take a lot longer, since everything has to be checked, checked, and double checked.

Once it's been ordered, a new car can't just be sent back. It will either be stuck at the dealership, or registered to a customer; therefore, it can no longer be sold as a brand new car. A used car, on the other hand, is simply put back on the forecourt if a sale falls through. The good thing about the new car salesman is that they'll spend time with you both before and after you take delivery of the car (or at least, until you've

filled out your customer feedback questionnaire!).

### **New/Used Combined Salesman**

The two departments discussed above tend to work as separate entities in medium to large dealerships. In small to medium ones though, you'll usually find a single sales team selling both new and used cars. Their product knowledge is normally pretty good on both new and used cars. Since most of the used ones will have been taken in part exchange by the salespeople themselves, they'll know the last owners and the vehicle's history quite well. Their nature and process will tend to reflect either of the above depending on which car you are looking at - new or used.

The bad news for you is that they'll steer you toward a new or used car based on which benefits them the most, not necessarily what's best for you, the customer. The good news though, is that if your part exchange is really nice they may just get you a little bit more, especially if they know they have a customer already waiting for a car just like it.

Most salespeople want an easy life. They simply want you to walk in and say, "I want to buy that car outside, please", and leave a deposit. They don't understand, or care, that you, the customer, don't really want to be there in the first place and even if you did want to "buy that car outside", that's the last thing you're going say to a salesperson.

At some point, all salespeople will have attended a sales course of some description, where they will have been taught all about customers like you, and the way you think. They're trained to take control of you from the moment you walk onto the site. How this works in practice will become clearer in the "Process" chapter.



It's important to note that, despite these training courses, most salespeople tend to drift into their own favourite sales process, using only the basic elements of what they've been taught. This is better for you because it puts you right back in control, especially when you realize the salesperson isn't quite doing his job the way he should.

One particularly bad kind of salesperson is the type who looks at you as if you're there purely to waste his time, shows no interest in you, and tells you no, he doesn't have the car you want. He's hoping you'll go away, so that the "I-want-to-buy-that-car-outside" customer can walk in. What he doesn't realize is that, in all probability, you are that customer, and all he needs to do is show a little interest! If you ever come across such a salesperson, my advice to you is to find another one in double quick time and make sure the first guy finds out you bought a car off his colleague. Believe me, there's nothing that can make a salesperson feel worse (see "Office Politics" later).

At the other end of the salespersons spectrum is the hard-sell shark. He'll pounce upon you the minute you set foot on the lot. He's desperate to make a sale and will tell you anything (within legal limits) to get you to buy a car right now. If he just happens to have the exact car you want, that's great - make your best deal. But the hard-sell salesperson is likely to try to convince you to buy a car that you really don't want. Typically, he'll say, "You want a Prius in mint green? Forget it. There aren't any. This silver one is the same car and I guarantee you it'll be sold by tomorrow." His goal is to get you to buy a car - any car.

Don't be pressured by this type. Don't hesitate to say, "Thank you, we'd like to think about it", and walk away.

A good salesperson will spend time with you, talk to you, and find out all about you and what you're looking for in your next car. He'll have a good look at your car and take you for a nice drive in the one you're looking at. He'll genuinely help you buy the car, while at the same time trying to maximise his own profit.

Now when I say "good salesman", I mean "good" as in, he'll follow the process he's been taught, not "good" as in, he's totally on your side. Just remember, salespeople are taught to become your friend and find out everything about you. They are natural actors and will make you feel as if they're working just for you, when all they're really interested in is the end result: you buying a car. Play the game though, and be just as interested in them and ask them all about themselves. The initial deal presented to you will always work in the dealer's favour, but the salesperson also knows that even a deal that makes no money for the dealership will still earn him a small commission, and that's better than nothing at all.

Speaking of which, have you ever wondered how salespeople get paid? Most dealerships have the same standard pay structure, which consists of a small basic salary, with the bulk of the earnings being made up of commission. The lowest basic I've ever had as a salesperson was £6,000, back in the late 1990s, yet I earned around £30,000 over the year. These days, the average basic pay is around £10,000 - still not enough to live on, which is why the commission is so important for the salesperson.

With commission, some dealerships pay on a sliding scale, based on how many cars the salesperson has sold. A typical scale might be: up to ten cars - five per cent of the profit; up to fifteen cars - nine per cent, and over fifteen cars - twelve per cent. Other dealerships may pay a certain amount for the

money the car makes and a separate amount for the income from items like extended warranties and finance. Rest assured that despite what you may be told by the salesperson, if a car loses money (and sometimes they do), he or she will always get at least a certain minimum amount. So never feel sorry for the salesman, and don't fall for any sob stories.

Salespeople are assessed not only on how many cars they sell, but on extras, such as finance, warranties, and GAP insurance. This is why you may find salespeople who will push product sales more than the car. The car will usually sell itself, but in the current climate, in order to achieve sales, the profits in the cars have been reduced. The idea is that this loss of revenue should be made back through other means.

A manager is never pleased to hear a salesperson say, "Yeah, he's having the car, but no bits." "Bits" refers to add-ons or extra products. In my experience, the only reason why you, the customer, will say "No" to these extras is because you haven't come out with the intention of buying them. You came out only to buy the car, and as if that wasn't exhausting enough, you now have someone trying to sell you four or five other products that are going to cost you more money. Not surprisingly then, your automatic answer is "No."

Some sites do this a little differently, in that they'll only allow the salesperson to tell you about one or two products, before wheeling you into the business manager's office, or getting him out to finish off the deal. Either way, once you're in the showroom, the aim is to sell you something else.

"My manager just needs to check the figures" really means, "My manager will now try to extract some more of your money, by selling you a few extra products." To be fair on the dealers though, the FSA states that customers should have all

relevant products explained to them, along with features/benefits, cancellation rights, and whether the product meets their demands and needs.

That's the theory. In reality, the products will be explained to you, your cancellation rights will barely be mentioned, and your demands/needs won't even get a look-in. What this means in real terms is that if, for example, you had told the dealer you were only going to keep the car for one year, and they then sold you a two-year warranty, your demands and needs have not been met and the policy has been oversold. That means you're entitled to a refund.

Likewise, if, a year or so down the line, your car is written off and you lose out financially but you had never been offered GAP cover, even though it was a product the dealer sold, then you can claim the loss back from the dealer. The same would apply if you did have this cover, but it wasn't explained to you correctly.

Although the salesperson and business manager are trained to explain everything fully, due to the nature of the job, things are often missed or rushed, leaving the dealership wide open to complaints. Would you be surprised if a salesperson told a customer, "Yes, the warranty covers everything"? Of course, you're aware that this isn't the truth, but you do need to know exactly what is, and what isn't covered. Don't worry though; let them tell you whatever they want, because when it comes down to it, and it's your word against theirs, it's up to the dealer to prove they're right. And if they can't prove it, you'll get compensation.

So, going back to pay, despite the low basic, the bottom line these days is that the average salesperson will earn between £20,000 and £30,000 a year, whilst good ones will be

on £40,000 to £50,000.



Office Politics



## Office Politics

Behind the scenes at the dealership, the working day is just one constant round of bickering, with salespeople arguing about deals and customers.

"That's my customer!"

"No it's not, it's mine!"

"I spoke to him first so I want the deal back!"

"No, he said he doesn't like you and doesn't want to deal with you!"

"Hey, Boss, can you sort this out?"

This is a conversation that happens all the time, and it's invariably the customer who suffers. All dealerships have some kind of logging system, where everyone the salesperson speaks to gets logged. This may be a manual, paper-based system or, more commonly these days, a computerized one. Each dealership will have its own rules as to the "ownership" of the customers.

For example, if a salesman has a customer's details, the customer is his, even on his day off. If he has spent time with them and test driven them, they're his. This works well until you, the customer, want to test drive the car and you arrive on your salesperson's day off. Either the salesperson you speak to will have no interest in you (because you've told him, "We were talking with salesperson Smith a few days ago."), or he will try to convince his manager that you now want to deal with him instead.

As far as the manager's concerned, he just wants the car



sold, so in order to get the deal done, he'll say something like, "You carry on and I'll make sure you get looked after." Salesperson Jones now thinks you're his customer and salesperson Smith thinks you're his. There's only one outcome and that's a big argument.

This is also the reason why sometimes, when you revisit a dealer and your salesperson isn't there, no one else takes any interest, because they know they won't get paid for spending time with you. This, unfortunately, is how it works when the job is commission-based. As a manager, I've tried splitting the deal and sharing the commission, but then this leads to another argument: who actually gets the deal in his name? Bear in mind that the salespeople will earn commission based on how many cars they sell as individuals; this one deal could push them into the next banding and possibly increase their commission from 5% to 9%!

To resolve this, I say to the salesperson who doesn't get the actual deal, "Okay, the next house deal is yours." House deals are those where the management have dealt with someone, or sorted out a problem car by replacing it or any other situation where it isn't a deal belonging to a particular salesperson. Salesperson Jones is now also happy, but along comes salesperson Williams, who moans about the fact that he never gets any house deals!

Ask any manager and they'll tell you the sales office is no different to being in a primary school. On the whole, grudges are normally resolved and customers are kept happy, but just try and remember, out of courtesy, either stick with the salesperson you're with, taking note of his days off, or if you're not happy with him, speak to the manager. If the latter is the case, speaking with the manager will (a) put you in control (because they'll now have to bend over backwards to help

you), and (b) put you in a much better negotiating position.

Obviously, you shouldn't complain about someone for no reason, but as a tip, if there's anything you're not happy with - something like lack of parking, messages not getting passed on, or phone calls not being returned, just politely mention this to the manager. How you do this is crucial - you'll either be looked upon as a moaner or you'll get the bend-over-backwards treatment.

If you're feeling really adventurous, before you go to the dealer go online and try to find out who the owner of the company is. Then, when you speak to the manager, just mention that your own boss is a friend of the owner and he or she suggested you should come here for your car. Now all dealers are terrified of the BIG boss and the thought of even the slightest little complaint getting back to him or her will cause them to ensure the highest level of service to you. Don't overdo it of course, but later on, just mention once more that you promised your boss that you'd let him know how the car buying went, so that he could pass on his thanks to the dealership's big boss. Trust me - get this right and the rest will be a walk in the park!

Oh, and if you do end up buying, remember to send the dealer's boss a little note or letter complimenting him on his dealership's level of service. This will then get passed down to the dealership, who will be thankful they treated you so well. Now, with any future issues, all you'll have to do is go straight in and speak to the manager and guess what? You'll be given the full VIP treatment.





The Cars



## The Cars

Have you ever wondered where all the cars on the forecourt come from? How do dealerships keep replenishing their stock? The answer is, from just about anywhere they can. The best way is from part exchanges, as these cars have been checked by the dealership before they're part exchanged and many will have been previously purchased from a dealership and tend to be well looked after.

They could also be ex-lease cars, hire or company cars, ex-driving school cars, Motability returns, purchased from private individuals, auctions, overage/unwanted cars from other dealers, ex-demonstrators, or imported from Jersey, Isle of Man or Ireland.

Feel free to ask to see the V5, or as it's more commonly known, the log book. This will show you the details of the last keeper and the one before that (if there is one), and when both of these owners purchased the vehicle. This is a good way of finding out if the salesperson has been telling the truth. It also tells you the total number of keepers the car has had. Speaking of which, some salespeople will try to mislead you a little when discussing keepers. "One owner from new" is not the same as "One former keeper." "One owner" means there has only ever been one name on the V5. "One former keeper" or "One previous keeper" means there have been two owners of the car. The V5 will show the current owner's details on the first page and beneath that, it will say, "Number of former keepers" (this excludes the current keeper). Technically then, the salesperson hasn't actually lied to you, so much as they've been "economical with the truth", so just be aware of this.

You can also ask to see the HPI check for the car. (It's not an acronym - HPI was founded in 1938 and is simply

known as HPI.) Every reputable dealer will have done one of these before they even purchased the car. This will show a detailed check on the car such as number of owners, colour changes, accidents or police records, plate changes, and outstanding finance. Some dealers may try and charge you for this check. Don't pay - it is the dealer's responsibility to do this.

Sometimes the HPI check will show some outstanding finance, which is referred to as a "stocking loan" or "stocking plan". This is simply a short-term funding plan that the dealer has used to purchase the vehicle. Most dealers don't pay cash for the cars on the forecourt; they use the bank's money. By all means, if you buy the car, ask the dealer to put it in writing that this finance will be cleared once you've purchased the car.

If there is a mileage discrepancy showing on the HPI, again, this could be explainable. The most common reason for this is the way mileage checks are done. When a car changes hands, the V5 is sent to DVLA to have the new keeper's name added. The date of the sale and the mileage at the time should also be filled in. Some people don't put any mileage in and some scribble it, making it hard to read. The clerk at DVLA will simply type in what he or she can read - a 7 can look like a 1, or a 3 can be mistaken for an 8, for example. If the car has service history with dates and mileages adding up this should be okay.

On older cars you can actually check all previous Ministry of Transport (MOT) history on the website of Vehicle and Operator Services (VOSA) at [www.dft.gov.uk/vosa](http://www.dft.gov.uk/vosa). This site offers the invaluable service of checking any car's MOT history. It will tell you when and how many times the car was MOT'd, what the mileage was each time, and what the car failed on. You just need the MOT number or the number of the V5. A dealer should have no problem with letting you check this and you can probably even use their computer. Remember

if the dealer is standing in your way they probably have something to hide. If they don't mind they obviously have full confidence in their cars.

As I mentioned, the cars come from all sources, but don't let this put you off. If it's an ex-driving school or rental car then this isn't as bad as it sounds. Driving school cars hardly get abused and most rental cars are taken off rental quite early these days. Also, because public safety is a big concern, they are subjected to more extensive checks as they are being used by the public (assuming it is a reputable rental company).

With these types of cars, you should always tell the dealer you're concerned about the clutch going, since you don't know how the car has been driven. They'll reassure you that it has been checked and is all okay, but you need to make out that it's really bothering you and you'd like them to put it in writing that the clutch will be okay for another twelve months with normal use. They may or may not want to do this, but if they do, at least it covers your clutch for the next year. The reason for this is that no warranty supplied or purchased will cover your clutch, so this could potentially save you a few hundred pounds.

All of these cars will also have been through the dealer's workshop to have some form of preparation carried out. Ask to see a report of what has been done. Not all dealers will service or MOT a car unless they really have to - for example, if it is due imminently, meaning you could buy a car and four or five months later spend more money on a service or MOT. MOTs are not required until a car is three years old, so if the car you are looking at is only two years and eight months old insist on an MOT being done. There's no reason why an MOT can't be done early. Do the same if the current MOT only has four or



five months left. Check the last service date, and if the next one is due in the near future, ask for it to be done. This could be a big money-saver for you, as the MOT may identify other work that needs to be done, so you can let the dealer bear the cost of this.

Motability cars are cars given to people with some kind of disability or those who receive certain benefits. They usually get an allowance or a car to use for three years. Every three years these cars come back to dealers for resale. They are usually low mileage and fully serviced, although they may not be in the best condition; they tend to pick up a few scuffs and scrapes along the way, and the interior is often stained or damaged too.

Cars from other dealers are usually ones that the other dealers have failed to sell, so they need to get rid of them. Most dealers have a policy of selling cars within a certain time frame. Once the car has been there between sixty and ninety days, the dealer is under pressure from the owners to get the car gone. They can do this either by drastically reducing the price, by sending it to auction (this can lose them massive money), or by sending it to another dealer, where it becomes fresh stock and therefore good for another sixty to ninety days.

Imports are usually from Jersey, Isle of Man, or Ireland. Don't worry, these are perfectly normal cars, the only issue that could arise is that because the cars have to be re-registered in the UK, the date of registration may be a few months out, so the car could actually be a few months older than stated. This doesn't cause a problem when you come to part exchange it in the future.

Auction cars are the ones you must be wary of. Sometimes when dealers get desperate for stock, they have to

go to auctions to buy them. There's a good chance the dealer will end up buying someone else's problem car and then he has two options: either spend a fortune getting the car put right or send it back to auction where another dealer, small-time trader, or unsuspecting individual may end up with it. Auctions are a great way for dealers and traders to get rid of substandard cars. Most problems can be temporarily disguised to make the car seem okay for a day or two - enough time to get it through an auction. Unless it was a one-owner full-history vehicle I wouldn't entertain buying cars from an auction; even after spending hundreds of pounds on them, many are still not right and customers will just bring them back complaining (Some of your rights as a customer are explained towards the end of this manual).

So how do dealers finally decide on the retail price of a car, once it's ready for the forecourt? Well, there are a couple of different ways. Most industry standard books like Glass's Guide and CAP have recommended retail prices in them, but the market also tends to dictate the price. If there are fifty similar cars sitting at various dealers at similar prices, then this dealer's car will also have to fall into that price band, regardless of what the dealer actually paid for it. Don't worry about how much profit margin the dealer has in the car, just focus on getting a deal that you're happy with. Whether the dealer makes a profit of £100 or £1,000 shouldn't really concern you, as long as you have the right deal for yourself.

Suppose a dealer has a car that has been sitting there since he bought it three months ago for £6,000. In the current market, other dealers are selling this car for £5,500. Therefore, this dealer also has to be around that price, even if it means losing money. And don't think that, because he's losing money, he won't reduce it any further because, believe me, if he has to send it to auction or to another dealer, he'll probably only get

£4,500. He would much rather sell it to a customer at £5,000 - that way, at least it would be classed as a sale toward his targets.

On the other hand, the dealer could have just bought this car off a customer for a paltry £3,000 and is selling it at £5,500 (market value); this too doesn't matter to you, as long as you get a good deal on it. Just remember, the dealer is a business and businesses have to make money - don't begrudge them that.

## **Fuel Figures**

Let me mention one of the biggest pieces of fiction ever written - new car fuel consumption figures. You stand there in the showroom flicking through car brochures and one of the first questions you have, especially in today's fuel market, is, "How much does it do to the gallon?"... "70 miles to the gallon, wow, that's impressive."

Okay, Rule number 1: Don't believe a word of it. The figures in the brochures are obtained under strictly-controlled test conditions on a perfect test track in perfect weather with some mythical professional driver, who weighs next to nothing, driving at the most economical speed, with millisecond-perfect timing on the gear change.

