



Allianz 

Private Buyer's Manual

Our Private Buyer's Manual includes tips and insights on what you need to know when purchasing a used vehicle.

Contents

97% of Australians who purchased a second-hand car in the last 12 months through a private seller admit they experienced some form of confusion with the purchase.¹

This handbook is designed to help Australians navigate through what to do when buying a used car privately. This guide is a checklist for buying a used car, and covers:



How to **research** the right car for you



What to do at a **private** inspection



What to do when you're ready to **purchase**

Alternatively, if you're experiencing difficulties in the private market, buying a used car from a dealer may allow you to explore your options and to seek advice. Dealers can provide on-the-spot information, transparency about the vehicle and can offer support with finance and insurance.





Where to start and what to look for when buying a used car

The range of used vehicles available can be overwhelming for a private buyer. One in 5 Australians do not have a positive experience when purchasing their second-hand car.¹ Therefore it's important to do your research upfront so that you know the right car for your budget and needs. Knowing the questions to ask when buying a used car can also help.



Price

It can be a little tricky to navigate price in the private buyers' market. Some sellers are seeking a particular price for their vehicle that isn't based on its value. So if you're able, we recommend comparing vehicles of a similar size, model, age, kilometres on odometer, and features to understand if a car you're interested in is priced in line with the market.

Price can often also be negotiable, but be realistic in what you think you'll be able to agree with the seller. This where your research will come in.

When deciding your budget, remember it's also important to factor in the ultimate cost of the car, including stamp duty, registration and transfer costs, maintenance and repair costs, as well as insurance.

Now is also a good time [get an insurance quote online](#), so you know what your premiums may cost and can factor this into your budget.



Space

Asking yourself why you are buying the vehicle and what you are going to use it for will help you decide the size and space you need. Will it just be for your daily commute or for long-distance journeys? Is it for work? Or for leisure, like towing a trailer, camper or boat?



Safety

You won't be able to work out the full safety features of the vehicle until you see it in person and inspect its paperwork (including service history), but a good 'for sale' listing should clearly outline the safety features. These can be airbags, seat belts, overspeed warnings, lane departure warnings, and stability control. [New technology](#) and features in cars continue to advance and many cars are becoming safer and smarter. However these features can also have an impact on your repair costs, so it's important to factor this into your decision.




Fuel economy

Fuel economy means getting the most distance in your car from its tank of fuel. You might assume that more-expensive vehicles will have the best fuel economy, but that isn't always the case and there are many affordable options that offer great fuel efficiency. The age of the car will also likely impact its fuel economy. Older cars can have lower fuel efficiency; but to offset this, an older car's price point may be lower. One in 5 Australians opt for second-hand vehicles as a more sustainable option.

Another point to consider is the environmental impact of your car.¹ The [Australian Government's Green Vehicle Guide](#) allows you to compare the environmental performance of cars before making a final decision.

When researching online, it's important to watch out for any scams, such as fake websites or listings that may list deals too good to be true. Consumer advocacy group CHOICE offers more information about [how to spot and avoid online scams](#).



"If you find the research stage confusing or difficult or are worried about potential scams, we recommend visiting a dealer who can help you to explore your options."

– Michael Winter, Chief General Manager, Consumer of Allianz Australia

What to do when you're at a private car inspection

Only half of Aussies who purchased a second-hand car privately inspected it in person,¹ however this is a really important step to ensure you can check the **quality of the vehicle**, make sure it's the one you want, and avoid any long-term issues.



Inspecting the interior of the vehicle

- ✓ Check the seats, carpets, interior plastics for stains and damage that wasn't disclosed and don't match the history and age of the vehicle
- ✓ Check the seat belts' locking mechanisms work, as these are the fundamental safety features.
- ✓ Ensure mirrors, visors and headrests are secure. Loose internal attachments can distract drivers and be dangerous on the road.



Inspecting the exterior of the vehicle

- ✓ Inspect the panels for accident damage. Sometimes it's not always obvious so look for larger than normal gaps between panels, such as around the bonnet and bumpers.
- ✓ Check the paint for chips, fading, dents and any signs of rust. Rust can occur if the previous owner did not wash the car often enough, which can be a warning sign for other parts of the vehicle.
- ✓ Ensure all doors, the bonnet and the boot open and close smoothly, latch completely and form a waterproof seal.
- ✓ Check all windows fully roll up and down.



- ✓ Examine the tyres (including the spare) to ensure more severe issues are not hiding in plain sight. The legal minimum tread for tyres in Australia is 1.6mm.² Excessive wear can indicate bad driving practices. Uneven wear can suggest misaligned wheels or a bent frame. Being vigorous here can also help delay the cost of when your regular tyre replacement rolls around.
- ✓ Look around, under and inside the bonnet for coolant, oil or power-steering fluid leaks. Coolant leaves light-coloured residue, usually around the radiator cap and on the radiator. You'll often identify oil leaks from stains on the driveway or street under the car.

If you buy a car privately, be conscious that no dealer guarantees are provided so you will be liable if you find a fault after the vehicle is purchased. Do a [Personal Property Security Register \(PPSR\) check](#) ahead of purchase to ensure the car is not encumbered, stolen or deregistered.



