

Next steps

This brochure provides an overview on what to look out for when searching for and buying a used car. The NSW Fair Trading website also has a wealth of information and tips on buying used cars, including important information regarding cooling-off periods, signing a contract and car finance. Make sure to visit the website before you begin looking for your next car.



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NSW Fair Trading – What we do

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- Retirement villages
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- Co-operatives and associations
- Home building and renovating
- Product safety
- Strata and community living
- Resolving disputes

www.fairtrading.nsw.gov.au

Enquiries 13 32 20

Language assistance 13 14 50 (*ask for an interpreter in your language*)

TTY 1300 723 404 for hearing impaired

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Buying a used car



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Before you buy your next car, make sure you do your homework! Take the time to gather all the necessary information you need so you can find the car that is right for you.

Research your car

When researching cars you are interested in consider:

- the type of car you want and can afford
- talking to friends and family who know about cars and ask their opinion
- searching on the internet for the car model to find out about other's opinions on the car. Car blog websites can be a great help.

Looking online

Be extremely cautious when searching for a used car online. Looking at photographs of a used car over the internet is not the same as inspecting the car in person and taking it for a test drive.

Scammers posing as private sellers sometimes advertise non-existent good looking cars with low mileage for a great price. Be warned – these people will usually try to have you buy this car even though you will not be able to inspect it in person. Under no circumstances should you pay any money toward a car if you have not seen it.

While the internet can be a great way to research cars, the rest of the buying process is just the same.

Inspect the car

Make sure you give the car a thorough inspection. This includes testing that absolutely everything in the car works, such as air conditioning, wind screen wipers, lights and indicators, radio controls, hazard lights, doors, locks etc.

If you have a friend who knows about cars, bring them along to see the car with you. They might pick up on issues you haven't even considered.

Mechanical inspection

After you've inspected and test driven the car, it is strongly recommended you have it inspected by a qualified mechanic. A mechanical inspection will give you a lot of information about the condition of the car and let you know whether it has been in a serious accident or, worse still, is a repaired write-off. The cost of an inspection is a necessary price to pay for the peace of mind that comes from having the car thoroughly checked. If you cannot afford a mechanical inspection, the next best thing is to ask a friend or family member who knows about cars to have a close look at it for you.

Buying privately

Keep in mind that when buying a car privately there are no warranties. Buying privately involves relying on your own judgement and being extremely thorough in checking everything about a car before you buy.



Pre-purchase checks

Make sure you do these four pre-purchase checks before you pay any money toward a car:

1. Ask the seller for the certificate of registration and to see their drivers licence. Check the name and address on the registration papers match those on their licence. The registered owner of the car is the only person entitled to sell it.
2. Check that the number plate, Vehicle Identification Number (VIN) and engine number on the car matches the information on the certificate of registration. You must ensure the car you are looking at is the one covered by the registration papers.

Note: If the car that is being sold is unregistered, make sure you ask to see a Safety Inspection Report that is not more than 42 days old.

3. Confirm that the car is registered by doing a free MY RTA search at www.rta.nsw.gov.au/myrta/ or by calling Roads and Maritime Services on 13 22 13 with the plate and VIN details.
4. Do a Personal Property Securities Register (PPSR) check at www.ppsr.gov.au to make sure there is no money owing on the car or that it has not been reported lost or stolen and has not been written off. You can buy a PPSR certificate to protect you against repossession for undisclosed debts on the car. Never rely on the sellers PPSR certificate.



Sample PPSR certificate.

Other checks

Once you've completed the four steps, consider:

- Checking the history of the car by purchasing a MY RTA Vehicle History Check which will tell you about the use of the car and how many owners it has had.
- Calling the manufacturer (where there is a manufacturer's warranty still current for the car) to confirm the warranty is in place as sometimes a manufacturer can void the warranty in certain circumstances, eg. when the car has been written off.

It is illegal to wind back an odometer. The odometer reading (total distance travelled by the car) should be in line with the age and condition of the car. Doing a thorough check and inspection of the vehicle will help you verify this.

Buying from a licensed dealer

Licensed car dealers must only sell cars that have no money owing. All cars sold from a licensed dealer should have a car description form attached which states the dealer's name, cash price of the car, VIN and engine number, distance travelled and if applicable warranty details.

Make sure the details on the form reflect the actual details of the dealer and car, such as checking that the dealer's name is correct and that the VIN and engine numbers as well as distance travelled are the same as they appear on the car. If any of the information on the form does not match the vehicle you need to be asking why.

If there is no form attached to the car, and the dealer can not provide one, be prepared to walk away from the sale.

When buying from a licensed dealer it is a good idea to complete a pre purchase inspection, especially on non-warrantable vehicles.

Used car warranties

A used car (except luxury and commercial cars) bought from a licensed dealer comes with a statutory warranty only if the car is not more than 10 years old and has not travelled more than 160,000km.

So if you bought a car that is 8 years old and has 125,000km on the clock, the dealer is required to fix certain defects that might appear in that car within 3 months or 5,000km, whichever comes sooner. The warranty covers both the car and any accessories fitted to it (such as sound systems). Superficial damage (such as paint scratches or minor tears in the upholstery) and normal wear and tear are not covered, nor is routine services, tune-ups, replacement batteries, tyres or defects that arise from accidents or misuse of the vehicle.

You should not assume that a used car which comes with a warranty will be free of mechanical or other problems. It is important that you know as much as possible about the condition of a car before committing to buy it and this means making sure you do not simply rely on what the seller tells you.

Buying at auction

If you are interested in buying a car at auction, keep the following in mind:

- Cars bought at auction are not covered by a statutory warranty.
- Auction houses generally do not permit test driving. You may however arrange an independent inspection of the car prior to auction day.
- Most auctions require a 10 per cent deposit or \$500 at the fall of the hammer.
- If the car being sold was registered over a month ago, it must have a Safety Inspection Report attached to it. The report must not be older than 42 days and it must be provided to you on the day of delivery.

- If the car is not registered, it is up to you to take it to an Authorised Unregistered Vehicle Inspection Station (AUVIS). Call Roads and Maritime Services on 13 22 13 for your nearest AUVIS.

Visit www.fairtrading.nsw.gov.au for further information about buying a car at auction.

Buying from someone you know

When dealing with a seller that is known to you or someone that has been recommended to you by a friend, relative or a person you may know from a sporting club or community group, make sure you do all the necessary checks, the same way you would if you were buying from someone you didn't know.

My next car

Download the free *My next car* app from the Fair Trading website.

With *My next car* you can:

- store details and photos of the cars you are interested in
- use inspection checklists to identify, record and take photos of any problems
- compare cars side-by-side
- calculate loan repayments
- run a debt check for a small fee to find out if the car was stolen or has money owing
- look up tips and advice.

Disputes

If you can't sort out a problem with a licensed dealer, call Fair Trading as soon as possible on 13 32 20 or visit www.fairtrading.nsw.gov.au for information about dealing with a dispute.