All of which bears no resemblance whatsoever to real-life driving. I don't know how they can be allowed to get away with all this false advertising, but hey - this is the motor trade after all.

I've seen no end of customers come back to the dealership, waving the brochure around, pointing at the miles per gallon figures and threatening the dealership with trading standards, all to no avail. As long as a dealer can prove that a

vehicle did achieve it at some point in time, then they're untouchable. So to save you the frustration, as a rough guide, simply take 20% off the brochure figure and you'll be a lot closer to reality. This is based on real life driving.

Rule number 2: Ask yourself whether you need a petrol or diesel vehicle?

So many customers come in looking for diesels but when asked how many miles they do a year the answer is, "Oh, about ten or twelve thousand." They've simply been "advised" by some guy in the pub that a diesel is the best thing since sliced bread and that they should definitely get one. Yes, fifty litres of diesel will last longer than fifty litres of petrol, but what they haven't been "advised" about is that currently, diesel fuel is more expensive than petrol and a like-for-like diesel model will command around £1500 to £3000 more on the screen price than its petrol fuelled equivalent. Therefore, based on doing ten or twelve thousand miles a year would need several years of driving just to break even, let alone gain anything from having a diesel.

Also, take into account that many diesel engines will have a Diesel Particulate Filter (DPF) which, if not used on longer runs regularly, can clog up and need replacing, a rather unnecessary and unexpected expense.

Again, as a guideline, if you are doing less than fifteen thousand miles a year, a petrol car will suffice. Above that level, a diesel definitely makes sense.

If you're unsure, just work it out over 3 years, taking into account the cost of fuel, the price of the car, the cost of Road Tax and the fuel consumption in miles per gallon. Far better to make an informed decision than to go on misguided "advice".

## New Cars

New cars differ from used cars in that they're sent direct from the manufacturer, whereas used cars, as we've seen, can come from any source. New car sales targets are also set by the manufacturer whereas used car targets are set by the dealership or the dealer group.

New cars tend to focus more on monthly, quarterly and half yearly targets rather than just monthly ones. However, the rewards for hitting these targets are massive - we're talking about thousands of pounds here. Dealers will actually sell new cars at a loss if it means hitting their target. As strange as it may sound, a dealership can sell its last five cars at a £5,000 loss, yet still hit the target and get a £50,000 bonus. The risk here lies in selling the last five cars at a loss and NOT hitting the target. In practice, this would rarely happen; if the dealership needed 3 more car sales to meet the target, they would simply register them as demonstrator models and sell them on as used cars/ex demonstrators/service loan cars etcetera. It can be a gamble sometimes and it could cost the manager his job if he's not careful. But then, it can reward him handsomely if he pulls it off.

Each new car rarely makes a massive profit when it's sold. Profit is based more on quantity, whereas with used cars, the focus is on individual deals as direct profit generators.

One very important point on new cars is the Customer Satisfaction Index (CSI). If you are looking at buying a brand new car and you're feeling that so far, you've received no benefit from this book then here it is - your trump card, the ace up your sleeve, or your joker card. Call it what you will but now is the time for you to take control.

Before I go into that let me explain exactly what CSI is and the MASSIVE impact it has on car dealerships.

When you buy a new car and you've taken delivery of it, the manufacturer, be it Ford, Vauxhall, Nissan or whoever, will send you a questionnaire to fill out. Now this may seem like a straightforward questionnaire and many customers will simply ignore it. Behind the scenes, however, the results of these can make or break dealerships and there is constant pressure on the sales teams to get their customers to not only return these but return them with the correct answers (correct, that is, for the dealership). Manufacturers judge their individual dealerships by cars sold and customers' feedback, both positive and negative. Here are some examples of what can happen.

AC Cars is a dealer group with six Jaguar dealerships dotted around. An opportunity crops up for three vacant Jaguar sites to be allocated to any dealer group who is interested, so the AC Cars group puts its name forward, along with two competitors. Jaguar now looks at how many cars these dealer groups are selling and they all seem to be doing pretty well. Next, Jaguar looks at their customer satisfaction returns. AC Cars has only 40% of totally satisfied customers, whereas competitor A has 75% and competitor B has 94%! No prizes for guessing who gets the additional Jaguar sites.

On the flip side how did those three empty Jaguar sites become available in the first place? Jaguar is concerned about AC Cars' low customer satisfaction score and carry out a closer inspection. It turns out that two of AC Cars' Jaguar sites have been consistently substandard and despite previous warnings, things haven't improved. Jaguar therefore decides to pull the plug on them. AC Cars is now down to only four Jaguar sites and competitors A & B are rubbing their hands with glee as

they put their names forward to take over the two now-available sites.

Yes, this is how serious these questionnaires are.

There's another manufacturer out there that actually rewards its high performing dealer groups - high performing as in percentage of completely satisfied customers - by giving them bigger margins to play with on their new car prices, therefore offering them the potential of securing more sales, whereas the poorer performers have less margin, making their job even harder.

A high CSI score can even earn the dealership a cash bonus from the manufacturer, and we're talking more than just a few thousand pounds here. Oh, and a fine for being on the wrong end of that particular scale.

Sadly, most customers don't see the importance of filling these out, or if they do, being the conservative folk that we British are, we tend to tick Fairly Satisfied instead of Completely, Extremely, Totally or whatever the top wording may be. It's only the top score that gets looked at and at dealership level these results can be as extreme as the salesman with a high score of satisfied customers being rewarded financially and the salesman at the other end being fined or even sacked! So think carefully next time, either tick the top box or if you're not happy, talk to the Manager.

This is where we get around to our initial point about this being your trump card. Just picture it, you've taken delivery of your new car, which was already heavily discounted, and you struggled to get any more discount or anything thrown in, so you're sat there still feeling a bit miffed about it when this questionnaire lands on your doormat or in your Inbox. You call the Manager before you fill it out and in

your most innocent voice, you explain that you really want to give the salesman a good mark but feel you really can't as another dealer has just phoned you and offered the same car for £500 less. Naturally, you feel a little hard done by, and your partner is extremely upset because she/he trusted you so much and that's why you bought the car from there when you could have gone to any other dealership... you get the picture. Guaranteed you will get the £500 sent out to you, or at least a part of it.

That's the reality of these feedback forms. But remember a salesman's commission or job could depend on it so fill them out carefully, as the results do get fed back to the sales team. Don't expect to slate a salesman and then turn up at the dealership needing help with your radio controls! Obviously if you really are unhappy about any aspect of the sale or the process, do speak to a Manager.







Your Part Exchange



## **Your Part Exchange**

Let's move on now to the emotive (extremely in some cases) subject of part exchange. Bear in mind that whatever you want for your car, it has two values: (i) Retail value, which is the price for which the dealer will sell your car on his forecourt and (ii) Trade value, the price at which the dealer will buy the car. There are a few guides available to the general public that you can buy and I class these as the second biggest piece of fiction in the motor trade after fuel figures, as none of them will really help you get a value on your car.

The only guides that dealers use are Glass's Guide (GG) and the Current Auction Prices (CAP) Guide. GG is usually used for newer cars whilst CAP is usually used for older cars or cars that are likely to end up at the auction. Both of these guides are fairly pricey and are not readily available outside the trade. Some dealers will only go by Glass's Guide and some only by CAP. Something that can cause a problem here is (as happened today) CAP can value a car at £3000 while Glass's Guide values it at £3900! Big difference. Just ask the dealer which system they use and they will actually be quite impressed and hopefully a little cautious with you.

Any other guide, usually available from most shops, is designed only to sell the guide itself, and the prices quoted are sometimes nowhere near the actual value given. I have had many an argument with customers insisting that they want for their car what 'the guide' has told them, to which I have tried to explain that these people don't sell cars, they just sell guides, and how I wished I could go out and buy cars at the prices stated. Make a note of the price these guides give you and use them as your top price.

During the course of writing this manual, I had a young

lady tell me that she had an App on her phone that valued cars and that our car was priced at £3,000 too much, so she wouldn't be buying it. She'd been to another dealer earlier and said that their car was overpriced to the tune of £4,000! I told her, in a tactful manner, that as long as she kept using the App on her phone, she was never going to buy a car. I kept in touch with her, though, and two weeks later she came back and bought a car... and got a great deal on it!

Having said that, you still need to go prepared on your part exchange (PX) price. This is not as hard as you might think. If you come straight out and ask a dealer how much your car is worth, they won't tell you. Their main interest is in selling you a car and they'll only give you a part exchange price when you've decided which car you want to buy.

There are a few ways in which you can get an idea of your car's value. First, let's say, for example, you have a nice Toyota, not too old, with good mileage. A Toyota dealer would love to buy this car, so all you do is ring one up beforehand and say something like, "I'm going abroad and I need to sell my car." The reason they'd love to buy it is that good stock is hard to come by. Just remember though, they'll try to "nick" your car, meaning they'll offer you less than the guide price, thinking you're desperate. They may need to see it first, of course, but for you, it's an important starting price or bottom price, so keep a safe note of the figure.

Next, as you can't have failed to notice, there are a few "buy your car" companies out there who will give you a price, usually online or over the phone. Be warned that these places will quote you a top price but then reduce this drastically, once they've seen your car and gone around it with a fine toothcomb. Make a note of this price too as it is the most realistic. They'll resell these cars on to dealers, but at least you

now have a top, middle and bottom price. On a positive note, the price these places actually end up giving you is at least a real price as they will buy your car off you. Anyone can tell you your car's worth £8000 but unless they're prepared to pay you that amount it isn't actually worth £8000!

You'll also find dealerships that offer a valuation service on their website. Once again, they'll usually give you a good price, "subject to seeing" your car. They do this with a view to buying good stock to sell, hoping that in the process, they'll get to sell you another car. Note the highest price you're offered, as this is the price you're aiming for when part exchanging. There is no point trying to get an over-inflated figure on your car. It's never going to happen, so you may as well save time and let the dealer see you actually have an idea of what you're talking about. They will respect you for this and won't try to be too clever with the rest of their figures.

Being realistic about your PX is probably the most important and beneficial step of your buying process and it will give you much more time to negotiate the things that are negotiable and maintain the friendly relationship with the dealership.

If your car has a top value of £4,000 and someone's offering you £5,000, they're not giving you a fantastic deal. It's far more likely that they're charging you too much for the car you're buying. Some customers become too focused on the PX and don't see how good the overall deal is. If dealer A is giving you £5,000 and asking £10,000 for his car, and dealer B only offers you £4,000 on PX but is asking £8,500 for the same car as dealer A, the second deal is actually better by £500, but people get too hung up on PX price to see this.

I'll stress this point again: do your homework and be

realistic. It will make everything much less painful. PX prices are the one thing that customers and dealers fall out over, even turning into heated rows - and this can happen before you even look at a new car!

I've seen people storm out, cry, and even threaten to hit the manager because of the price. In reality many people end up going to a few more dealers and learn their car is not actually worth as much as they first thought. By this time though, they're too embarrassed to go back to the first dealer that they stormed out of. Now if that dealer was the only one who had the right car, whose loss is it? Not the dealer's, that's for sure.

Every business works in the same way: buy at a lower price, and then sell at a higher price. I have even shown customers a similar car to their PX on the forecourt at less than they wanted for theirs, but they still wouldn't have it. If you think that you'll keep your car instead, then its value will continue to get lower and lower. Then, if a newer model than yours is released, that's an even bigger drop in value. So in case I haven't made it clear enough yet, bite the bullet, accept that your car is worth what it's worth, and focus more on the car you're buying and the deal you're going to get.

One small point that will save you some money - if your car is due for a service, don't do it. If you've just spent £500 servicing your car, it won't be worth any more to the dealer. The reason is that every car the dealer sells has to go through the dealer's own workshop at a cost. Because the dealer is responsible for the car when they sell it, they have to do their own checks on it. Their service department is a business within the business and it needs to make money and achieve its own targets, so don't think the cars are prepared free of charge. I've had to spend over £1,000 on some cars just to get them put

right for resale.

You can, of course, sell your car privately, but I don't recommend it. Sure, you may get a little more for it, especially if it's in immaculate condition, but do you really want strangers knowing your business, where you live, and what else you have in your driveway or in your house? There was a case locally, where a couple had shown their car to someone who seemed really genuine. This person came back later with others, tied the couple up, ransacked their house, and took both of their cars. There's no shortage of similar stories, and worse. I heard of someone who sold his car privately, but after a week, the buyer brought it back, claiming it was faulty. When the seller explained it was a private sale, without any warranty the buyer became very violent and actually ended up putting the poor man in hospital.

So, without putting too much of a damper on things, part exchanging is probably your best bet. That way it's all done and dusted, with no comeback on yourself, safely and with no-one knowing your private business.

Now you have an idea of the low value and the high value of your car you're much better equipped to visit the dealership.







## The Process



## The Process

When you first walk into a dealership, there are probably two things you'd like to know pretty much straight away. First, you want to know what your part exchange is worth, and second, you want some idea of finance figures. These may seem like straightforward enough requests but you'd be amazed at how difficult this task can be. The salesman will make all kinds of excuses not to give you this information, even to the point of the customer losing patience and walking out of the showroom.

The salespeople are, in fact, under strict instructions from the management that even they won't be given any figures until you, the customer, have provided your details, test-driven a car, and agreed to buy it, if the deal's right. When you walk into the dealership and demand a part exchange price or finance figures, saying something like, "I don't have time to mess around filling in forms!" the salesman thinks, "Damn! Now what do I do?"

The answer is, you get some lame excuse like, "Oh, the manager does the car valuations, but he isn't here right now" or "The finance manager is just in with a customer at the moment." You may even be given some made up price and figures, or maybe a promise to call you later (a call you'll never get, incidentally). You then ring up, complaining about not getting a call back and the manager has a go at the salesman and the salesman just blames you for being a time waster!

What actually happened was that you asked for figures or PX price but didn't want to follow the process. The salesman panicked thinking *my boss won't give me figures because I haven't test driven the customer or got his details but he/she won't give them to me*. So rather than tell the boss, for fear of seeming weak or

inadequate, you get some lame excuse and a promise of a phone call that never happens. End result - everyone loses out.

Once you understand how the dealership and sales process work, you'll learn to change your tactics and your approach, making things work in your favour. Play it right, and you'll get the information you want and you *will* get that call back, in fact you'll get several calls asking for your business. You'll simply learn to take control.

The reason for this is simple. Before you walk into a dealership you have a fair idea of what you want, where you want it from and how much you want to spend. What you don't know is exactly how much you'll get for your part exchange and therefore, how much per month it will cost you. These are like the final pieces to a jigsaw, the final pieces that the dealer holds. The dealers know this and they also know that if they give you this information straightaway there's nothing to stop you from saying, "Thank you very much", and walking out of the showroom without even a test drive. So the dealer's plan is to get you to a stage where you've provided your details, driven the car and agreed to buy it if the figures are right, and only then will they give you the required info. This plan requires a process and every single dealership has one.

This is the longest chapter and the one you'll have to digest the most carefully to get the full benefit. The sales process is very similar in all dealerships and consists of the following basic steps, although many dealerships will break these down into further steps.

1. **Meet & Greet.** The salesperson comes skipping over to you and starts a conversation of sorts by introducing

- himself.
2. **Qualification/Presentation.** The salesperson tries to find out everything about you and the car you're after, and show you some cars
  3. **PX Appraisal.** Your car is looked at, if you have one.
  4. **Test Drive.** You take a drive in one or more cars.
  5. **Trial Close.** The salesperson asks, in a roundabout way, if you are buying, without actually asking if you are buying!
  6. **Offer Presentation.** The first deal is put to you.
  7. **Negotiation.** Yes, they are actually expecting some!
  8. **Handover/Delivery.** You actually take the car and pay for it.

I'll break these steps down into more detail.

## 1. Meet & Greet

Saturday afternoon, it's D-Day, you're setting off for the dealership, and the salespeople are all ready and waiting. The first question is, when should you go to the dealerships? I appreciate that most people are off work on the weekends, and out of the two days, Sunday is more of a rest day, so that leaves Saturday. So now you, and probably a couple of hundred other people in your town, decide to go out car buying.

Look at it from a salesperson's viewpoint: it's Saturday afternoon and there are lots of people coming onto the forecourt. Now unless one of you says to him, "I want to buy this car," he needs to make a decision about who to spend his

time with. Even when he settles for one he will always be watching the others. The result is, probably none of the customers will get his full attention and therefore they won't get the service they expect. So, if you can, try to visit the dealership at the following times to get the most out of your visit:

- **Weekdays between 10.00 am and 3.00 pm.** Before 10.00 am, salespeople will usually have sales meetings, catch up from the day before and prepare for the day ahead. After 3.00 pm it's always busy, with customers either collecting their cars, visiting after work, or after school.

- **Sundays before 12.00 noon.** Sunday afternoon is usually car-browsing time for those who have nothing else to do, whereas the mornings are quieter. The later you leave it on a Sunday, the wearier the salespeople will be.

- **Saturdays before 10.00am.** The salespeople are ready and if they think you're serious you'll get their undivided attention, because there's no better way to start their weekend than with a sale.

If buying your car isn't especially urgent, then later on in the manual I'll advise you as to the best times of the year to buy.

But let's assume that Saturday afternoon is the only free time you have, so you enter the dealership and there are a few other customers milling around and a gaggle of salespeople waiting not too far away. You start looking around and out of the corner of your eye you can see a salesperson approaching. This is the hardest part for both the customer and the salesperson. Your defences start to go up as the salesperson's radar begins to point in your direction.

The salesperson's approach will vary at this stage, but the usual strategy is to come straight up to you and ask, "Hi, do you need any help at all?" to which you answer, "No thanks, we're just looking."

The salesperson might reply, "Okay, no problem. My name's Tom. Just grab me if you need anything" and return to his pack. Or he may say, "Okay, what model are you looking for?"

Now if he says this, you may insist, "It's okay, we just want to have a look around if that's all right." He thinks, *Miserable gits, why can't they just say, 'I want to buy this one.'*? Or you may engage in conversation with him. This initial conversation is probably the most awkward of all and can go in any direction, depending on the salesperson's approach, the kind of day he or she has had so far, the kind of day you've had, your previous experiences at other dealers, and so on.

