

# carmoola

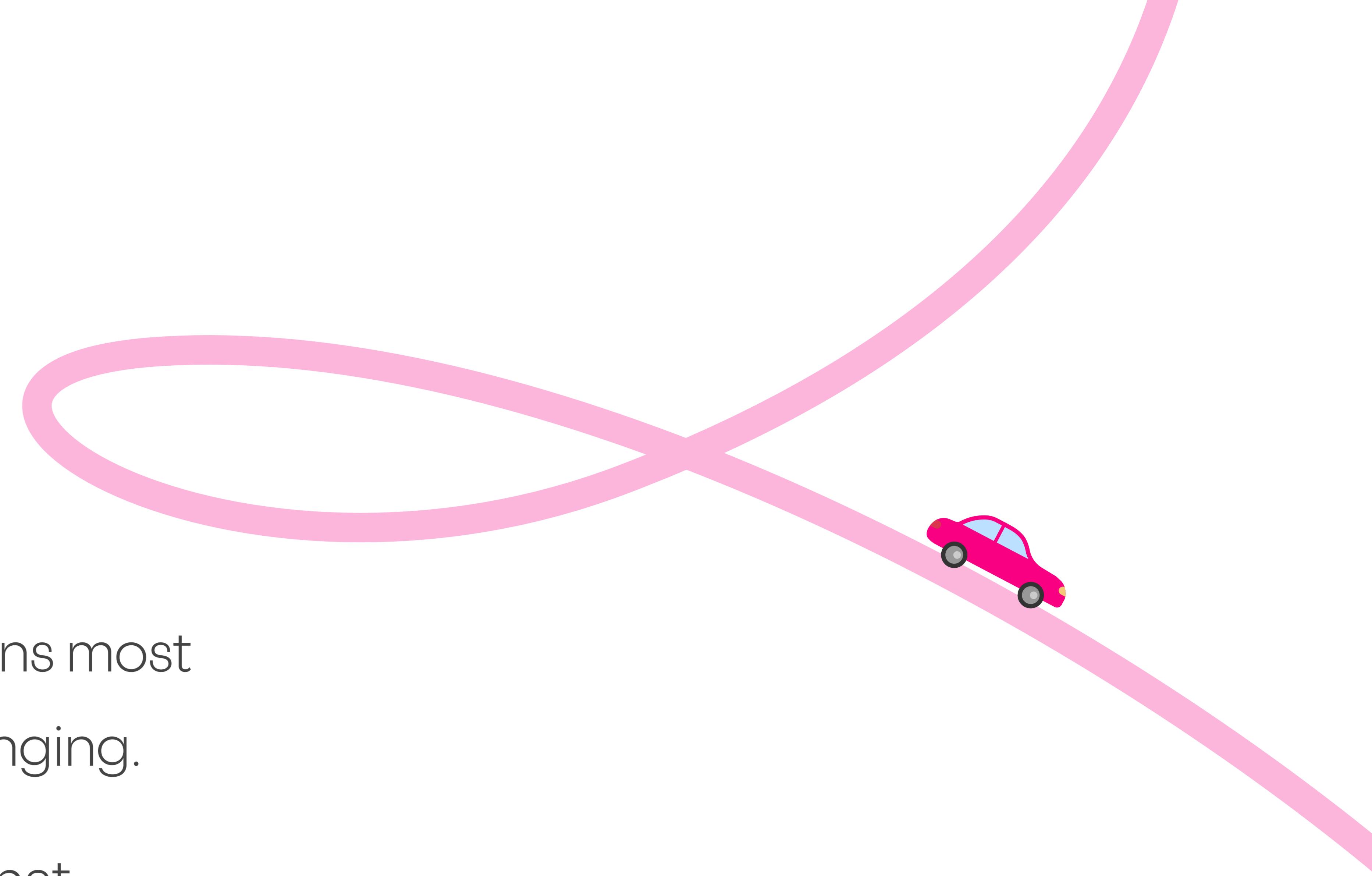
## Understanding today's used car buyer

How dealerships can build trust and grow  
through better finance experiences



[www.carmoola.co.uk](http://www.carmoola.co.uk)

# Executive summary



Buying a used car remains one of the most important purchasing decisions most consumers make, but the way people choose and finance vehicles is changing.

New research conducted by Carmoola among 2,000 UK drivers shows that while dealerships continue to dominate, the modern buyer is more informed, more digital, and more finance-aware than ever before.



## Dealerships remain dominant

64% of consumers still prefer buying from a dealership, showing continued trust in personal interaction.



