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'How much will it cost me?' checklist

- Any upfront costs.** Once you've decided to buy a car, you will of course have to pay for it. You can either pay the whole cost upfront or take out a finance deal. Whichever way you choose, expect to at least pay a down payment before you drive off.
- Finance repayments.** If you've taken a personal loan, or dealer finance, you'll need to factor in repayments
- Fuel.** To work out the rough cost of running a new car, the Gov.uk website has a fuel consumption search tool. Motoring website Honest John also has a handy 'real MPG' section where drivers have reported how many miles per gallon they get.
- Tax.** You can check out how much road tax you'll need to pay on the Gov.uk website. You can also search for cars in a particular tax band.

These range from A-M depending on the car's CO2 emissions, with the cost of tax ranging from £0 to over £1,000 in year one. Standard rates then apply, at up to £500/year.

- Car insurance.** The cost of insurance is based on how much of a risk insurers perceive you to be. Eg, if you are a youngster who's just passed your test, you will pay more for your cover.

Plus, taking breakdown cover will bump up the cost. New cars often come with a year's worth of breakdown cover.

- MOTs.** Once the car's three years old, you'll have to pay for an MOT every year, which costs £54.85 (for the test). Use our MOT guide (www.moneysavingexpert.com/travel/cheap-mot) for MoneySaving tips, including getting the test at local council centres, which could save you £100.

Servicing. You'll need to get your car serviced regularly, typically once a year, though it varies by model. Servicing ensures it's safe to drive and keeps the manufacturer's warranty valid. A routine service typically starts around £120.

Parking permits and tolls. Unless you have free parking where you live, or a garage, you will probably have to pay for a resident's permit. Check your council website to see how much this costs.

Consider any costs to park at work if you drive there too, as well as toll charges you may face along the way.

Other spending. New tyres, repairs and valet cleans can add up, so make sure there's some breathing room in your budget. So allow a couple of £100s extra for additional spending per year – just in case.