A particularly good approach, and one that I used all the time, is to walk towards the customers but actually walk past them and turn at the last minute as if I'd just noticed them and wasn't heading towards them at all, and say something like, "Oh, hi, are you being looked after?"

Unless they were with someone else, they'd say "No," and more often than not, a conversation would develop. And this would be about anything *except* buying a car - about the weather, their kids, the lack of parking space, etcetera. I knew they were here to look at cars and they knew they were here to look at cars but it's not a topic that they particularly wanted to talk about straight away.

From the customer's perspective I was initially walking toward them and their defences were going up, but as I walked past, they began to go down again, as they thought, "*He hasn't*



*come to harass us*" and that's when I turned and said, "Oh, hi, are you being looked after?" They automatically answered, and as I kept asking non-sales questions like, "Isn't it gorgeous weather today," they'd answer me. I'd say, "Isn't the parking awful? Where did you manage to find a space?" and they would answer, until we'd actually be having a conversation.

Two minutes into this conversation, I'd say, "Look, I don't want to keep you here talking all day - you've got cars to look at, take your time. My name's Andrew and I'll pop back in esa couple of minutes."

Now they're thinking, *"This place is okay, no pressure, and he hasn't even tried to sell us a car."* It's guaranteed that when I go back over to them they'll tell me everything. If a salesperson comes up to you and asks directly about you buying a car you will probably say, "I'm just looking." or "We're not actually buying for a couple of months." If I had just fifty pence for every time I have heard these comments I would now be sitting in my villa in Barbados.

The customer is simply saying, "I do actually need to buy a car but I'm not telling you that because you will try to sell me one." To a salesperson this translates to, "I'm just here to waste your time."

It sounds incredible but this is how it works, and that's why thousands of pounds are spent by dealers on training courses to find ways of eliminating this initial confrontation. The only problem with this is that most of the trainers are failed salesmen and most of the salesmen don't want to be trained. For that reason, any salesman who has a little bit of get up and go about him will survive and do well, while most will fall by the wayside.

Okay, this is meant to be about you manoeuvring your

way through the sales process with the intention of buying a car and getting a fantastic deal, not about analysing salespeople. But you need to come out of your comfort zone here and act in a way that is probably just the opposite of how you want to act. That's exactly how salespeople feel when they are being trained to deal with *you*, so don't fight it.

If a salesperson follows his process and you follow yours, the end result will be a win-win situation. If the salesperson follows his process and you fight it, you will probably leave without either buying a car or getting a deal. If the salesperson doesn't follow his process but you follow yours, it's going to be an absolute walkover for you.

So regardless of how the salesperson has approached you, you need to give him something. There's no point in disguising the fact that you're here to buy a car. Just let him know, but don't be too specific; in fact be prepared to play a little game. Trust me, you'll enjoy it. If you are looking at a Ford, say to him, "We need to change our car and at a garage earlier we saw a lovely Vauxhall that we really want to buy, and this is the last garage we are looking at before we go back to the Vauxhall. Can we just have a look at this Ford?"

This is you taking control. The salesperson is now thinking these people are actually serious about buying a car but they're getting a good deal somewhere else. The salesperson needs to do come up with something special for them to buy a car from him. He'll now try to sell you this car like it's the last car in the world.

A powerful psychological trick that salespeople are taught is to always use your name. It's something I always told my guys to do, as it forms an invisible bond with your customer when you use their name. They feel more relaxed, as

if they are with a friend, someone trustworthy and close to them. Their name is actually like their handle and the salesperson is holding it.

Switch this around and start using the salesperson's name. It will have exactly the same effect on him. Later on when you say, "Tom, I know we're getting on great and you are doing a fantastic job but this car's still just a bit over our budget," he'll feel obliged to help you get the deal you want.

Since you've already told him you're potentially buying a car from another garage, he knows the only way he can get you to buy his car is to get you a cracking deal, either on the price of the car or on the price of your part exchange. He'll work on his manager and his manager will definitely not want to lose a customer to a competitor.

Many a time I've had a salesperson come into my office and say, "Boss, these are really nice people and they're gonna buy a car from us if we get the deal right." If I thought a customer was walking out to buy from a competitor, just to stop them I'd settle for a bare skeleton of a deal with no meaty profit. I could always go out next day and buy another car to replace the sold one, but I couldn't guarantee when another customer was going to walk through the door.

Some salespeople will be taught to say things robotically like, "Good morning/afternoon, and welcome to Acme Motors. My name is Tom and you are...?" possibly with an outstretched hand. Some actually sound like they are rehearsing for a pantomime. Either way, just entertain them, but *don't* shake their hand straight away. This will throw them a little. For the salesperson, shaking your hand quite firmly and making sure their hand is palm down, with your hand underneath palm up, is a subtle control signal putting them in

charge. If you do shake hands and this happens, just twist your hand so they're level or, even better, yours is on top.

## **2. Qualification/Presentation**

This phase is all about the salesperson finding out as much about you as possible, and about the kind of car you're looking for. Salespeople don't ask about your family, your job, and your holidays because they like you - they ask for a reason. They want to find the right car for you. Now this may seem quite caring and considerate of them, but trust me, it's for their benefit not yours.

If they show you the wrong car it's going to waste everyone's time. You may have to come back again or they may have to discount it just to persuade you to buy it, and you still won't be happy, or you may simply get frustrated and not come back. However, if he finds you the right car, selling it will be easier and more profitable.

Help the salesperson by telling him what you want and what you don't want in the car, and the kind of price you are looking at or the monthly payment you are looking at - but not the exact amount. If your budget is £8,000, tell him £7,000. If you're happy at £180 a month tell him £160. This little conversation will help you loads in the negotiating phase.

So you find a nice car that you like priced at £8,000. You should say to the salesman, "This one is more than our budget and doesn't seem as nice as the Vauxhall, but could you let us have a look and maybe take a test drive, as that could be the deciding factor."

Now the salesperson is thinking, *Okay, it's a bit more than their budget, but if I can get them to love it I may have a chance.* Just remember, everything you say to salesperson is relayed back to

the manager. The dealership now has a customer who has already seen a car elsewhere that they like but is semi-interested in a car here that is £1,000/£20 per month over their budget. They've sure got their work cut out for them! You now need to keep the right amount of interest in this car – just enough to let them know it may be a possibility. The dealer will also think that they are the last place you are coming to, so if you do like the car the right deal will get your business.

Most of this qualification will take place outside on the forecourt whilst they are showing you around a few cars, or “presenting” as it's called. Just before you go on your test drive, the salesperson will take some details of your PX, if you have one. This is called the part exchange appraisal.

### **3. PX Appraisal**

The salesperson is trained to ask the PX question early on so as to take control. You'll hear something like, “So, what car are you driving now? Are you looking to part exchange it? Great! Well, let's take some details and see what we can do.”

The idea here is not to give you a price straight away but to get you sitting down inside so they can get your details and stop you asking all those pesky initial questions like, “What's your best price on this?” Getting your details is of utmost importance, because without them, they have no control over you. Once you walk away, you're lost to them and they have no way of getting in touch. You may think this is a good thing, but in fact, you're the one who could be losing out.

They could have the perfect car turn up for you the same day, or the car you looked at could end up being reduced the next day, or they may have someone who wants to buy your PX and give good money for it, meaning they will give

you more for it.

Most managers, including me, would not give the salesperson any figures whatsoever unless they had the customer's name and at least one contact number. So don't worry about giving your details. Just explain that you don't want to be contacted unless it's good news! In fact at some point in the process you should be asked, as part of data protection, if it's ok to pass your details on for marketing purposes or something similar. Most salespeople will just tick this box themselves (tut, tut, another little law broken; don't worry, there are plenty more, so if you do decide to take action...).

Salespeople should always have a physical look at your PX and drive it too. This is for two reasons: one, to get an accurate valuation on it; and two, so they can spend more time with you. However, this is normally a part of the process that they rush. You need to make sure, and insist, if necessary, that they look at your car. Tell them how great it is and how you've looked after it. This subconsciously suggests to the salesperson that you're quite attached to your car and will probably want good money for it.

And don't forget that even though the salesperson is trying to sell you *his* car, there's no harm in you trying to sell him *your* car!

When the salesperson takes you out with him to "appraise" your PX, part of the process is for the salesperson to professionally *devalue* your car. This typically involves a touch-and-write technique, which is when the salesperson sees a scratch on your car and he will touch it/rub it and make a note on his form. This shows you that he has seen it but without actually saying, "Oh dear, you have a scratch; that's

not gonna help the value.” The same will apply to chips, scrapes, scuffed alloys, and so on. The salesperson will probably ask if you have any warranty on the car or if you’ve had any kind of paint protection (these are explained more in Products). If you say, “No, I didn’t have a warranty,” the response will usually be, “That’s a shame; it may have added a bit more value to your car.”

“Paint protection?” you might say. “What’s that?” The salesperson will reply, “It’s a great product that keeps your car in showroom condition.” They say this so that when they present these products to you when you are buying your new car, you think this will add value to the car a few years from now when you change (clever tactic, hey?).

As well as “touching and writing,” the salesperson should drive your car just to clarify there are no obvious faults. Don’t worry, most salespeople are not mechanics and they won’t take your vehicle apart. They’ll also check the tyres. The legal limit for tyre tread depth is 1.6mm; below that is an MOT failure. Most dealers have a limit of around 3mm, meaning all their cars should have at least this measurement. Invest in a tyre gauge; you can get a digital one for less than £10 and check the tyres on the car you’re buying. If they’re at 3mm make a mental note to use this at the end of negotiating. Tyres are not cheap and if you can get them replaced you’ve just saved a couple of hundred quid.

Also during this part, let the salesperson know how much you’re expecting for your car. Give him the highest price you obtained when doing your research; in fact feel free to add another £500 on! But don’t go too overboard or he’ll just think you’re an idiot.

Also during this period, the salesperson will try to find

out *how* you intend to pay for your next car. They want you to take their finance, and you'll try to avoid it; I'm going to discuss finance in detail later on as it's something that's misunderstood by many customers. But for now, simply say, "Well, we've got the cash in the bank... unless you can persuade us otherwise," and leave it at that. Even if you haven't got the cash, say it anyway; they don't know any different. Talking finance is the business manager's job, but at least they now won't try and "have your pants down" or "stitch you up" (honest, these are motor trade terms, meaning rip you off).

So the appraisal is done and you're beginning to get along like a house on fire. Before you go on a test drive, the salesperson will give the appraisal to his boss along with any further information he's gleaned from you. Whilst you're on the test drive the business manager will be putting some figures together.

Don't be surprised if at any time during this process either the business manager or sales manager comes over to say hello. Yes, they are being polite, but there's another reason for this. It's human nature that we're always a bit wary on first contact with someone and all they're doing is planning ahead. This initial introduction will make it a little easier when they come out to "second face" you if negotiations are at a sticking point. Everything they do has a reason and a plan.

#### **4. Test Drive**

This may seem fairly straightforward, but there's psychology behind even this step of the process. The salesperson will (or should) drive the car, park somewhere quiet, and then let you take over. The test drive should be long enough for you (and your partner if they're involved) to have a decent drive of the car, although most salespeople tend to rush



it a little. If your not happy with the length of the drive, ask to take the car out again just to be sure.

The reason the salesperson drives first is because it is an unfamiliar car to you, and initially you may feel a little awkward driving it. With an older car or one with a manual transmission, if the salesperson drives first and the car seems fine but when you drive the car it shudders or stalls, then it's probably down to your not being used to the vehicle and not the car itself, as the salesperson seemed to have no trouble! This is more than likely true, as salespeople tend to jump in and out of and move different cars all day, whereas you will probably be used to just driving one or two.

If the dealership is on a busy road, they don't want you pulling out into a difficult road; they just want you to have a nice easy drive and love the car.

You may also have noticed the trade plates. These are only used if there's no tax on the car, which is usually the case, to comply with insurance regulations. You're probably aware of this already, but what you won't be aware of is that only the area of the car between the front trade plate and the rear one is actually insured, so one plate should ideally cover the front number plate and the other the rear plate. All too often, what happens is that the salesperson puts one plate on the dashboard and chucks the other on the parcel shelf. Another rule broken!

More importantly, be aware that if you get stopped like this it is the driver's, meaning *your*, licence on the line! The salesperson and the dealership will get their own fine/penalty, but so will you. Amazingly the police tend to overlook this... most of the time. I've been stopped twice in fifteen years for this and got a ticking off both times; believe me, it could have

been a lot worse. But it's your licence and your call.

During the drive the salesperson will continue selling the car to you, talking about its features, safety, etcetera, but don't be distracted by him, and be sure to question any noises or faults you pick up on. The salesperson's usual response to this will be, "Oh, don't worry, the car has just come in, it hasn't been through the workshop yet," or something similar to this.

Okay, now this is a serious point. A dealership *cannot* offer for sale, let alone test drive, *any* car that has not been prepped and checked through their workshop. To do so means they are breaking the law (a familiar pattern by now, as you may have guessed). But it also means the car could possibly be dangerous to drive. If a wheel fell off and you crashed, you could potentially end up in the hospital or worse, and the dealer would be fined with possible imprisonment for someone.

That's how serious it is, but with constant pressure to meet targets, they'll offer you any car they can, if they think they may have a deal on the way. Let them know you're aware of this, as the more you seem to know, the more they'll worry, and, if only out of fear of being reported, the better the end deal will be. Who said blackmail was wrong?

As mentioned above, you may hear some noises from the car, but don't let this stop you buying it if everything else is okay; just remember to bring it up later. In fact, keep a notepad and make notes so that you don't forget. Even though the car may have been checked, it's a used car and some minor fault can develop at any point. Rest assured that if addressed the right way, it will be sorted, as you'll see.

On your return, if you ask about where to park the car you may just hear the corniest trial close ever, along the lines

of, “Well, we park all the sold cars on the left and the others on the right; where would you like to park?” I’ve never personally used this line but I have heard it a few times and I’ve cringed every time. If you park in the “sold” area the salesperson is laughing, and if you park on the other side he’s crying. If asked this question you should now know where to park: that’s right, on the unsold side, and then watch him suffer.

## 5. Trial Close

### A Word About Closes

**Direct Close** The simplest but yet for some salesman the hardest question to ask. “Do you want to buy the car?” After 2 hours or more the salesman has the right to ask this but many are so scared of getting a “No” they daren’t ask. Sales can be lost simply by not asking.

**Silent Close** Normally asked towards the end, once you’ve raised all your objections. The salesman will simply ask “So if we can take care of all those points are you happy to buy?” and then say nothing. The sales law here is whoever speaks first loses.

**If Close** Used as a test close when the salesman is trying to gauge your interest without seeming too pushy, e.g. “If you were to buy this car today, whose name would you put it in?” or “If you did buy a car today which colour would you go for?” “Usually used early on in the process.

**Assumptive Close** More for the confident salesman who is pretty sure of a sale. “Right, I’ll just get the receipt book. Do you want to leave a deposit with cash or debit card?”

**Alternative Close** Great for making appointments. “When can you come in, weekend or weekday, Saturday or

Sunday, Morning or afternoon, 2.30 or 4.15?" A good salesman will narrow you down to an exact time.

**Isolation Close** Overcoming your objections one by one. "Figures aside, is there anything else stopping you buying the car today?"

"Yes, a scratch on the wing."

"Anything else?"

"Yes, the radio CD player."

And so on until the customer says, "No, that's it."

The salesman then says, "Okay, so putting the figures aside, if I can paint the scratch, fit a CD player, etcetera, etcetera... you're happy with the car?" Your answer should now be "Yes", as you've pretty much closed yourself by offering all your objections.

**Ben Franklin Close** You're struggling to make a decision so the considerate salesman says, "Let me help you decide. We'll make a list with everything you like about the car on one side, and your dislikes on the other." Sounds like a good idea, but what he actually does is help you with the "like" side, making the list as long as possible and then leaves you with the pen and paper saying, "Okay, now put down your dislikes," and takes a back seat. This list is never going to be anywhere near as long as the first one and should convince you to make a decision.

**Columbo Close** I loved the programme and I love this close. When all else fails and the customer is not committing, the salesman sighs and says, "Okay, I can see you need some time on this but it really has been a pleasure to meet you both,"

and shakes hands and walks them to the exit. At the last minute he asks a question, just as Columbo used to when the suspect's guard was down and he thought he was free. "Before you go, tell me, just for my benefit, what price would you have bought this car at?" If you dare to answer this his response will be, "Just give me one minute," and he'll drag his manager out and say, "Mr & Mrs Jones would have bought our car at £5200. Can we do it?" You may just end up buying a car.

Okay, let's talk more about the **Trial Close**.

I love a trial close. They're just fantastic. This is simply a little test to see if you're ready to buy the car. It's presented in various ways and is often very effective.

For example (and I don't recommend you ever do this) let's say you've marched onto the forecourt and said to the salesperson, "Look, I don't wanna mess around. I know how it works – you got loads of money in your cars. I want £1,000 off this one."

The salesperson calmly replies with his test close, "I understand you want a deal, sir. It's a big discount you're asking for. If my manager does agree, can I take £1,000 deposit from you?"

What's the customer going to say now? If he says, "Yeah, sure, take my deposit," the dealer hasn't actually agreed to discount £1,000, but they know the customer is serious and will start the process - PX appraisal, test drive and so on, and negotiate at the right time, at which point the customer will be a bit more relaxed.

If the reply is, "No, I'm not leaving a deposit," then the customer has just made himself look pretty stupid by asking; so don't do it. An aggressive, demanding approach and acting

like a know-it-all will just get everyone's back up, and believe it or not will actually get you a worse deal, as I personally would be prepared to let you walk away, rather than give in to you.

Probably one of the oldest and easiest test closes, and my personal favourite, is to say to the customer, "Putting the actual figures to one side, are you happy with the car?" If you say "yes" to this, the next question will be, "So if we can agree on a deal, you're okay with leaving a small deposit today and paying the balance when you collect?"

You've already said that you're happy with the car, so it's just a case of getting the deal you want. At this stage it is important that you are honest. If you like the car say so; after all it's business time, so let's talk figures.

If you like the car but want to think about it overnight, then say so. "Yes, Tom, we like the car but we want to go and talk it through at home tonight before we make a final decision." Tom will try to find out why you're not making the decision right away, by empathising with you (see – they really like you!) and saying, "We understand - it's a big decision for you." (They're so understanding!). "Is there anything we can do while you're here to help with that decision?"

