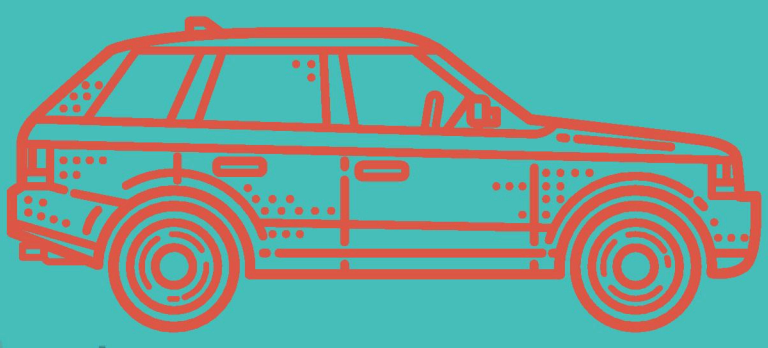
BUYING A CAR



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When you buy a car you will sign two separate contracts.

1 2

1 CONTRACT TO BUY THE CAR

A contract to buy a car from a dealer will contain a list of 'conditions' on the back of the contract.

SUBJECT TO FINANCE

You are generally allowed to end a sale contract which is subject to finance if you made several applications for credit; and

- Your applications were rejected; or
- You could not afford the repayments that the lenders had requested.

You need to be aware that every time you apply for credit, the application is recorded on your credit file.

To end a contract subject to finance notify the dealer in writing. Any money that you paid to the dealer must be refunded to you.

If you only want finance from a particular provider you must state that in the contract.

There is no 'cooling-off' period for vehicle contracts in Western Australia. Be sure before you sign!

CONTRACT TO FINANCE THE CAR 2

A contract to finance your car is a separate contract entered into with your finance provider. Note that if you miss a repayment on the contract you are in default and the lender may repossess your car. See our infographics on repossessions, and what to do if you default.

BUYING A SECOND HAND CAR?

Before purchasing a vehicle check the Personal Property Security Register ("PPSR"). The PPSR is an online database that records if your potential vehicle has been used as security for a loan, written off in an insurance claim, or reported as stolen. If a car is security for a loan and the seller stops making payments, the finance company listed on the PPSR can turn up on your doorstep and take the car away.

Additionally, it is a good idea to have the car inspected prior to purchase.

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