

Car Finance - UK - April 2014

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"The key to sustaining an impressive level of growth in the car finance market in the years to come will be offering extras to overcome consumer reactions to interest rate rises, and finding a way to get a real foothold in the used car market."

– Richard Shepherd, Research Analyst – Financial Services

This report looks at the following areas:

- Impressing and keeping new users is key to supporting recent growth
- Despite its dominance, point-of-sale finance providers need to work to stay ahead
- How to improve presence in the used car market?

During 2013, the point-of-sale car finance market posted strong growth. In value terms the market grew year on year, and in volume terms it increased to 1.71 million plans. The car finance market is directly linked to conditions in both the wider consumer credit industry and the car sales market. Clearly, with fewer sales to fund, car finance providers' performances will suffer in periods of weak car sales. Since 2012, the number of cars being sold has increased significantly, with the car finance market reaping the rewards of this with highly impressive growth in both volume and value in the last two years.

This report examines the car finance market, including discussion of recent changes in the industry. The size of the point-of-sale car finance market is analysed and a five-year forecast for the volume and value of new point-of-sale advances is provided. The sector's major players are examined, along with notable product developments. Mintel's specially commissioned consumer research provides insight into car finance ownership, where these plans were arranged, and how long ago consumers arranged their most recent car finance product. The types of research conducted prior to arranging a credit product are analysed, as well as attitudes towards car finance and car finance providers.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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