Tom may try the self-sympathy close: "Oh, I know you really like the car and I thought you were having it, is it something I've said or done?" Don't even *think* about feeling sorry for this Oscar nominee.

Then, of course there's the manager intervention, or second facing as it's called. "Hi, I'm Andrew, the sales manager; just wanted to make sure you have been looked after okay by Tom." The customer always says, "Oh, he's been great."

“Before you go,” continues Andrew (that’s me), “Just for my benefit, as I want to make sure our customers are totally satisfied, tell me what figure would have got your business today? In fact take five minutes and I’ll be right back.”

When I return, either they will still not have made a decision and go home, or they’ll give me a figure. Once I have the figure, it’s up to me to either go with it or not.

Dealers will respect you a lot more for this honesty even if you don’t buy, and it will make the second visit so much easier, but don’t expect the best deal just yet. It’s not in the dealer’s interest to give out figures for you to go away with and maybe compare with other dealers. You won’t get the best deal until you say, “Yes this is the car for me, and if the deal’s right I’m buying it.”

What happens in reality is that customers are not ready to buy the car but still insist on either finance figures or part exchange price, “so they can think about it”. There’s no point spending an hour or so discussing figures on a car that may or may not be there the next time you come. The most important thing for you is that you’re totally happy with the car first, then you talk figures. Customers often go to three or four dealers, don’t get the figures they want because they’re not committed to the car, and as a result complain about how bad their dealer experience was. It’s almost a self-fulfilling prophecy.

So this is very important: unless you’re happy to buy the car, don’t ask for figures. Some dealers even try and get around this by giving you an amazing deal that you really can’t get anywhere else, but when you call back next day they tell you the car has been sold. You then spend the next few weeks trying everywhere to get this fantastic deal that never existed in the first place!

If you're really not happy with the car, don't make excuses; just be honest again. "Sorry, Tom, we don't think this is the car for us. Maybe we should look at something else." Tell Tom what you did and didn't like about the car and he'll help you find the right one. In fact, being this open and honest will get him to help you even more, because he now really believes you like him and will definitely buy a car from him. There's no need to say, "We gotta go fetch the kids" or "We forgot to let the cat out" or "Oh no, I forgot I had a doctor's appointment" or "Actually, I don't feel well," because guess what? Just as you don't believe anything the salesperson says, they don't believe a word you say either.

Best policy: lie when I have advised you to, and be honest when I have advised you to!

I never cease to be amazed at how many people's lives are "ruined", once they've left a deposit. "Hi, Tom, I'm sorry but I need to cancel my order because... I've just been made redundant... I have to have an operation... my wife's left me... my daughter's got pregnant... my granddad's passed away... the boiler's broken down," and so on. The list is endless.

This job makes you cynical to the point where one manager of mine, when he was told by the customer that his dad had passed away, would only agree to refund the deposit on production of a death certificate! The furthest I've gone is to request permission from the customer to contact her employer, to confirm redundancy. It turned out she had a secure job but she never thought I'd ring.

Don't cancel on a deal unless it genuinely is an emergency. If you're not sure about the car just don't leave a deposit.

Back to the original test close: "Figures aside, are you



happy with the car?" By now, you should have an idea of which bits you're not totally happy with. If not, spend more time checking the car over.

We'll now assume you're happy with the car so your answer should be something like, "Well, if you can get the squealing noise checked, replace the front tyres, get rid of the scratch on the bumper and agree on the figures, then yes, you've got a deal." The ball is now in their court and you can sit back, have your coffee that is constantly being offered (the more you drink, the longer you're sitting down, and the longer you're sitting, the greater the likelihood that you'll buy a car).

You can also do a bit of people watching. It's always interesting watching other customers and salespeople, and by now you will have an understanding of the salesperson's process, so you'll be able to observe them saying and doing certain things.

The salesperson's problem now is that you've asked for probably an extra thousand pounds or so more for your PX than it's worth, and you're looking at a car that's around a thousand over your budget but you're in a position to leave a deposit if the deal's right. They're really going to have to work at this.

Also, if you've been asked about monthly payments, be careful how you answer, so as not undo all the clever work you've done so far. If you want to borrow £10,000 over five years (60 months), just divide £10,000 by 60 and this gives you £166. That's £166 *without* interest, so therefore it would actually cost you more than this, and there is no such thing as 0% finance, as I'll explain later in the manual. Based on this example don't say to the dealer you want to pay £150 or £160 for this car a month because this will just make you look silly.

Instead, tell them that your original budget was £160 a month, but for a car that was much cheaper. You're now looking at a more expensive car, so the figures would have to be *really* attractive to get your business.

This will be understandable, as you'd already explained to the salesperson what budget you had and he would've passed this onto his manager. If it turns out that you don't actually buy due to the figures, as disappointed as they will be they'll know the reason why and will keep the contact going with you and try even harder to find the right car for you, since you were so close to a deal last time.

## **6. Offer Presentation**

Once the figures have been put together, the salesman will come out, but he won't give the figures in quite the way you're expecting. You are probably expecting him to say something like, "Okay I've got £2,000 for yours; that gives a balance of £7,500; do we have a deal?" Guess what? It's nothing like that. The price on your car is the last thing you'll get. Some of this is down to dealer tactics and some due to FSA regulations.

At some point before presenting figures, even at the meet/greet stage, the salesperson should have presented you with, or explained, an Initial Disclosure Document (IDD). This is a document outlining the FSA - who they are and what they do, and the way a dealer should present and offer certain products to you. It also explains what you should do if you're not happy with any of this.

Salespeople see this as a pain so they'll probably (surprise, surprise) rush it, or not present it. In some dealerships, only the business manager is authorized to talk

about certain products with you (namely GAP and SMART insurance). Either way, they have to offer you products that actually meet your needs and not sell you something that you have no need for.

An example of this is where a product may be offered that is not relevant to a driving instructor. They know this but sell it to him anyway. This is a breach of FSA regulations and a serious offence with severe repercussions for the dealer and individual involved. Don't worry, as a victimised customer you're entitled to a full refund with maybe compensation too.

Should you ever have a complaint about any insurance product sold to you, all dealers will have a dedicated department to handle this. This is your first port of call and nine times out of ten, they'll put the onus on the dealer to prove they were right. If you're not happy with this outcome and still believe you were mis-sold the product you can now contact the Financial Services Ombudsman.

Back to the offer presentation. The salesperson has now explained about the FSA and will begin taking you through the figures. It usually starts with the price of the car, which you already know, and the cost of car tax or road fund licence (RFL). If you haven't checked on car tax since 2001, the cost of this is based on the actual CO2 emissions that the car produces and not just the engine size. I've given a current list of these later in the guide but you should be aware that these can change as our rulers see fit. Just be aware that some large petrol cars or 4x4's can cost a lot more than you think. Some small cars and diesels cars can be as little as £20 for the year or even free! The dealer has no control over this price, so blame the Chancellor if you don't agree.

The dealer giving you six months tax free is the same as

them discounting the car by that amount, as it will still cost them the same. The only time it won't cost them is if they already have the tax disc left behind by the previous owner. They may even try and sell you this. They used to claim all these back and keep the money but the ruling now is that only the registered keeper can claim back the tax.

Remember to take the tax out of your PX before you hand the keys over, even if the dealer has asked you to leave it in the car as part of the deal. Most of the time they don't even check until too late.

Another item they may add on is some kind of "admin fee" or "status check", or a fee with some other fancy name. They'll make excuses that this is for the HPI check they've done or for the cost of taxing and cleaning your car or some other lame excuse. Don't believe a word. All the reasons they give are things that they, as a main dealer, should be doing anyway, so just point blank refuse to pay it. If they try and push it just ask them if it is something trading standards approves of, and trust me, that's the last you'll hear of it. It's no different to a big electrical store selling you a 60" state-of-the-art TV and then trying to charge you extra for the plug!

You'll also be presented with a few extra products. These are explained in a later section, so read carefully and make up your own mind about them. The most important thing is to listen. They all provide a benefit – at a cost.

Eventually, the presentation will end with you getting a PX price and a monthly payment. The monthly payment is offered regardless of how you intend to pay.

Next you'll be asked the question, "Are you happy to go with that?"

Something strange will happen now. The salesperson will probably go silent. This is just about the most powerful sales technique ever - the Silent Close. The salesperson will ask a question and then go quiet. The point is that whoever speaks first loses.

I remember the first time I ever used the silent close. It felt like an eternity. My customer eventually spoke first and said, "Well, we were hoping for a bit more for our part exchange..." That was it. I knew the deal was done.

What I want you to do is this. Take on board everything the salesperson has told you about the deal, the products, and the part exchange, and say, "Thanks, Tom, but could I/we just have a few minutes to think about this?" This is the perfect response. The salesperson now thinks he's going to get a sale and you get some time to think the whole deal over without any pressure. Use this time wisely; you need to know exactly what you want to pay based on the deal put to you.

Now you have to realize that during these vital minutes when you're sitting alone or walking around, someone will be watching you like a hawk. Whether it's the salesperson, the business manager, or the sales manager, they'll be reading you like a book.

When the salesperson comes back over to you it's time for some serious negotiation.

## **7. Negotiation**

Be aware that at this stage, everything you discuss will involve the business manager, salesperson, or even the dealer principal. You've seen the figures and you need to decide (i) which products you're interested in, and (ii) the price you want to pay.

Now for your part, regardless of how you intend to pay (cash or finance), you need to keep it all simple by working on the bottom line figure.

For example, let's say this is the deal you are interested in:

Price of car = £9,000

Road tax = £150

Warranty = £399

GAP = £349

TOTAL PRICE of CAR = £9,898

Part exchange - £2,000

Deposit - £500

Balance/amount to finance = £7,398

Payments over 48 months = £215.77

What you need to do first is work on the balance to change. Don't worry about the individual cost of everything. It's so much easier for both the dealer and the customer to work on the final balance. Too many times customers get hooked up on the price of one item such as the warranty, and forget it's the overall deal that really matters.

You now need to decide at which balance you are happy, bearing in mind most dealers have a profit margin of between £500 and £2,000 on a car. Allowing that the dealership is a business and needs to make a profit to survive, assume that every car has a £1,500 profit and work from there (you'll never

get to know the exact margin but that's irrelevant). Generally speaking, on most cars up to £20,000 retail price, these figures will work for you. The exceptions are higher priced cars, prestige and some sports models, and cars that are unique, e.g. a low-mileage, one-owner car that has had loads of extras added. This car will sell at a higher price than a standard model with a few more miles on it, but yes, you can still negotiate. Remember, you've given the signal that you're ready to either buy or walk away.

So even if you want the extra products, tell the dealer you just want the car and tax at £9,150. We'll come back to the products. Dealers want to look at the overall deal with the products included, because they make good money out of them. If you keep the products in at this stage, the dealer will just take some of the profit out of the products to get the balance down, instead of working on the price of their car and your PX. You need to do it in this order:

1. Get the best deal on the **car** and **PX**.
2. Negotiate the best deal on the **products** you want.
3. Negotiate the **finance figures** if required.

If you don't have a PX, then just work on the total price of the car, which has been quoted at £9,898. Tell the dealer it needs to be £8,000. Take off £2,000 and just round it up; it's easier to talk round figures. (Some dealers will give you a specific figure such as £9,157.89, just to make you think they've really looked into it to the last penny. I used to do the same with PX prices; instead of giving £2,500 I would give £2,468 and it actually worked, with the customer thinking I'd really looked into his PX price). Don't worry about asking for a big discount at this stage; you've probably spent an hour or so here and have agreed to buy the car at the right deal, so now it's

your time to play even if you know full well you won't get that much off.

When he comes back he will probably say something like, "Okay, I've tried, but we can't do it for £8,000. The best we can do is £9,800." (They've rounded it down slightly). Or they may just offer you something small, like mats or six months road tax.

You now need to move a bit on your side and say, "It's still too much. Maybe we can go another £200 at a push—so £8,200?"

The gap is closing, and it will probably now be the turn of the business manager or sales manager to get involved. Each time they move down a little, you move up a little. Stay calm, be nice (but don't plead), and eventually you'll agree on a figure.

Once you've reached a point where you realize the dealer can't or won't move any more, just say, "Okay, throw in a warranty/GAP/paint protection (whichever product is your first choice) and we'll have it." They may or may not, but at least you've asked. They'll either offer it at a reduced price or offer something else like mats. Again, keep negotiating for something bigger until you can go no further.

With or without PX, the process for negotiating is the same as when working on just one figure: the bottom line.

If you have a PX, go back to the highest price you had for your PX on your research. If it was £3,000, add another £1,000 and take it off the balance of £9,150, leaving £5,150. Then use the same rounding principle and say you will have it at £5,000.



The dealer is actually expecting you to haggle at this stage. If any of my salespeople came back first time and said, "Yes, boss, they're having it," I would have thought one of two things: either I've messed up on the figures somewhere, maybe by valuing their car wrongly; or they've got absolutely no chance of obtaining any credit so they'll say yes to anything! So don't be afraid about haggling. The only difference is that the dealer is probably thinking he can move £500 or so, and you're asking for around £2,000. The dealer's negotiating tactics are to move as little as possible whilst getting you to move massively.

For example, you ask the salesperson for £500 discount and he'll reply I don't think we can do that, what if I can get you some mats? (Cost, about £15). They use this effectively without customers even realizing it. You have to use the same strategy when they come back with the second offer, as explained above.

In fact, use this principle with *every* item you're interested in: start low and move very little. If you get a definite "No", just ask the question the dealer would ask you "Well, how close to that figure can you get?" Then you offer a little less than the figure given.

Once you've got a deal on the car and PX, shake their hand. Now look at which products you're interested in and decide how much you want to pay (In the next chapter, we'll take a closer look at various products). If the total for the products comes to, say, £550, tell the dealer you will take them at £275 (half price). They won't do it, but at least they now think they have the chance to make a little extra profit and will probably say, "We can do it for £525."

By now you know the routine. Much as you may be worn out by this time, start the negotiation process again.

"Maybe we can go to £350... " and so on, until you get to a figure you're happy to deal at.

Always negotiate first on either (i) the most expensive products or (ii) the products you really want. When you've finally reached the end point, then throw in the smaller requests. "We're still not 100% convinced. Tell you what - throw in some mats, mud-flaps, and fuel and you've got a deal!"

Hold out your hand and get them to shake it. Chances are the answer will be, "We can do the mats but that's it."

Your reply should be, "Make it the mats and half a tank of fuel... " You know the pattern by now, but trust me, it's just reverse psychology. The dealer will offer the smallest movement and expect a giant leap from you. You need to offer minimum increases and ask for big reductions. It may seem tiring but it's worth it; believe me, you can always get a little bit more.

I want to mention something that's really annoyed me over the years and it's something I've had to bite my tongue over on many occasions when it's happened. What I'm referring to is the situation where I've asked the customer for their business and they're unsure, so they just make one excuse after another until eventually I have to say to them, "Look, I'm not trying to pressure you but we have someone else looking at the same car and if you don't buy it they probably will."

Hearing this, the customer thinks I'm using the old, well-known sales ploy (which, to be fair, is often the case), but sometimes it's actually the truth. Let me digress slightly. One tactic I've seen used so many times is this: you, the customer, have returned from your test drive and are almost convinced but you just need a little push. So I'll walk over to the

salesperson who's dealing with you and say, "Hi guys. Don't mind me but I need the keys to the car you've just been out in - I have a customer outside who's interested in it. Don't worry - you'll get first refusal because you were here before they were. See you in ten minutes."

This will either give you that little final push to buy or you may just decide it wasn't meant to be. This brings me back to my original annoyance - when a customer says to me or a member of my team, "Oh well if it's not meant to be it's not meant to be."

Frankly, they're talking a load of old cobblers, for want of a less offensive word. The opposite of that statement of course is, "Well if it *was* meant to be, then it *would* be." In other words, if you were meant to have a new car then you could just sit at home with your feet up and some higher power would deliver a new car straight to your doorstep and post the key and documents through the letterbox.

But of course that isn't how life works. If we want something we have to get the ball rolling and make positive decisions, otherwise we'd never actually get up and do anything! So if you like the car and it fits the bill just go for it while it's still there. Don't sit there saying, "Oh well, if it's not meant to be..." Trust me - if you do that, you'll go home, someone else will buy the car, and you'll have to settle for second best. Okay, I feel better now - I just needed to get that off my chest.

## **8. Handover/Delivery**

This is where you actually come and collect your vehicle. Just make sure when you do, you check the car over to make sure all agreed work has been done. Most salespeople

hate this part, as they feel they've already done all the work. But just take your time and make sure you're happy before you take the car. Remember, once you're gone it's a pain to come back for silly little things.

Also, I suggest that at this point you bring in a little "sweetener" for the salesperson and manager. Now I know that traditionally we, as customers, are the ones who expect to get the freebies, like flowers and chocolates, but this is for a reason. Get a couple of £1.99 bottles of wine and hand them over, thanking the guys for everything they've done. Trust me, if you ever have a problem this gesture will be well worth it (see "Aftercare and Complaints").

The biggest tip I received was about ten years ago. One of my colleagues, Darren, had sold a Kia Picanto to a little Asian lady in her sixties. She did the deal, but she came back the next day. It was Darren's day off, so I talked to her. She told me that she wasn't sure about the car's clutch and, just to make sure, she'd like to drive the other two identical Kia Picantos we had. My first thought was, "Great, there goes my afternoon - and for what?" But she seemed nice enough, so I decided to go along.

After driving the other two cars, she announced that one of them was a better drive than hers, and she wanted that one. Still trying to appear cheerful, I "happily" rewrote all the paperwork and wished her well with her new car, all the while trying not to look at one of my other colleagues who had just picked up a customer waving his cheque book around while I was playing babysitter.

Two days later the little lady came to collect her car, and while Darren was seated in the car showing her the controls, she asked for me. I came over and she opened her bag and took

out two chocolate bars. She gave one to me and one to Darren, and thanked us for helping her out. We looked at each other and tried not to giggle.