Taking the car for a test drive

30% of Aussies bought their second-hand car without doing a test drive.¹ However, a test drive is one of the most important steps in buying any car as it can expose issues with the vehicle that are not able to be identified when it is parked and stationary.

Things to check include:

- ✓ When you first switch on the ignition, check the car starts in an orderly fashion. It should start immediately and without any loud or unusual noises.
- ✓ Before you set off on the test drive, ensure all external lights are working (including high beam and brake lights) and the exhaust fumes aren't a strange colour, amount or a noise.
- ✓ Check the dashboard while the engine is running and look for any warning lights or the temperature gauge indicating internal issues.
- ✓ While you're on the road, consider whether the drive is more work or clunkier than expected. Is the car pulling to one side? Are the brakes and clutch smooth? Is it easy to manoeuvre the vehicle? When the car is idling is the engine running quietly?
- ✓ Also check all additional features are working: air conditioning, stereo, phone pairing, cruise control, reverse camera, or automated parking.



Checking if the paperwork is in order

Once you're happy the car is in good working order, it's time to go over its paperwork.

- ✓ The vehicle identification number (VIN) is a unique 17-character code that can be used in tracking recalls, registrations, warranties and thefts. It's important to check that the VIN matches the car's registration papers. The VIN is usually found on a silver plate in one of the rear corners of the engine compartment.
- ✓ It's also important to establish the ownership of the vehicle by checking the seller's licence details against the registration papers.
- ✓ Next up is the service history. The owner should have a log book of the car's servicing. The entries should be date-stamped and signed by the mechanical provider. Be wary of missing or incomplete information.



- ✓ There should also be a record of any repairs, whether the car has been previously written off (listed as a total loss and cannot be re-registered), if the odometer reading is accurate, and whether the car has ever been listed as stolen. Some states also require private sellers to provide buyers a certificate of roadworthiness, so check your roads and automotive services office beforehand.
- ✓ You should also check the car's history through your state's roads and automotive services office, which will detail if and why the vehicle was written off, its registered operators and past use, i.e. as a taxi or hire car.
- ✓ You should also complete a [PPSR check](#) for finance owing on the car. If the owner has money owing on the car they might not be upfront with you about it – leaving you, the new owner to take on the debt.

If possible, have the car inspected by a qualified and independent mechanic before you buy it, and if you're not confident, it can help to take a friend or family member who knows more about cars with you. If any of the tests don't check out – walk away. One small indication of wear and tear could actually indicate more extensive (and expensive) damage.



What to do when you're buying a car privately



Funds Transfer

You can pay a small deposit to secure the vehicle while you finalise the change in ownership. From there, agree with the seller on how to proceed with payments. Keep in mind that confirmation you have paid in full, such as bank transfer receipts, can help protect you in the future.



Insurance

Insurance for used cars is important and you need to consider and review what insurance you might need, particularly [Comprehensive Third Party Insurance \(CTP\)](#) for those living in New South Wales, Queensland and South Australia.

Generally, CTP insurance covers your liability and the liability of anyone else who drives your vehicle for injuries you or they may have caused to other road users in a motor accident. In certain states, CTP insurance may also offer limited benefits to the driver of your vehicle (including yourself) if injured but at fault in a motor vehicle accident. CTP insurance is required before you can register your vehicle.

CTP insurance does not cover damage to your vehicle, other vehicles, or property. You should also consider what other insurance you might need, such as [Comprehensive Car Insurance](#), which covers accidental loss or damage to your car and to other people's cars or property; or [Third Party Property Damage Insurance](#), which covers accidental damage you cause to other people's cars or property. If you are using the car for work purposes, you may also want to consider [Commercial Vehicle Insurance](#).

If you have comprehensive cover on an existing car, you will need to add your new vehicle to your policy until you sell or trade your old vehicle. Once it's sold, you can cancel it off your policy and your premium will be adjusted.



Rego Transfer

If the car is currently registered, the new owner must transfer car registration within 14 days from the date of purchase. If the car has been unregistered for more than three months, you'll be left with the additional fee of re-registering.

Check the value of the stamp duty you will have to pay on the car, and the process, by visiting your state's roads and automotive services office (Check here for [NSW](#), [VIC](#), [ACT](#), [TAS](#), [SA](#), [WA](#), [NT](#) and [QLD](#)). And while you're at it, remember to change any registration with Tolls and e-Tags.



The Handover

When you're picking up the vehicle, ensure you're receiving all sets of keys.

Make sure all registration paperwork is in order and all necessary signatures are received. Request the originals of all paperwork regarding the car – never settle for photocopies.

“Insurance helps to protect you and others on the road, so it is important to make sure you're covered before driving away.”

*– Michael Winter, Chief General Manager,
Consumer of Allianz Australia*

When buying a car privately, there is no warranty on the vehicle – so make sure everything is in order before purchasing and driving away with your new used car.

If you are worried about warranty, visit a reputable dealer for advice and information on dealer guarantee and warranty options.





For more information on the Allianz Australia range of motor insurance products, please visit allianz.com.au/car-insurance

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- 1 According to research commissioned by Allianz Australia in September 2021 and carried out by Pureprofile in a nationally representative survey of 1,000 second-hand car buyers.
- 2 Tyre Safety Standards in Australia are governed by [Australian Design Rules](#), which specify the minimum tread depth of 1.6mm