

Frequently Ask Questions about Contract Vehicle Leasing

1. Who benefits if I do less miles that I'm contracted for?

Contract Hire.....	Finance Co
Finance Lease.....	Lessee
Contract Purchase.....	Lessee
PCP.....	Lessee
Lease Purchase.....	Lessee
Hire Purchase.....	n/a
Personal Lease.....	Finance Co
Outright Purchase.....	n/a

2. What happens if I do more miles that I'm contracted for?

Contract Hire.....	Excess Charge
Finance Lease.....	n/a
Contract Purchase.....	Excess Charge
PCP.....	n/a
Lease Purchase.....	n/a
Hire Purchase.....	Excess Charge
Personal Lease.....	Excess Charge
Outright Purchase.....	n/a

3. Who owns the car at the end of the agreement?

Contract Hire.....	Finance Co.
Finance Lease.....	Finance Co.
Contract Purchase.....	Optional
PCP.....	Optional
Lease Purchase.....	Lessee
Hire Purchase.....	n/a
Personal Lease.....	Finance Co.
Outright Purchase.....	n/a

4. Who insures the car?

Contract ire.....	Lessee
Finance Lease.....	Lessee
Contract Purchase.....	Lessee
PCP.....	Lessee
Lease Purchase.....	Lessee
Hire Purchase.....	Lessee
Personal Lease.....	Lessee
Outright Purchase.....	Lessee

5. What lengths of contracts are available?

Contract Hire.....	12 /48 months
Finance Lease.....	12 /48 months
Contract Purchase.....	12 /48 months
PCP.....	12 /48 months
Lease Purchase.....	12 /48 months
Hire Purchase.....	12 /48 months
Personal Lease.....	12 /48 months
Outright Purchase.....	n/a

6. Who pays the road tax?

The first year will normally be included within the price. If you have a maintenance agreement it will be included for the period of the agreement.

7. Who services the car?

Maintenance of the vehicle is your responsibility, unless you have a maintenance agreement. If you have a maintenance agreement make sure that you have the vehicle serviced at the required intervals otherwise you could void the agreement.

8. What is "fair wear and tear"?

The exact definition will vary from finance company to finance company. It normally means reasonable wear and tear consistent with the age and mileage of the vehicle. It will certainly exclude all damage both to the exterior and interior.

9. Do I have to have the car serviced by a main dealer?

Usually, yes.

10. Can I put a personal number plate on the car?

There will normally not be a problem. Be careful with contract hire and any agreements where the vehicle is registered in the name of the finance company. Make sure that you have their agreement and their confirmation that they will transfer the number back to you at the end of the agreement.

11. What happens if I can no longer afford the payments?

You must inform the finance company and discuss the matter with them.

12. How will my monthly payments be collected?

All finance payments are collected through the direct debit scheme.

13. My car is financed on a personal contract hire agreement. What happens if the car is accident damaged, to the point of being written off by the insurance company? Am I liable for any shortfall in value?

What normally happens is the insurance company will negotiate directly with the leasing company. Different companies have varying policies. We recommend that you check with the company concerned. You may want to consider Early Termination insurance or GAP insurance (See glossary of terms)

14. How can the car leasing companies afford to offer such low priced special offers? Surely most of these cars would depreciate more in value per month than the monthly rentals payable?

Due to the bulk purchases that the car leasing companies make, large discounts are often given by the manufacturers thus reducing the initial cost and therefore monthly rentals payable. These savings are simply passed onto the customers, but you have to be quick, because they don't last long!

15. Why do some prestige models cost less to finance per month than certain more common cars, which cost less to buy initially?

The monthly rentals payable are calculated considering many factors. These include the purchase price, the mileage agreed and the future predicted value of the vehicle (residual value). If the residual value of certain cars is far higher than other in its class, despite the fact that the purchase price maybe higher the monthly rentals may be lower.

16. What happens to a contract hire or personal contract hire agreement in the case of bereavement?

The car is returned to the leasing company.

17. My circumstances have changed and I now need to amend the agreed mileage part way through a contract. Can I do this?

This should not be a problem. You will need to contact the leasing company concerned to arrange an alternative agreement. This will usually mean altering the monthly payments