You've got to take life as it comes, love thy neighbour, and hope for a better day tomorrow. She then took out her purse and handed me a wad of cash—£100! That's for all your help the other day, she said sweetly. I was gobsmacked. Darren just sat there with his mouth open. She then took out another £100 and gave it to Darren! We were like a couple of kids on sugar all day.

Now that is an exception, but believe me, whenever the little lady came back with a problem, it was done without any question and without even involving management. You don't need to go as far as she did, but as I said, some cheap plonk will do the trick nicely.



The Products



## **The Products**

As well as the actual car, you will invariably be offered various products on top. You may think this is all too much but dealers are under pressure to make money, so if they can't make it on the car, they'll make it by selling extras. As exhausting as it may seem at the time, listen carefully, because they all have a benefit and the dealer has an obligation to make you aware of what's available. It may be the salesman who offers some or all of these, or the business manager may come and explain them. Your objective is to get all, some or just one of these products thrown in free of charge, once you have finished all other negotiations.

### **GAP**

Guaranteed Asset Protection (GAP) is also referred to as Vehicle Replacement Insurance (VRI). Depending on the value of the car you're buying, and of course the price that GAP is being sold at, this can prove an invaluable product. Here's how it works, in layman's terms. Suppose you buy a car for £10,000 and two years later it's written off. The insurance company pays you £6,000 and GAP simply pays you the difference – in this case, £4,000. It normally pays up to £10,000 (more in certain cases) and covers you for three years.

If you've taken out finance on the car, there's an option that also covers any outstanding finance for years four and five. Make sure you clarify this with the dealer. GAP is sold from around £199 but it can be up to as much as £999! It costs the dealer about £150, so take this into account when it's offered. There are a few online versions of this but without the same level of cover, so make sure you ask all the relevant questions.



## Warranty/Guarantee

What's the difference between a warranty and a guarantee? A warranty is insurance based, meaning a separate company is providing the cover and funding the costs. It's normally clear-cut – something is either covered or it's not, and anytime something goes wrong, the dealer has to pass the claim onto this third party company for them to authorize first.

A guarantee is basically a pot of money the dealer has set aside to rectify any problems as and when they arise. It has much more flexibility and the dealer can make an instant decision on the problem. This way certainly benefits the customer more than having a third party involved.

Most dealers used to sell all used cars with a one-year warranty/guarantee that was not worth the paper it was written on. These days not many used cars are sold with a full year's cover. Instead, dealers try to sell you one or two years' extended cover at a price. Make sure you read all exclusions plus terms and conditions of any cover you purchase.

It's a good idea to buy some form of warranty/guarantee for your own peace of mind. Don't assume that just because you are buying a car from a dealer it will never go wrong – it's a machine that can break down at any time. It's probably in years two and three that you're most likely to need a warranty or guarantee.

Most will include some form of breakdown cover, with typical costs of around £299 - £499 for a one-year policy and £499 - £899 for two years. Bear in mind that it costs the dealer about £200 for one year and about £300 for two years. If you can get a two-year warranty or guarantee for between £299 and £399, it's definitely worth taking, but many people don't, and

then they have problems and blame the dealership.

## **Paint Protection**

This is available under various brand names – Pure Guard, Diamond Brite, SupaGuard, and more – but it's all the same product. Designed to keep your paintwork in its showroom condition and protect the interior fabrics from stains and spillage, it is sold at anywhere between £199 and £699. One of the biggest profit generators for a dealership, it costs them around £30 to buy! This is one product you need to keep to the very end and say, "Tell you what – if you can throw this in, you've got a deal." If it's applied properly to begin with, it actually does keep your paintwork in better condition but don't worry, it comes with a three-year guarantee.

## **Tyre Insurance**

There are various levels of cover on this, so see the individual product being offered. It covers the cost of replacing up to four or five tyres over a two-year period, due to accidental or malicious damage. It usually includes unlimited puncture repairs too. This is ideal if you've bought a vehicle where a tyre costs £100 to replace. It sells for £99 and up, but work it out logically – if it costs the same as replacing two tyres then it's worth having, especially as it covers accidental or malicious damage.

## **SMART Insurance**

*Small Motor Accident Repair Technology.* A fairly new product that's being pushed quite a bit. It basically covers you for small dents, chips & scratches you may pick up on your car, Read all the terms and conditions though as certain panels (roof & bonnet) could be excluded, there may be an excess, and claims could be limited. It typically costs between £299-£699

and again provides decent profit to the dealer.



Finance and Offers



## Finance and Offers

Finance is a topic that causes confusion, confrontation and mistrust between customers and dealerships, so I'm going to spend a bit of time on this subject and hopefully give you an insight.

To begin with, let's consider if you should take car finance, get a bank loan, or use your own savings. There's no official answer or research on this and it will always come down to your own personal circumstances. **N.B.** You should bear in mind that I'm not a Financial Advisor and I can only tell you that this guidance is based solely on my (many) years of experience in selling cars, selling finance, dealing with complaints, dealing with banks and finance houses, and dealing with all kinds of customers with various credit histories.

Regardless of how you intend to pay, let the salesman assume two things all the way through.

1. If you intend to pay cash, tell them you definitely want finance and don't even query the rate or payments. This will class you as a "captive customer" - someone who definitely needs the dealer's finance. The dealer will now focus mainly on making as much money out of the finance as he can, even at the expense of discounting the car and/or products. Your aim is to get as much discount as possible, agree to the finance, sign an order form with the discounted figures, and at the last minute ring up and say, "Actually, we don't need the finance anymore; we're going to pay cash." You may end up on the dealer's hate list, but it's nice to be on the winning side.

2. If you don't have the funds in hand, then here's what you do. Before you set out, check a few high street banks and

see what kind of loan rates they're offering. Note the details of the lowest one. Stick with the main banks and don't worry too much about exclusive lenders offering ridiculously low rates; they probably (a) don't exist, (b) want too much information, or (c) take forever to process, with no guarantee you'll actually get it. So take note of the lowest legitimate bank offer and tell the dealer either that you are paying cash but willing to look at a super low rate finance deal, or that you are going with your own bank (mention/show the low deal you found) unless they can do something similar. This will save all the unnecessary time of the dealer starting high and trying to "have your pants down," as they'll just try to compete against the bank and offer you the lowest rate they can. You can now focus on negotiating the rest of the deal.

I personally would never use my own money to pay for a car. £10,000 is worth more to me in the bank than wasted on a depreciating asset such as a car. Do you think motor dealers use their own money to pay for all the cars on the forecourt? No, they use the bank's money to provide a short-term loan, known as a stocking loan. They invest their own money on something that will appreciate in value such as premises, workshops, or land, and that's exactly what you should do if you've got a few grand to burn and itchy fingers: invest in some property and let the bank finance your vehicle.

Here's a real life example. James, a twenty-four year old, really hard-working customer of mine, loves his cars. Every couple of years he would save up and buy the car he wanted. That's all he worked for. Both he and his wife worked; they paid the mortgage and the bills together, but the car was his baby.

When he came to change his last car, I suggested to him that this time he should keep his money in the bank, as they

were thinking about starting a family. I would get him a great finance deal.

“Don’t worry, Andy,” he said, “We’ll be just fine.”

I couldn’t convince him and he went home with his new Ford Focus ST in bright orange.

Two months later he came back, looking down and out. “I need to sell my car, Andy. I’ve lost my job through redundancy and Liz is pregnant and we have no money.” He’d bought the car for £16,000 two months ago and with the recession starting, fuel and insurance prices going up, his 2.5 petrol Focus had taken a bit of a knock. It was now worth just £10,200 as a trade value. He had not only had to give up his pride and joy but also took a hit of £5,800 through no fault of his own.

Three months later he came back smiling - he was working again. Although times were hard in the job market, he was a qualified electrician, so he could always find some kind of work. Trouble was, out of the £10,200 he’d got for his car, they’d spent nearly £1,200 so they only had around £9,000 to buy another car. He would have to save for three more years to get the car he wanted!

Compare this to a similar scenario that happened ten months later. Kelvin always paid cash for his cars, too. He was a painter and decorator, married with two children and he always bought an estate car for work and family use. This time around I persuaded him to take out finance on his Audi A4 diesel estate, mainly by telling him about James’s experience. Kelvin paid a deposit but decided to keep most of his £8,000 savings in his bank and was happy with the payment of £150 a month.



A year later he came to see me with a bottle of champagne and a big thank-you. For what? Well, seven months after buying his car, his employer went bust. Kelvin couldn't find work but managed a few months doing bits and bobs, private work for friends and family. Luckily, by now he had £9,000 or so in his bank and just had to worry about paying £150 a month for his car, his lifesaver works vehicle. After two months he decided to set up on his own as he couldn't find work and came to tell me how great it was. He told me in no uncertain terms that, had he used all his savings and paid for that car, he would have been finished, with no job and no money.

Make what you will of these two stories. As I said, it's just my opinion, albeit a valuable, insider's opinion.

## **0% Finance**

Now with finance, let's get one thing absolutely clear: there's no such thing as 0% finance. No matter how good it sounds, it just doesn't exist, and is only offered in place of something else.

Before I explain what I mean, let me just mention APR's and flat rates. An APR is the overall cost of the loan, and takes into account everything included in the loan - deposit, amount of credit, the length of the loan, upfront fees and back end fees, and so on. In fact there are only a handful of people in the world who can actually work out the equation used to calculate an APR, and I'm most definitely not one of them. So forget all about APR's, even though I know that as customers you like to open the conversation with something like, "What's your APR?" It really doesn't mean anything, as you can actually have two loans with the same monthly payment but a higher APR rate on one.

All loans are calculated using a *flat rate*. This is the exact rate you pay per year on the amount of money you're borrowing, and it's fixed, so it won't change throughout the loan term. The simplest way of comparing two loans is to just look at what you are borrowing and how much you are actually paying back in total, including any fees at the beginning or at the end, regardless of the APR.

You may have heard of the terms "Typical APR 7.9," or as it is now referred to, "Representative APR 7.9." To promote this rate, the lenders have to offer the rate to a certain percentage of applicants - e.g., thirty or forty per cent. You normally have to be squeaky clean to get the lowest rates, and as long as the lenders have given this rate to the required percentage of customers they don't have to offer it to anyone else, even if your credit is fantastic. So if they've met this minimum percentage requirement and you apply for their low rate, it doesn't mean you'll get it.

Also bear in mind that with recent changes in legislation you can now pay off lump sums as you wish throughout the agreement, which will result in either a reduction in the monthly payment or a reduction in the loan term. The fact is customers have never had as much protection when taking out any kind of finance agreement as they have now.

## **SECCI**

Before you sign up to a credit agreement, a lender must give you "pre-contract information," also known as "SECCI" (Standard European Consumer Credit Information) and explain this to you. This must include information such as:

- How much money you can borrow and how much this will cost (total cost of loan).

- How and when you have to make repayments.
- What happens if you miss a payment or are late in paying.
- The interest rate and any charges, such as administration fees.

If you don't get this information, the lender may need to go to court to make you pay back the loan. Many dealers rush this bit of paperwork and just get you to sign it as quickly as possible because they fear you may change your mind, in which case they lose all commission paid by the finance company. In the case of any complaint by the customer, it is the responsibility of the dealer to prove they provided you with this information when you took out the agreement. If they can't, it is likely they'll have to reimburse all costs to you with possible compensation.

There have been recent cases where dealers were selling a car to one person but allowing them to finance it in another name (mum/dad/family member). This is absolutely against the law and the dealer could face a fine or closure or both as well as compensating the customer. The same applies to setting up the finance in one name but using someone else's bank details for the direct debit payments.

Getting back to customer protection with finance agreements, there is also the Halves & Thirds rule. What this means to the customer is this:

**Halves** – If you have paid half the agreement amount and you are struggling to keep the car, you can hand the car back to the finance company. As long as you have taken reasonable care of the vehicle and not missed any payments they can't ask you for any more money or blacklist you. Most people make the mistake of just not making payments or

falling behind all because they don't realize they have this protection.

**Thirds** – If you have paid at least a third and are struggling to pay more, the finance company cannot just come and repossess your car. They have to obtain a court order to do so, which can take ages. I would suggest that if you're ever struggling to make payments, simply talk to your finance company. Believe it or not, they'll listen.

Another benefit of having a car on finance is that the finance company has a valid interest in the vehicle. Now this is from my own personal experience. Just before I got into the motor trade all those years ago, I purchased a little Ford Escort from a small garage for about £80 a month. The car had numerous faults and I kept taking it back and getting nowhere. I then started working at a newly-built car showroom belonging to a big dealer group.

I remember talking to the Black Horse finance rep who used to visit, and as my finance was with her company, I explained my situation to her. She told me not to worry and got her boss to ring the dealership, and before I knew it my car was booked in and all problems sorted. You see the finance company didn't want me to stop paying because they'd lose the interest on the loan and end up with a faulty car that wasn't worth what the outstanding loan amount was. It was in their interest for me to be happy and keep paying. The supplying garage had to listen to them, as too many complaints would result in them losing this lender and all commissions gained from finance.

I don't want to get too side-tracked by this, but I appreciate what an important part finances play in any car purchase. If you're ever unhappy about any aspect, most

dealers will have a dedicated department dealing with all finance/insurance related complaints. If you can't sort out the problem with your lender, you can complain to the Financial Ombudsman Service (FOS).

You'll need to give the lender eight weeks to sort out your problem before you complain to the FOS. Just inform the dealer of this in your initial written complaint.

## **Your credit line**

One thing that customers don't realize is that every individual has a credit line. This basically is an amount of money they can borrow at any one time against their name. For example, if your limit is £20,000 and you borrow £10,000 from your bank, you only have £10,000 left; so should you require any house refurbishment later, you may struggle to borrow more than £10,000. Car finance or hire purchase is a loan attached to *the car* and *not to you*, leaving your credit line intact for future emergencies.

Car finance is provided not directly by the dealer but by a bank of some sort, whether that be a high street lender such as Santander, Lloyds, or Barclays, or the finance company belonging to the manufacturer such as Ford Credit, VW/Audi Finance, or General Motors Finance. With used cars the lender will set a minimum rate at which the dealer can lend money. As an example if the minimum rate is set at 4% (flat rate), and a dealer offers you finance at this rate they make no direct commission, although they may make something known as volume bonus. This is simply a bonus paid for using that particular finance company. If the dealer charges you more than 4%, they get commission; if they charge less than 4% it actually costs them (known as a subsidy).

Dealers look at all profit areas when selling a car, so a car that has been hanging around for a while may be sold at a rate of less than 4% just to get the car shifted, as long as it's making a small profit. What they won't do is lose money on the car *and* on the finance - this simply isn't good business sense, unless the car really needs to go, as with a problem car.

With new cars things are slightly different, as the manufacturer contributes towards the finance, resulting in some fantastic low rates on new cars. When running a 0% campaign on new cars, the manufacturer covers the cost of the finance but makes the money on the cars instead. When the 0% campaign finishes, they suddenly introduce thousands of pounds savings on the price instead! What they won't do is offer thousands of pounds off *and* the whole lot on zero per cent.

So, as you can see, there's no need to get overly excited about 0% offers. You should always look at the whole package. In practice, new car deals are set by the manufacturers and dealers have little movement overall. On used cars the dealership's aim is to start with the most profitable deal for them and work down.

There are various other offers that keep cropping up and I'll explain how they work and how they can benefit you.

### **Deposit allowance/No payments until...**

This one is used quite often as a means to increase the dealership's finance sales. Dealerships are targeted more and more on finance, which is why it gets rammed down your throat from the moment you set foot on the premises. The reason for this is that with increased competition and a gloomy market, the profit in the cars has decreased. To make up for

this, dealers are pushing the finance and products as a means of generating increased revenue. A bit like high street electrical shops pushing extended warranties on electrical goods.

**Deposit allowance** means the dealer is contributing towards the deal; e.g., “We pay £1,000 deposit allowance...” Which simply means that the dealer is contributing (actually, discounting the car by) £1,000. They do this so that you’ll take the finance, and as a result they’ll get around £1,400 commission from the finance company. So they give you £1,000 and make £1,400, resulting in £400 profit.

Now they’ll try to get you to keep the finance going for at least three months, if not six. This is because finance companies have an agreement with dealers, which states that, should customers settle their agreements within a certain timeframe (usually between three and six months) they will claw back all commission paid to the dealer. *Ouch!* Can you imagine if that happened? Not only have they given £1,000 off the deal, they’ve also lost another £1,400! I’ve seen business managers get sacked for too many of these happening.

As far as you’re concerned, play the game and make out you’re well impressed with the deal. The day you collect your car, ring up the finance company and settle the balance. You’ve just saved around £1,000... and that’s on top of any other discount or deal you may have wangled.

Here’s how it might look:

Car = £9,995.

Less dealer deposit allowance – £1,000.

Amount to finance = £8,995.

Less Finance administration fee of maybe £200.

So by doing absolutely no negotiating you have just saved £800 or so. How easy can it get? Although I'm sure by now you would already have persuaded the dealer to knock off maybe £200 and throw in a free product, a tank of fuel and a set of mats, all because you are *definitely* taking their finance.

A variation on this is, "Make no payments for six months..." This works the same way but is a slightly safer bet for the dealer. They'll make your first six payments, i.e.  $6 \times £150 = £900$  in total, and claim their usual commission (probably around £1400), but they're happy knowing you'll keep the finance going for at least six months, which you can do, and then settle it after six. What would work better is to settle after one month and keep the other five payments the dealer is making.

The dealer can't pay the finance company directly, as the finance company will only take payments from your bank. So what the dealer does every month for six months is put the money into *your* bank, which the finance company then takes out. In practice most dealerships (especially larger ones) don't usually check to see if you've still got the finance and they just keep on paying you. It's around nine months later when dealerships usually find out that the customer has settled his finance, and that's only because they get a chunk of money reclaimed by the finance company.

I remember one particularly devious business manager doing this for nine months with just about every customer, knowing full well he wasn't going to be there in a year's time when the bombshell was dropped. He sold the most finance and earned himself a fortune and a golden reputation in the company, then jumped ship ten months later! Only then did it



become clear what he'd done, as the company discovered it had lost a total of over £30,000, which was grabbed back by the finance companies. His successor never had a chance to shine - he was watched like a hawk!

In either case, rest assured that you're entitled to settle your finance agreement at any stage, and this should be explained to you before you even sign the paperwork.

## **Minimum part exchange**

This one pops up every once in a while. "This weekend only! £1,200 minimum for your part exchange!" Now just think about this. If your car is a rusty old nail worth £150 and someone's giving you £1,200, where is the extra £1,050 coming from? Answer: It comes from the profit in the car they're selling to you.

Clever dealers will assume that most part exchanges taken in this kind of promotion are probably worth around £600. So they put their cars up by £500 and give you £1,200 for yours. Their car probably already had £700 profit; now it has £1,200. If your piece of junk is only worth £200, they'll give you an extra £1,000 out of their profit and still make £200. If your car is actually worth £900, they give you an extra £300 and still make £900 profit! This deal will only benefit you if your car really is worth nothing; but again, they'll usually require your vehicle to be at least driveable.

There's a great way of making this work in your favour. Find a relative or friend who has an old banger and just use their car details, pretending it's yours to part exchange (don't worry; you're not actually going to chop it in).

So the deal is:

Dealer's car = £12,999

Less part exchange - £1,200

Balance = £11,799

You'll find on the actual order form the dealer will show the figures a little differently after giving you some long-winded story about your car's true market value and "for VAT purposes." So if your PX is actually worth £200, the extra £1,000 will be discounted off the car you're buying, bringing it down to £11,999.

Now the smart ones out there will have convinced the dealer they're all up for taking the dealer's finance and maybe managed to get another £200 shaved off the price. The dealer will do this thinking he's making £800 out of the finance anyway. The car is now £11,799 and the order form will show these figures:

Dealer's Car = £11,799

Less part exchange - £200

Balance = £11,599

Once you have a signed order form, wait until the day of collection and ring the dealer (you could even wait until you're actually in the showroom to collect your car) stating that you've sold your car privately and will simply pay the amount of £11,799, which is the price of the car as per the order form. In a court of law the figure on the signed order form is the figure you pay, and at this last minute, as annoyed as the dealer may be, there is little he can do about it apart from curse you, but hey, you are no more their lifelong friend than they are yours.

You've just saved £1,200 off the original price, and even

if the price was inflated by £500 you still saved £700.

That's one to tell the grandkids!

## **Price match / Price guarantee**

This is probably one of the most underused "gifts" given by dealerships. In my entire career to date there have only been two people who have come back on this offer. You've all seen it or heard it: "Find the same car cheaper within X days and we'll refund the difference!" Dealers know that customers are exhausted and fed up after purchasing their car, and the last thing they want to do is start looking all over again.

Just clarify at the time whether this guarantee is five days after you sign the order or five days after you take delivery of the car. Customers will fight tooth and nail before and during purchase but hardly ever after. But after is actually the perfect time.

Just before you collect your car (or just after, depending on the guarantee condition), scan the Internet to see if you can find the same car cheaper. Most dealers will have some criteria on this, such as, "same age", "similar mileage" and "at a main dealer location" but anyway, find the nearest car you can which is a few hundred pounds cheaper. Print the details of the advert and either ring or go down to the showroom and tell the salesman or manager that you're really sorry, but you've found a cheaper car.

If you haven't taken your new car yet, wait until the last minute before you do this, as they will have already taxed and registered the car in your name by now. That means they've added an extra owner on it, so they won't really want you to cancel. Be apologetic and tell them you really like their car but you have to think about finances. As their offer stated that they

would price match, they'll either match the price, or if it doesn't meet all their criteria will probably give you a token £100 or so off. That's another £100 in your pocket!

It's even easier if the price match starts *after* you take delivery, because there is no paperwork to unravel, just a cheque in the post for you.

## **Cost price sale**

This one sounds good, but is actually the worst offer out there and hovers around the trading standards borderline. It leads you to believe the dealer is selling his car at the same price he paid for it.

Ask the dealer to show you their original invoice for the vehicle and make a note of the price and the date of purchase. If it was bought some months ago, then it should be worth less now, as cars quickly depreciate over time. If it's a recent buy, offer to pay the purchase price. They'll come out with various other "costs" involved on the car that they can't prove. That's assuming they actually show you anything in the first place.

## **Beat the clock**

Another shameless promotion gimmick. Dealers will offer various deals at various times of the day; e.g., "Minimum £1,000 between 10am–12.00pm..." and "£750 deposit allowance between 12.00pm–2.00pm..." Make no mistake - if a dealer thinks you'll buy a car, they'll do any offer at any time of the day.

## **Summer Sale! New Year's Sale! This Sale! That Sale!**

Sales never end. The only cars reduced in sales are the ones that have been hanging around for too long and will end

up going to another dealer or to the auction if they're not sold - either option resulting in a cost to the dealership. These cars can offer a great deal but just remember the dealer is desperate to get rid of them and if they get a "sniff" (the technical term for potential sale) on one of these cars they'll do whatever needs to be done to sell it.

Some unscrupulous dealers (yes, there are one or two) will advertise everything as "reduced" when they haven't even been on the pitch two minutes. Legally, cars that are reduced have to be up for sale at the higher price for a certain amount of time before they can be reduced.

Don't get sucked in by sales promotions. Buy the car when you want to and you will get the deal you want.



When to Buy



## When to Buy

You'll hear various bits of advice on the best time to buy your car but the truth is, unless you're working at a dealership and know exactly how desperate the dealership is for sales, you'll never know. But there are times when you stand a better chance of getting a great deal. Dealerships are targeted daily, weekly, monthly, quarterly, half-yearly and yearly... in fact it never ends.

However, if you had to choose one time to visit a dealership and if you're paying cash, then you should do it on the very last day of the month. If you need finance then visit in the last two days, as finance companies can take a little time to get into gear sometimes. Monthly targets are the ones dealerships get the most pressure over and any deal they can squeeze into the month, they will, at almost any cost. The only exception to this might be if the dealer has just had a fantastic month and is way over target. This hardly ever happens however, because if it did, their bosses would simply ramp up their future targets!

Bear in mind, though, that if you've seen a particular car you like it may not be there at the end of the month, so don't just hold back because of that. There's no reason why you shouldn't get a good deal at any time of the year.

I've always had the mindset that I'll only have one chance to do a deal with a customer, and that is while they're in my showroom sitting at a desk in front of me. Whether I make £200 or £2,000 I'll do a deal. Once they walk out of the showroom, everyday life gets in the way. Bills have to be paid, they have to go to work, the know-it-all in the pub tells them he can find them a cheaper one, they want to get the holiday out of the way first, and so on... a hundred reasons not to buy. At



least, that is, until a month later when the current car starts playing up or the neighbours have bought a nice new one. By then it's too late. The original car has gone and you have to settle for second best. So if you like the car, get a deal done and buy it - you'll be much happier that way. Trust me - I've seen it happen many, many times.

Most people think the end of the year is good as dealers are desperate around Christmas time. Again the truth is that most dealers expect December to be quiet and are prepared for it. Any deal is seen more as a bonus. Get this, though - although most of December is quiet, during the short period between Christmas and New Year it actually gets really busy.

Even more incredible is that January is usually the busiest month of the year for used cars! After all these years I still haven't figured out why, but you can rest assured that if I do I'll definitely be writing about it. My best guess is that it's to do with the fact that once Christmas is out of the way people are still caught up on the happy spending rollercoaster ride.



Basic Checks



## Basic Checks

Don't panic - I'm not expecting you to get your overalls on, get your toolkit out and start taking the vehicle apart! No, you can leave that to the technicians in the workshop. And while we're on the subject, if you really need to take an "expert" with you, make sure he's qualified and has only your best interests in mind. I have seen far too many customers come in with their neighbour's best mate's daughter's boyfriend's brother who once changed a tyre on his mum's car and now thinks he's a qualified mechanic!

Okay, maybe I exaggerated a little there, but when they're looking at a car at a dealer, most mechanics seem to see it as a challenge to find as many faults as possible, to prove they're better than the technicians in the workshop. It's their moment of glory and a time for them to shine and impress you. It's no different really with AA or RAC inspections. You pay them £100 or so to find faults on a car, so they have to find some - otherwise no-one would use them!

One of the most common things noted by them all is, "This car's had some paintwork done." Well done, Sherlock! About 70 - 80% of used vehicles have had some form of paintwork done. It's perfectly normal. Don't worry about any of that; the dealership has the responsibility to sell you a car that is roadworthy and fit for purpose. If it's not, you have every right to take it back (see "Aftercare and Complaints").

No, the checks I'm talking about are basic things that you don't need any qualifications for but which are missed by many customers, who then have the inconvenience of bringing the car back to have the problem rectified. It's best to take a notepad, make a tick-list, and check each item off.

## Tyres

Ideally you want the same make of tyre on all four wheels. Failing that, at least pair them up so that you have two of identical make on the front and do the same at the back.

You may have noticed various numbers and symbols on tyres without knowing what they actually mean. Here's an introductory lesson. A tyre will be marked with seven pieces of information that will look like this, although not necessarily in one straight line:

195/50 R16 92 V E4, which means:

**195** – The width of the tyre in millimetres.

**50** – The height of the sidewall, i.e., the distance between the top of the tyre and where it meets the wheel. It is shown as a percentage of the width, so in this case 50% of 195. Also called the aspect ratio.

**R** – Means radial construction.

**16** – The diameter of the gap in the tyre in inches, i.e., the big hole! This reflects the alloy/rim the tyre fits on so this tyre is for a 16" alloy/steel wheel.

**92** – Load rating. Shows the recommended load this tyre can carry (92 = 630kg). You need only check this if you are carrying heavy loads.

**V** – Speed rating. Indicates the speed the tyre is designed for. The salesman will be well impressed that you know this one, as they definitely won't. V equals 146 mph (240 km/h). In many countries, the law requires that tyres must be specified, and fitted, to *exceed* the maximum speed of the vehicle they are mounted on.

**E4** – The “E mark” assures you that the tyre meets the standards set by the European Regulatory Authorities.

As mentioned previously, the legal MOT limit of a tyre is 1.6mm, and this is quite low, as in countries such as Switzerland and Germany it’s much higher (which is why all their part-worn tyres are now sold over here!). Most dealers will have their own limit of around 3mm, which is quite acceptable. Bear in mind that this has to be 3mm across the whole tyre, i.e., outer edge, middle and inner edge. Get yourself a decent tyre gauge for under £10 and measure all the tyres. Note any tyres below 3mm for negotiation purposes. Right at the end say, “Well, if you get those two rear tyres at 2.8mm replaced, I think we’ll go for it.”

## **Glass/Windscreen**

It’s easy to miss any chips on the glass panels (mainly the windscreen), especially in the evening or in bad weather. If you see a chip on the windscreen it will be either recent or previously repaired. I have a chap who comes round once a week and checks all the vehicles and repairs any screen chips. They’re simply sealed to prevent them from spreading and cracking the whole windscreen (an expensive replacement).

Ask for chips to be repaired with a guarantee, and if they have already been repaired ask to have it in writing that should the chip spread within a year they’ll replace the windscreen or get them to replace it now. If they won’t put it in writing make out it’s a really big concern and that you expect at least £50 off. You can get the chip repaired pretty much anywhere these days and it’s usually free (I’m sounding like an advert here, I know). There are usually some chip repairers hanging around supermarket car parks.

## **Dents**

I'm not talking about panels caved in here, but smaller dents that are usually difficult to spot. Once you've found one, your eye always seems to be attracted to it. Again I use a fantastic dent guy who comes round and checks all the cars. The easiest way to spot a small dent is not to look at the panel straight on but to stand either at the front or rear of the vehicle and look down the side so you can see the wing, doors, and rear panel. Look in the daylight when the light is reflecting on the paintwork and you'll see any dents. Also check the boot/tailgate and the bonnet by bending down slightly near the wing and looking across the bonnet.

## **Paintwork**

As I said above, most used cars have had paintwork at some point, but the quality varies. If a car comes in with a small scrape on the bumper corner or a scratch on a panel, it can normally be painted on site without the need of a bodyshop. This is known as a "local" or "smart" repair and is common in all dealerships. Major damage will have to go to a bodyshop, but again, if done properly it isn't a concern.

To check paintwork, view the car in the same way as I described above for dents. If you see a shade or a patch in any of the panels, it could mean filler has been used to repair the door (bad job). Stand a few yards away from the car and walk around it comparing all the panels. They should all be the same shade. I've seen a blue car go out with one wing having a completely different shade of blue. Be aware that some colours, especially silver, will always have panels looking different shades in different light. Colour-coded bumpers may also appear a different shade as they could be plastic, whereas the car is metal. If nothing obvious stands out, then you can

assume that the car's okay.

## **Panel Alignment**

These are the various panels on the car including the bonnet, wings, doors, and boot lid. I remember once when our new car department had a car going out that had advertising stickers on it. In his haste to clean it, the valet damaged the bonnet and door whilst removing the stickers. The customer had already been delayed once so the only solution was to get another new car from the back and swap the damaged panels before the customer turned up! He didn't have a clue when he collected the car.

Now if a panel has been poorly replaced, the gaps between it and the next panel will be uneven. If you look at a bonnet, for example, the space on each side where it joins the wings should be exactly the same width. The same applies to the doors. If the spaces are unequal, it could be the panel was either replaced, or removed and re-attached. In the case of a door it could be that the door was forced open at some point.

## **Headlight Alignment**

As with the body panels, the gap around each headlight should be the same. A bigger gap around one light could mean either the light, wing, or bonnet has been repaired or replaced, indicating a possible front-end smash. No car should be on the forecourt in this state.

## **Electrics (windows, locks)**

Check that all windows are working, and smoothly go all the way up and all the way down (some rear windows are designed to stop about half way down). Make sure the central locking works on all doors. And don't forget to test the electric



mirrors if the car has them. Check all four directions, all the way.

## **Air Conditioning/Heating**

People usually forget to check the air conditioning in the winter. Just turn the heater on for a few minutes on cold and press the AC button. It should start getting icy cold in a few minutes. And don't forget to check that the hot air flows from all the vents. One more thing - and I'm a little red-faced on this as I forgot to check this very recently on a car - make sure the rear de-mister works, something no customer has ever checked unless it's been bad weather and had to be used.

## **Alloys**

Scuffed alloys not only look unattractive but cost money to refurbish. So take a look at each alloy, especially around the edges.

## **CD/Radio**

Most people check the radio but never the CD player. Take a CD with you and stick it in. Tune in your favourite station and make sure its reception is okay (unless of course your favourite station is 200 miles away!).

## **Service History**

The service book will tell you how often that particular vehicle should be serviced. Most older cars are either 12,000 miles or 12 months, whichever comes first, although modern cars tend to have longer service intervals. Check how many service stamps there are in the book and where/when they were done, as this should match the last keeper details. So if the last keeper lived in Portsmouth and has had the car for four

years, why are the last three stamps done in York? Could be a perfectly reasonable explanation of course (I'd love to hear it).

Take a case in point: once I had a visit from trading standards in regard to a customer complaint. This couple had bought a Ford Ka after being told by the salesman that it was a one-owner car with full service history. When the V5 came back to the customer it was showing *five* previous owners. They contacted the last owner, who informed them that they'd bought the car with no service history! So my salesman had just taken a blank service book and stuck five or six stamps in it. As the forthcoming newspaper headlines flashed before me, the trading standards officer told me that they didn't want to take it any further; they just wanted a full refund. That was the biggest sigh of relief of my career.

Needless to say, that particular salesman was through the door - only to get a job at another dealership two miles away!

Also on older cars, find out when the timing belt (cam belt) needs changing, if the vehicle has one. This could be 5 years/50,000 miles or 10 years/100,000 miles. Either way, if it needs changing it can be an expensive job. If it needs changing and hasn't been changed it can cause major damage to the engine, resulting in the car being written off. So make sure this point is clarified before you buy.

## **Owners**

The V5/registration document/log book (whichever name you call it by) will show details of the current keeper. This usually lists the person who part exchanged it, unless the car was acquired from another source, and when they purchased it. It will also show the keeper before them and

when they bought it. You need to be careful how the car's ownership is described, as *one owner from new* is not the same as *one previous owner*. One owner from new means the car has only ever had one owner. One previous owner means there is one *current* owner of the car and one *previous* owner, so it is a two-owner car. A little misleading, but used by car sellers all the time. As well as checking that the service location matches up, check where the first MOT was done, as this should be near where the previous owner lived.

The V5 will also show the car's CO2 number, which will indicate which tax band the car falls into.

On the day you actually collect the car have another quick look around it to make sure nothing has been scratched or damaged in the meantime. Before you drive off, check the windscreen again for chips and check that all lights are working.



## HPI Check



## HPI Check

An HPI check or Experian check is a check on any car's history. You can do a basic check for a couple of pounds these days, but take note - most of these cheap checks offer no comeback should the details be incorrect after you purchase the car. Dealers will already have done these on any car they are selling and they also offer some liability should it turn out in ten months or so that the check was inaccurate.

The HPI check itself includes things like any outstanding finance, keeper changes, colour changes, police records, etc., and it keeps a record of previous checks that have been done and when they were carried out. It also checks the vehicle's specification along with vehicle identification number (VIN). Just as importantly, it checks if the car has had any of the categories below recorded against it.

You've probably heard of cars being classed as write-offs or accident damaged, but have probably not been too sure what that means. When you perform an HPI check on a vehicle it could show one of the following categories.

- **Category A** – A vehicle which should have been totally crushed, including all its spare parts. This is the most serious category.
- **Category B** – A vehicle from which spare parts may be salvaged, but the body shell should have been crushed and the car should never return to the road.
- **Category C** – An extensively damaged vehicle which the insurer has decided not to repair, but which could be

- repaired and returned to the road.
- **Category D** – A damaged vehicle which the insurer has decided not to repair, but which could be repaired and returned to the road.
- **Category F** - A vehicle damaged by fire, which the insurer has decided not to repair.

There are also stolen vehicles that have not been recovered and ownership rests with the insurer who made the total loss payment. They are able to repossess the car as soon as it is identified, even if it's been bought by you in all innocence.

Around 500,000 vehicles that are involved in a car accident are “written off” in the UK each year. If a car is deemed a write-off (or a “total loss”) it means that due to the age and extent of the damage, it is beyond economical repair. A vehicle that has been deemed a write-off is known as salvage.

All dealers will carry out an HPI or Experian check, even on your part exchange. Once an owner is aware that his or her car has one of the above categories registered against it, they have a legal obligation to inform anyone to whom they are selling the car. Your car will be worth considerably less if any of the above is recorded against it, and even repossessed if it is a category F.

As part of the dealer check they may also have performed a mileage check on the car. This is to verify the car's mileage. Every time a car changes owner, the mileage at the time should be filled in on the registration document, which then gets stored at DVLA Swansea. If every owner filled this in correctly, the car's mileage record will show a consistent increase each time the owner changes. This system only falls

down when owners either don't fill it in or fill it in incorrectly or illegally. A full service history will also confirm the car's mileage history

Make sure you ask for a copy of these checks when you purchase a vehicle.

### Beware of Unethical Private Traders

One very important thing to remember is that just because a car shows a clear HPI check, that doesn't mean it's a legitimate car. Towards the end of writing this manual, I was approached by a neighbour for advice. He'd recently purchased a 2006 Ford Mondeo and needed a new alternator but didn't want to spend the £150 or so the garage was asking to replace it. So I suggested he look for someone breaking a similar car and get the used alternator from them. Sure enough, he found an alternator on eBay for £20, and as it was about forty miles away but near to my parents' home, I offered to collect it for him when I was down there in a couple of days' time.

When I was there, out of curiosity I asked the couple why they were breaking a Ford Mondeo, as they didn't seem like "car" people.

"No," the lady told me, "We're definitely not, but we wish we had been!" She told me their story. Four months earlier they'd bought a Ford Mondeo from a local trader who at the time had been posing as a private seller. They paid for an independent HPI check and the car showed up as clear, so they purchased it. After a few days' driving, something didn't feel right; the car was a bit unsteady on the road with an unusual creaking noise while it was moving.

They took it to a garage where the mechanic checked it



over and explained that the chassis was bent, indicating that the car had at some point had a heavy collision with something and was unsafe to drive. She went on to tell me that they went back to the seller who denied all knowledge, claiming that the car had been perfect when he sold it. He wasn't prepared to do anything about it, and if they didn't like it they should go and sell it!

She said that knowing the car was unsafe, there was no way they could let someone else drive it. Having children of their own, they could never live with the guilt if something awful happened.

I felt genuinely sorry for them and advised them to get legal advice, although pursuing this could end up being lengthy and costly, even if they ever managed to track down this rogue again.

If someone has an accident in their car but doesn't go through insurance, i.e. they hit a wall or a tree, there is nothing to stop them getting a cheap repair done on the car, putting a dodgy MOT on it, and selling it on to someone unsuspecting.

The couple lost just over £3,000 on the car, and sadly this isn't the only story of its kind. At least with a dealership, the responsibility for something like this happening lies with them, so you're fully protected.

I came across many of these "traders" when I was running my own business selling cars, and I'll give you more stories at the end of this book.



## Aftercare and Complaints



## **Aftercare and Complaints**

It's quite possible that after purchasing your car or after taking delivery, there may well be some aspect of the deal, the car or an individual that you're not too happy with, and as such you'll need to resolve the problem.

As I mentioned earlier, any complaint regarding finance or an insurance-related product such as GAP or tyre cover will be dealt with either by an appointed representative at the dealership/head office, or by the financial services ombudsman. It's vital that you follow the relevant procedures when pursuing this kind of complaint and you should keep a copy of all written documents.

Finance- or insurance-related problems are the second biggest cause for complaint at dealerships. The FSA are currently inundated with complaints such as these, each of which has to be thoroughly investigated. Most dealerships will try to resolve these before the FSA get involved. Too many complaints could lead to an FSA audit with the possibility of losing their licence to sell finance and insurance products, resulting in a massive loss of profit.

If your complaint is about an individual at the dealership you need to see the dealer principal/general manager. If it's not resolved there, write to head office, and nine times out of ten it'll be sorted.

The biggest cause for complaint is the car itself. A salesman's heart sinks when he sees the car he handed over yesterday pull up on the car park next morning with a very angry-looking customer inside. A car is a machine with hundreds of moving parts, any of which could stop working at any time. Annoyed though you may be, try not to storm into

the showroom like a Tasmanian devil. The car will have been checked in the dealer's workshop, and yes, something could have been missed (they're human just like you and me), or a fault could have developed afterwards. That's not important. What *is* important is how it's dealt with. If, when you collected your car you took a little 'sweetener' in for the salesman and his boss, this should be straightforward, as the boss will not only remember you but also feel obliged to help.

When a car is sold by a dealership, it should be of satisfactory quality e.g., the windscreen should not be chipped. It should be fit for purpose. If you ask for a car that can tow a caravan, it should be able to do so and it should be as described. The car should match its description whether that's given during a conversation or in an advert. If you've purchased online or over the phone, you have extra protection which is covered later.

Perhaps your car doesn't fit into the above or has developed a fault. Although there are no strict guidelines, since every complaint is different, the dealer must take one of these three actions: Repair, Replace, or Refund. In practice, the dealer should get the car back into the workshop and repair it. This should be done at your convenience, and with a loan car provided if you request one.

Should the problem persist, or if a number of faults keep developing, then the option should be either to replace the vehicle or to offer a full refund. The important thing here is that the dealer is actually doing something about the problem. If you're not getting anywhere with the service or sales department, then speak to the dealer principal/general manager. If you still have no joy, then contact the head office.

Most importantly, remember to do all this in a firm, but

polite and professional way. Threatening to call the national tabloids or punch someone, tempting though it may be, will get you absolutely nowhere (apart from prison, maybe!).

I remember an incident a couple of years ago where an irate customer threatened to drive his car through the showroom glass doors because I wouldn't (couldn't) give him a refund. He had a flat battery on his car but refused to let me put a new battery in free of charge. The real story behind it was that he'd bought the car without telling his wife; she had gone mad at him and told him to return it or get out of the house! If he'd just explained this to me, I could have done something about it. Anyway, after forty-five minutes of getting nowhere, I told him that if he really felt the need to drive his car through the glass doors, then that was up to him. I was going back in my office.

This angry guy stormed out, got into his car, and with the engine revving, headed straight towards the showroom. Unfortunately, in his rage he forgot that there were two retractable metal posts just in front of the doors, which had been raised. He rammed both of them, causing over £1,000 worth of damage to his car. The police were called, and although as a dealership we didn't press any charges for damage, we never saw him again.

Having said all that, if you have only minor concerns or issues, a dealer doesn't necessarily have to do anything about them unless they do it out of goodwill. By this I mean if you have a puncture the next day or a chip in the windscreen two days later, it could have happened anytime. Personally, for the sake of a few pounds and a happy customer, I'd most likely just do it, whereas others might show you the door.

If you've taken out a warranty on the car, most of your

parts should be covered, and even if they're not, the dealer should help with the cost. It's only fair that they pay half, since you had the sense to take out a warranty in the first place and earned the dealership a bit of commission in the process (remind them of this if you have to).



A Woman's Perspective by SL





## A Woman's Perspective by SL

In an attempt to persuade the world that not *all* men in the motor trade are sexist male chauvinists, Andrew has allocated me an entire chapter in which to air my views. Seriously, what I'm about to tell you is true. Having sold cars for around ten years now, including a couple of years working with Andrew, I consider myself well qualified to tell it like it is. Sales teams are overwhelmingly male dominated, as are most managerial roles.

Conversations revolve around women, drink and football so as a woman you join in, ignore it and learn to work with it, or you simply leave. I've always gone for the middle option. A lot of the talk is just bravado because many salesmen feel threatened by a female colleague, especially one who is good at her job. I've heard all the smart remarks. "He only bought the car because he fancies you," or, "The boss gives you all the leads because he feels sorry for you."

None of this bothers me. I'm genuinely not interested in it. All that truly matters to me is that I'm very good at my job and I've always over-delivered on the expectations of my customers. From your point of view, any time you have the opportunity to deal with a saleswoman I recommend you take it. I tell you the reasons why shortly. First though, here are three observations from my experience.

A woman buying a car will probably bring a man along so that she'll be taken seriously. It's still her decision. He's just a prop with no input but he seems to feel he has to be the man, throwing in the occasional "know it all" comment. **Note to women:** You can of course do this very well without a man. In fact taking a "know it all" along can actually *hinder* you when buying a car.

A man buying a car will often bring a woman along in order to impress her with his negotiating prowess. If it backfires, as it so often does, it can leave him embarrassed and angry, resulting in a lot of shouting and ending up with him storming out of the dealership. **Note to these men:** A woman will actually be more impressed if you *involve* them in your purchase.

A couple buying a car tend to have equal input into the decision making, although around 80% of the time, the final choice is down to the woman. Yes it really is as high as that!

## **Six reasons why you should deal with a Sales WOMAN**

### **1. We're non-threatening.**

We don't like the "used car salesman" approach when it's used on us and so we don't use it ourselves. I personally have always found it a lot more effective just to be myself, not some pre-programmed robot. It's far easier that way to break down the customer's "I don't want to be sold to" barrier and just treat them like a normal, intelligent human being. At some point in the overall sales process you, as a customer, might decide that you need to think about the decision overnight.

In your eyes, this is a perfectly reasonable request. Not to a salesman, it isn't. To him, it's like a kick in the nuts! He's just given you two or three hours of his time, taken you for a test drive and answered all your questions. You've said you like the car, so if the figures are right, how come you're not buying it? You already know how much money you can spend, whether it's cash or a monthly payment.

At this stage salespeople are taught to ask you directly, "So what's stopping you buying the car today?" They'll be

using their own particular turn of phrase and they'll also probably be showing their frustration. To me this is the biggest advantage of dealing with a woman. I've seen male customers get very defensive at this point, as they see the question as threatening or challenging. Female customers will usually feel annoyed or intimidated.

Either way, the good relationship that's been built up by the salesman is easily shattered right here. As a woman, the chances are I've already read all the signals along the way and can pretty much predict the customer's response right now. I can also make a good guess as to why they're not committing, without giving them a third degree grilling.

## **2. We empathize with our customers**

We're good at seeing things through the customer's eyes. By doing this we can pick up on their likes and dislikes and identify which of our cars might be a good match for them. We uncover what matters most to them personally and we show them we care about solving their individual problems.

As women, we tend to express our emotions and understand the meaning of other people's emotions, allowing us to be more in tune with the needs of each of our customers. In fact I've always treated my customers just the way I hope (and expect) to be treated when I go shopping.

## **3. We tend to be good listeners.**

It's in a woman's nature to be good at listening, which means we can build good relationships through trust and understanding other people's viewpoints. We listen for information and clues about our customer - about what they're looking for in a car and what's important to them. We listen when they tell us about their children or about their hobbies -

this all helps in the selling process. Not only do we listen to what they say but we're aware of what they leave out. With most salesmen, let's face it, much of what you tell them goes in one ear and straight out of the other (since there's nothing in between to stop it). How often have you had to repeat yourself to a salesman?

Being a good listener then, helps us to actually sell you the right car first time.

#### **4. We're known to be good at multitasking.**

Women are often praised for their ability to multitask. The fact is, the chance to do just one thing at a time is a luxury we rarely get. We've learned to do many things simultaneously out of sheer necessity. We can hear other things going on and hold several conversations at the same time. We juggle with writing sales reports, feeding the cat and putting the baby to bed - all without missing a beat.

Many a time I've seen a salesman running around like a headless chicken, simply because a customer has turned up ten minutes early or he's been asked to do a couple of things by the boss. I've managed to sell cars, book a holiday, buy cosmetics off eBay and check on my private business all in a working day AND finish on time. Meanwhile, the blokes are still sat there faffing around with paperwork and looking for lost keys!

#### **5. We have strong women's intuition.**

This is something most salesmen will never understand. A woman's intuition is likened to a sixth sense. We depend on this intuition far more than men do. Call it what you like - gut feeling, radar, an inner voice, a little nudge that tells us when to go for it - but we have this ability to sense things about people. We just seem to know if a customer is a good match for a car.

Drawing on this natural gift of intuition gives us a tremendous advantage in the sales process. Without a customer needing to say a single word, I can usually guess what they're thinking. If it's a couple, I've learned to gauge the reaction of one partner based on a comment made by the other. As a good saleswoman, I'll often take notice of my instinct rather than my manager's suggestions, usually to the benefit of my customer.

## **6. It's in our nature to be good at socializing.**

Socializing and building relationships is something we women love doing, which is why we're so good at it. We socialize in a different way to men because we deliberately take the time to develop and build both our personal and our working relationships. Socializing comes quite naturally to us, and this built-in ability is hugely beneficial in my line of work.

Since this is the real thing and not faked, I can even remember my customers and the things they've told me twelve months later, when they bring the car back for a service. How much would that level of attention mean to you as a customer? Or would you prefer the following scenario that Martin, a salesman I worked with, used to regularly go through:

"I've seen that couple before - they've got to be up for buying a car today," he'd say as he ran out to greet them.

"Hi, how can I help you today?"

"We're here to collect our new car."

"Oh, right, I thought I'd seen you before. Which salesman were you dealing with?"

"We're dealing with you. We only saw you last week!"

“Duh... Of course you were... Yes I remember, now. Just let me check on your car. It’s Mr. and Mrs. Robinson isn’t it?”

“Actually, it’s Mr. and Mrs. Taylor... “

And this was a regular occurrence.

Although nine times out of ten I’ll have a great relationship with my customers, not everyone feels comfortable dealing with a woman, especially a woman selling cars. Some men have made it obvious that as a female, I know nothing about cars and should be sat at home raising kids. In reality I usually knew far more about cars than these guys and I don’t have any children. You gradually learn to ignore this, but just let me tell you about one incident that springs to mind. A customer turned up to collect his Vauxhall Astra but unfortunately the valet had left the radio on and drained the battery, so the car wouldn’t start. To the customer this was an excuse to ask for a discount and he demanded to see the manager (who at the time happened to be Andrew). While he sat complaining to Andrew I commented that the valet had simply left the radio on and it wasn’t anything to worry about. At this point he turned to me and said “Shut up you! I’m talking to your manager.” I really was lost for words. It’s always been made clear to me in this job, that if ever a customer goes too far I don’t have to put up with it.

It was Andrew who spoke first, simply saying to the customer, “Please don’t speak to a member of my team like that, and no, I’m not prepared to compensate you in any way. Either take the car or we’ll refund your money.”

The customer took his car and I neither saw nor heard of him again. Had he just explained his concerns about the battery in a civil manner, he may have got something for his inconvenience, even if it was only a tank of fuel.

And it isn't just customers who sometimes find it difficult to cope with a woman in sales. As I mentioned earlier, some salesmen struggle with it too. I've seen average and poor saleswomen get on great with the guys, but as soon as a woman comes along who poses a sales threat they all band together. Safety in numbers - I guess that's what they're thinking. It always makes me smile because while they're focusing on me I just focus on the customer. Result: Sale, sale, sale.

On a more serious note, due to the amount of time spent with customers and the fact that personal information is invariably shared, some men will interpret this attention in the wrong way. Although I always try to keep a distance of sorts - especially with single male customers, it's inevitable, I suppose, that some of them have taken it the wrong way.

On several occasions I've been asked out for a drink... and more - scarily, even by married men. The occasional unprofessional saleswoman will use every bit of ammunition she has in her armoury to get a sale and I have nothing but sympathy for the poor men sucked in by this - and believe me, there are a few. I worked with one girl who would give her mobile number out to all the young guys that came in! As much as I disagreed with it they usually ended up buying a car from her!

I know I've been promoting the cause of female car salespeople here but now I also have to say that there are some fantastic salesmen out there doing a great job. In the bigger picture though, the percentage of good, genuine salesmen is far lower than good, genuine saleswomen and it's high time that car manufacturers took note of this.

A survey by Nissan a few years back revealed that 80%



of female customers preferred to deal with a saleswoman, as did 50% of male customers. Yet we have less than *twenty per cent* of women working in car sales. It's time dealer groups started to look into this as it can only benefit them in the long run. The problem is there are very few saleswomen and even fewer female sales managers. And you can forget about looking any higher than that! I have yet to meet a woman in *any* influential position in the motor trade. I know it's because the same threat seen as being posed on the sales floor by a woman is replicated further up the chain.

Anyway, enough of my ranting! Enjoy this guide, learn from it and go get yourself a cracking deal.

## Other Stuff

### Distance Selling

When you buy a vehicle over the phone or via the Internet, this is classed as *distance selling* by the dealer, and gives you an extra level of protection. The exact regulations depend upon the individual circumstances, but basically, if you were to buy a car over the phone or the Internet, pay for it, and have it delivered to your house before actually seeing it, you have seven days to return the vehicle for any reason and get a refund. It could be longer than seven days, but in any case, the dealer should have given you this information in writing before delivering the car. If they haven't, you may even be able to return it much later than that.

If, however, you paid for the car online or over the phone but then you came to the dealership to collect it, you will not have the same rights, since you've actually viewed the car. If you didn't like it at this stage though, you could still cancel and get your money back.

As a general rule, with anything you pay for over the phone or on the Internet, try to use a *credit* card as opposed to a *debit* card, even for a deposit. With a credit card you get greater protection, so if there were any issues or anything you weren't happy about, the credit card company will refund your money, regardless of the dealer's position.

For example, let's say you came to buy a car and paid the full amount on your credit card. A few days later the car develops a fault and you are not happy with the dealer's response. Just ring your credit card company and they'll look into it and more than likely refund your money. You are then responsible for returning the car to the dealership. This is why

many dealers now won't take credit card payments, or only a certain maximum amount on a credit card.

## **Just Selling Your Car**

If you ever want to simply sell your car without buying one, it can be difficult. You could try selling it directly to a dealer but they'll aim to steal it off you for a rock bottom price. You could sell privately but I've already mentioned the pitfalls and dangers of this, so what do you do? This explains why "We buy your car" companies are doing so well. It's because they seem like an easy option. The fact is, they won't offer you any more than the dealers will, since all they do is sell the cars on to dealers anyway.

If you're feeling clever, here's what you can do. First of all do a bit of research and see how much your car is realistically worth. By that, I mean phone around car buying companies and dealers for prices. Also, go online and see how much dealers are selling similar cars for, and then knock £1,500 off this price and you're about there.

Let's say then, that your car's worth £6,000 and you go to your local dealer and tell them you are emigrating or something and need a quick sale, so he offers you £5,000 thinking he can sell it at £6,999 and make a tidy profit. Tell him you'll think about his offer and get back to him.

A day or two later, get your partner or a friend to ring the same dealer, and say they're looking for the same car as yours and would pay up to £7,500 *and* leave a deposit if they can find her one. Get them to leave £100 credit card deposit if the dealer can source one in the next few days. Don't worry about losing the deposit; it's classed as distance selling so the deposit is fully refundable.

The dealer will now ring you chasing you for the car. Just tell him you have already been offered £6,000 elsewhere, so unless he can match or maybe beat it there is no deal. You should get the price you're asking for. They always pay by cheque so once this has cleared get your partner to ring up and say, "Sorry, personal circumstances, can't proceed with purchase.... But thanks for all your help anyway!"

Oh, and make sure you send the dealer a postcard!

## **A Tale of Five Cars**

It's a shame that the handful of honest, hardworking small traders out there are let down by rogue traders who couldn't care less about what kind of car they sell, as long as they make a few quid.

Along with my partner, I spent about a year running my own business trading in used cars. My intention was always to sell a quality car, even if it meant my profit margin was reduced. The problem with trying to sell a genuine quality car at, say, £5,000 is that many cowboy traders out there will be selling a similar but substandard car at £4,000 or £4,500, but they will make it sound immaculate. Private buyers will always go for the cheaper option, but they'll be greatly disappointed when they see the car in the flesh, so to speak. Then they'll go to the next one and so on, until eventually they get fed up and either just end up buying one of these "nails," or up their budget and buy a genuine car.

I had a customer who wanted me to find her a VW Golf GT TDi, so I started looking. This was over the course of four days. There seemed a nice one available in Birmingham, and it was advertised with all dealer facilities such as finance and a three-month warranty. I rang up and was told it was a great car

and how they'd been in business for years, so I arranged to go and have a look.

The seller had asked me to ring him when I was in Birmingham, so I did, and to my surprise he said he'd come and meet me, as he was out in this particular car anyway and not too far away. He asked me to wait for him in a particular shopping centre.

By this time, I'd already smelt a rat and decided not to buy the car, but I thought it would be interesting to wait and see what was coming. He finally turned up in a car that hadn't even been cleaned. I asked about his "premises" and he came out with a story about it being his uncle's garage but he also worked there and he'd show me later. He offered me a drive, and by now, being intrigued and having nothing else to do, I accepted.

While I was driving, I asked him if he had trade insurance and he replied that of course he did. I asked him with which company, and he began to stutter and make excuses. I stopped the car and said to him, "You haven't got any insurance have you?"

He gave me a nervous smile and said, "No."

Luckily I had trade insurance so I was able to drive any car, but had that been someone else they would be driving on a busy main road with no insurance, and would have risked losing their licence through it.

The second car I wanted to see was in Manchester. I'd been told what a nice car it was, reliable and clean, and that it had been taken in part exchange by a trader who just wanted it off his lot. The asking price was very low.

I got to the seller's house and saw a big recovery van outside, with the same phone number as his emblazoned on the side.

"Is that yours?" I asked.

"Yeah, that's my main job," the guy said. "I just sell cars on the side."

When I saw the car, it looked like it had been in a war zone and was good for nothing but parts.

"Well, what do you expect for that price?" was his response.

"Well, at least a car where all the panels are the same colour, or is that too much to ask?" I replied.

To cap it all, he didn't even have the registration document, but he assured me he'd post it on if I bought the car. Yeah right!

The third car was in Leeds. I rang up for details and the guy said it was actually his mate's car he was selling, so didn't really know a lot about it. I asked for his name and he became quite agitated.

"What d'you need to know *that* for?" he protested.

I was so gobsmacked by his response that I couldn't actually think of a suitable answer! Needless to say, I declined his offer to go and view it.

The fourth one was described as just having a bit of damage to the rear seat fabric but everything else was okay. And to be fair to this chap, he was right – the rear seat had a cut in it, but the bodywork was perfect. Almost too perfect,

indicating a possible re-spray.

But a much bigger problem was that the two alloys on the nearside were different to the two on the other side! At a cost of £200 an alloy, that was a £400 mistake lying in wait for some buyer. But the point was why were they different in the first place?

The fifth car was one I bought, again from a private trader. Although he'd advertised it as a private sale, I wasn't too bothered, since the actual car was okay. This is a fairly common scenario when buying privately or from a small-time trader, and I would think most people just haven't got time for this.

Why would you want to take time off work, spend a couple of hundred pounds on fuel, and stress yourself out when you could just go to your local dealership and play their own game and get the deal you want? This story is actually just one of many. Watch this space - there may be a little follow up guide coming!

## Road Tax

Here is how the road tax rates are worked out. Be careful of dealers throwing in free tax - they could be doing this so you don't actually realize how much the cost is until it's too late. Most 4x4's, especially petrol ones, have higher emissions, as do some petrol automatic cars.

### **Cars registered before 1 March 2001 (based on engine size) Private/light goods (TC11)**

Engine size (cc)	12 months rate	6 months rate
Not over 1549	£130.00	£71.50
Over 1549	£215.00	£118.25

## **Cars registered on or after 1 March 2001 (based on fuel type and CO2 emissions)**

Vehicle tax rates for cars registered on or after 1 March 2001 are split into thirteen bands, depending on CO2 emissions. The amount you'll pay depends on which band your car is in. The lower a car's emissions, the lower the vehicle tax payable on it.

**Standard rates** - The following table contains the rates of vehicle tax for already registered cars.

### **Petrol car (TC48) and diesel car (TC49)**

Band	CO2 emission (g/km)	12 months rate	6 months rate
A	Up to 100	£0.00	Not available
B	101-110	£20.00	Not available
C	111-120	£30.00	Not available
D	121-130	£95.00	£52.25
E	131-140	£115.00	£63.25
F	141-150	£130.00	£71.50
G	151-165	£165.00	£90.75
H	166-175	£190.00	£104.50
I	176-185	£210.00	£115.50
J	186-200	£245.00	£134.75
K*	201-225	£260.00	£143.00
L	226-255	£445.00	£244.75
M	Over 255	£460.00	£253.00

\* Band K includes cars that have a CO2 figure over 225g/km but were registered before 23 March 2006. So any car with CO2 emissions of 226 or above will only pay the Band K rate as long as they were registered before 23.03.2006. Cars



registered after this date with CO2 emissions 226 or over will pay Band l or Band M rates.

## **Registration Numbers**

There's been a lot of confusion over the current UK number plate system and even experienced sales people sometimes have trouble figuring it out. Personally I think it could have been made so much more user friendly than it is, but obviously someone who gets paid way too much money, to come up with daft ideas had too much time on their hands when they decided this was the way forward. Anyway it's here to stay, so we'd better get used to it.

### **How does the current plate system work?**

Example plate: DE54 UCS

1. The first two letters represent the "local memory tag" – where the vehicle was registered in the UK.
2. The third and fourth digits are numbers known as the "age identifier" – in this case, registered between August 2004 and February 2005. These are changed every six months, in March and September. The table below will show you which age identifier numbers belong in which years.
3. The last three letters are randomly chosen and allocated to a dealership when the car is registered.

The DVLA says this format will be reviewed and updated again in 2050.

## How can I find out a car's age?

Here's the full list of number plate years and their age identifiers.

Year	1 March to end August	1 September to end February (following year)
2001/02		51
2002/03	02	52
2003/04	03	53
2004/05	04	54
2005/06	05	55
2006/07	06	56
2007/08	07	57
2008/09	08	58
2009/10	09	59
2010/11	10	60
2011/12	11	61
2012/13	12	62
2013/14	13	63
2014/15	14	64
2015/16	15	65
2016/17	16	66
2017/18	17	67
2018/19	18	68
2019/20	19	69
2020/21	20	70
2021/22	21	71
2022/23	and so on	until 50/00 in 2050/51

## A Final Note

I remember one particular sales trainer in my early days whose favourite line was “If you take nothing else from this course, just take this one point...” However, he said this about pretty much every point he made, so we were never sure which particular point to take more notice of!

Well, to borrow his words, if you take nothing else from this guide then take this final bit of advice. For some people, the whole process of buying a car now probably seems more confusing than ever, but it doesn't have to be. Once you start your own process everything else will fall into place. I've summarized your process in the 7 steps at the end of this section.

But if you just want to start with one thing then this is it. For years a very successful dealer group, Reg Vardy, trained all their salespeople to use “Signposting” or “Setting the agenda” as some call it. This is a very powerful technique that is hardly used anymore and if it is, it's only done in a half-hearted manner. It simply involved the salesman sitting you down and saying something like:

“What I'm going to do now is take some details and then we'll go and look at your part exchange. I'll give those details to my manager who will get a value on it. This will take him about fifteen minutes so while he's doing that, we'll take our car out for a drive and when we get back, if you're happy with it, we will put a deal together. This will take about 45 minutes to an hour are you okay for time?”

This may not seem like a particularly fascinating statement but it is the subtle hidden messages that are the most important. What the salesman is actually saying is:

“Don’t be alarmed because I’m about to ask for your personal details - name, address, phone number etcetera - and then we’re going to go outside and look at your part exchange **together** so I can point out any damage (using the touch & write technique). At the same time I’m going to find out more about you i.e., become your friend and decide how to play out the rest of the process.

It’s then my manager who will value your car, not me, so don’t blame me if it’s low - I’m your friend and I’ll help you to get more. Also, don’t rush us. It’s going to take a quarter of an hour or thereabouts, so instead of sitting here twiddling your thumbs, let’s take the car for a drive. If I didn’t tell you it would take fifteen minutes you’d most likely say, “No thanks, we’ll just wait for a price.” But now you’re thinking *Okay, we may as well.*

When we get back, sure, we’ll give you some figures. No problem - I just said we would... **but only if you’re happy with the car!**

The magic word here is **IF**. If you’re not happy with the car you ain’t getting anything: **No** figures, **No** finance quote and definitely **No** part exchange price. I’m here to sell cars, not to give valuations and finance quotes, so if the car isn’t right for you let’s find one that is and we’ll start the process all over again.

Oh and don’t forget - I did say the whole process will take about an hour. It’ll probably take two but if I say that now you’ll get scared. However, if you agree to one it means you have the time and so won’t even notice that we’ve gone over. If you haven’t got time, tell me now so I can make you another appointment and find someone who *is* buying today!”

Why am I emphasizing this point and how will it

benefit you? As I said, this is one of the most powerful techniques used in sales. But now *you*, the customer, are going to use a Signpost Statement of your own and you'll use it well before the salesman uses his. When you walk onto the dealership or into the showroom, firmly shake the salesman's hand and say:

"Hi, my name's Mr. Smith and what I'd like to do today is take that BMW 320SE outside for a test drive and if I'm happy with the car and the deal you give me I'll leave a deposit. But before we do that I have a car to part exchange, which is outside, so we'll need to take a look at that first. I've taken a couple of hours off work but I'm sure it won't take us quite as long as that, so would you like to take some details now?"

You've now taken control. The salesman knows exactly where you are in the buying process and he can't really say anything other than "Okay, take a seat." Everything else you've read in this guide, you can put into practice from this point on.

If you're not actually looking at buying a car that day, just simplify it even more: "Hi, my name's Mr. Smith and what I'd like to do today is test drive that BMW 320SE outside and then compare it with the AUDI and VW, although the BMW is my first choice. I'll come back before the weekend and then we can go through the figures and hopefully work a deal out." The salesman is now under no pressure to give figures or part exchange prices and will focus more on actually selling you the benefits of the car in the hope that you'll buy this in preference to either of the other two. You've actually put the salesman at ease instead of the other way round.

As I touched on in the introduction, be honest with the salesman here. If you're *not* buying today then tell him and if

you haven't got time, make another appointment for when you have. This will all be appreciated and make things so much easier. A process of some sort, whether it's the salesman's or yours, is vital to make things work. This is why salespeople are trained to follow a process so as to keep control and uniformity. Can you imagine five salespeople running around, each doing their own thing? Nothing would ever get done. As it is at the moment, we have salespeople trying to follow a process, after a fashion, but the customers are running around trying to do their own thing.

As an experiment during the last two days of writing this guide, I decided to do whatever the customer asked when they came in.

Two people asked for a part exchange price, which I gave them straightaway. One of them was interested in a used car on the forecourt so I then asked if he wanted to buy it seeing as I had given him a part exchange price and he said no, he was going to think about it. I asked if he wanted to take it for a test drive and he said no, he didn't have time. The other couple hadn't even settled on a car, they just wanted a PX price. I then asked them if there was anything else I could do for them and they said, "No thanks, that'll be all."

Two more couples came in and asked for monthly payments, one on a used car and one new. I gave them payments and then asked if they wanted to buy the cars and they both said they'd think about it.

A young lady came in and asked to test drive a Ford Focus. I asked which particular model and she said any so I took her out in a two litre diesel. When we returned I asked if she liked it and she said no, she wanted a petrol engine. I asked what engine size and she said doesn't matter so I took her out

in a 2.5 turbo! When we got back she said she liked the car and asked what engine it was. When I told her she said she didn't want anything above a 1.6! I offered to take her out in a 1.6 but she got annoyed with me, saying I was just wasting her time!

Then a gentleman in his fifties came in and demanded the best price on a used VW Golf on the forecourt. I gave him the best price and asked if he wanted to buy it. He looked a bit lost and then said he'd have to bring his wife back at the weekend. I asked him to leave a holding deposit but he declined. We sold the car the next morning to someone else. He returned at the weekend and complained that he'd wanted to buy the car and that he would complain to my bosses!

One person did come in and buy a car. As for the rest, if even a basic process in place, whether it was me controlling it or the customer I can guarantee that another two out of those six would have bought a car instead of going home wondering what to do next. So here, I've tried to compress everything into seven simple steps that will form your buying process.

## **Seven Steps to a Bargain**

### **1. Research...**

...cars to buy, PX prices, and finance. Yes, do all your homework before you even venture outside your front door. With your PX, again I emphasize: research, understand and accept what your car is worth. Living in denial and expecting an unrealistic price will get you nowhere, get the dealer's back up and frustrate the hell out of you. With regard to the cars you're looking at buying, limit them to two or maybe three different models. There's no point in aimlessly wandering around dealerships, expecting to test drive five or six different models - trust me, it isn't easy. If you need finance, do a quick check with your own bank first.

## **2. Decide on Dealerships**

Make a firm appointment with each one. Appointments mean you'll be taken seriously, whether you're buying that day or not. I've seen countless customers hanging around dealerships on a Saturday, trying to attract someone's attention when all the salesmen are already with customers. Unless you wave your chequebook around saying "I want to buy this one" you're not going to jump the queue.

## **3. Use your Signpost Statement**

Use it every time if you're confident enough. This will set the scene, take the pressure off everyone and put you in control.

## **4. Use a notepad**

Note everything, both good and bad. You'll be amazed at how much you can forget. Not only will this ensure nothing is missed, it also stops the salesman saying anything untrue or promising something he can't deliver. An important note on this though most salespeople see note takers as "wasters" - someone who's only shopping around. Just let them know you're only taking notes because you like this car and you don't want to miss anything on it.

## **5. Test Drive**

Every car you're interested in. The reasons for this? If it's a used car, bear in mind that every used car will drive differently. No, really they do. In fact, some are so different that they feel like a different model altogether. If it's a new car it may be a model you haven't driven before so everything's new, e.g., seats, steering, suspension and so on. You have to make sure you are comfortable in it, of course. Also, as you



now know, a salesman will not give you (or even be allowed to give you) any figures unless you have driven the car, so humour them.

## **6. Negotiate**

In a calm and friendly manner and keep the salesman on your side. If you can't agree, ask to talk to the manager and repeat the process. It's easy to get agitated if things don't go your way but just remember, it's a big game and whoever is most patient will win. Keep the salesman onside. Keep telling him you like the car, you like him and you like the dealership – you just don't like the figures!

## **7. Keep on Shopping**

Even after the deal is done, and take full advantage of “price match” offers. You may just want to go home and forget about cars, but this little bit of extra homework could just save you a few hundred quid more. As I wrote this line earlier today one customer rang up trying to cancel as he'd been offered a similar car £500 cheaper. He understood he would lose his £200 deposit but would still be £300 better off. I though hard about it and knew that since it was the end of the month and I'd already declared my figures to MY bosses, I just didn't need the grief from them if I was to go backwards. I grudgingly offered him another £250 off and he agreed to take it. Some you win - some you lose.

All the advice contained in the book will fit into these seven steps. Remember, too, to enjoy the whole experience and don't ever feel like you have to make any snap decisions. Take your time, think things over, and take a second test drive if necessary. If you're happy with the car and the figures work out, then go for it. Sometimes the reason we don't make a decision is simply because of the fear of making a commitment.

Believe me I've seen thousands of customers say, "We need to think about it" when they actually want to say, "Yes we'll have it – we're just too scared to say so." Once they say "yes" the relief and elation in their faces is amazing.

I'll end with something that will definitely bring a smile to your face. A few years ago an American car company ran a series of TV commercials featuring a "badger" car salesman. It was watching these and a few events mentioned at the start of this guide that first got me thinking about all this. Just search for "badger car salesman videos" There are loads on YouTube. The best link I've found is:

[www.youtube.com/watch?v=G401CC5Rep8&feature=related](http://www.youtube.com/watch?v=G401CC5Rep8&feature=related)

## **“Never Again Feel Ripped Off, Conned or Cheated When Buying Any Car!”**

Known to be one of the most stressful situations we can find ourselves in today, buying a new or used car is guaranteed to set your heart pounding and your nerves jangling.

The minute we arrive at a car dealership, we just *know* they're out to steal our money in exchange for a piece of junk they call a car.

### **Well it doesn't have to be like that!**

Andrew Clarke is one of those people you thought didn't exist – *someone from the motor trade with a conscience.*

In this book, you'll learn his **Insider's Secrets** that can save you hundreds, if not thousands of pounds when you come to buy a car. As Andrew says,

*“The salesman has been taught how to sell but customers never go on a course to learn how to buy.”*

Well now you can arm yourself with all the knowledge you need when dealing with the professionals.

**Learn how you can play them at their own game – AND WIN – from the one book the dealers prayed would never be printed!**