## Finance has moved up the journey

38% now arrange their finance before searching for a car, giving them confidence and control.



## Buyers want transparency and flexibility

70% say flexible finance options are important, while 44% admit they don't fully understand APR, signalling the need for clearer communication.

For dealerships, these trends present opportunities: build trust through clarity, embrace digital habits, and collaborate with finance partners who simplify affordability checks and help customers buy with confidence.

The opportunity lies in helping customers make confident, informed decisions, and positioning finance as an enabler rather than an afterthought.

## Introduction: the changing car-buying journey

The UK's used car market has been through a period of transformation. While supply issues and cost-of-living pressures have influenced buying habits, consumer confidence in the used market remains strong. According to the Society of Motor Manufacturers and Traders (SMMT), more than two million used cars changed hands in

Q3 2025, with demand continuing to outpace supply in some segments.

At the same time, digital tools have redefined how people research and buy. AutoTrader reports that more than three-quarters of car buyers now use online platforms at some point in their journey, and the

pandemic accelerated the adoption of digital finance applications and remote purchasing.

Against this backdrop, Carmoola's research set out to understand how people approach used car buying and finance today: what matters most to them, what causes hesitation, and how dealerships can better meet their needs.

# How people buy cars

Despite the rise of digital platforms, the traditional dealership remains the preferred route for most buyers. **Nearly two-thirds (64%)** say they would buy from a dealership, compared with **20%** who prefer a private sale and **15%** who would buy online.

This reflects the reassurance of face-to-face contact, the ability to test-drive vehicles, and the sense of

security that comes with a professional seller. Yet, generational differences are clear. Younger buyers aged 18-24 are significantly more open to online channels (**29%**), often viewing them as more convenient and transparent.

Independent dealerships therefore remain vital, but they are now operating in a mixed-channel world

where digital expectations shape in-person interactions. Buyers who begin their journey online expect the same clarity and speed when they visit a forecourt.

**For dealerships, the opportunity lies in combining the best of both worlds:** where online discovery flows naturally into a confident, efficient in-person sale.


## How long buyers spend researching

On average, buyers spend **3.84 weeks** researching before completing their purchase.

- Only **10%** make a decision within a week.
- Around **60%** spend between two and five weeks researching and comparing options.

This suggests that car buying remains a considered purchase, but the time window is narrowing as information becomes easier to access. Those who arrange their finance early tend to move faster through the decision process.

For dealerships, that means ensuring their digital presence provides the clarity and reassurance buyers need during those three to four weeks, to convert browsers into buyers (especially as a growing proportion have their budgets set and funds ready).



# The finance journey

Finance is no longer just a final step in the sales process. Carmoola's research found that **38% of consumers arrange finance before they start searching for a car**, while **34% do so while browsing**. Only one in five wait until they have chosen a specific vehicle.

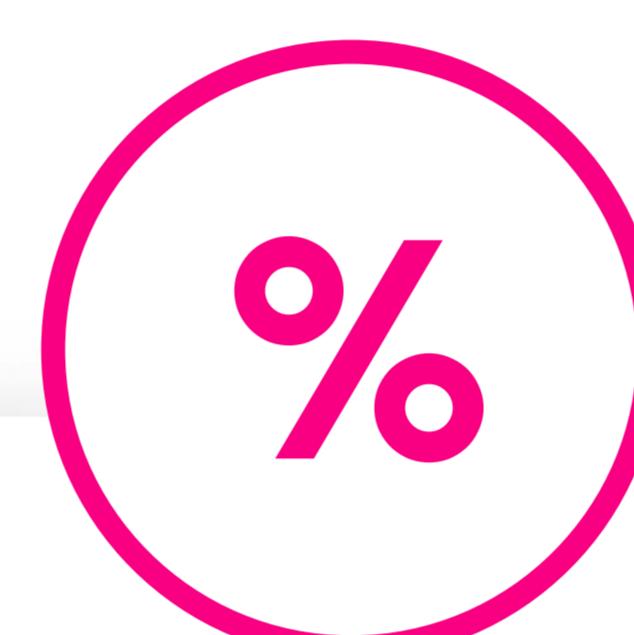
This "finance-first" behaviour empowers customers, helping them understand what they can afford and streamlining the path to purchase.

## What buyers focus on

When comparing finance options, the top priorities are:



**Monthly payment amount (48%)**



**Interest rate (44%)**



**Total amount repayable (36%)**

Older consumers tend to focus on long-term cost, while younger buyers are more concerned with immediate affordability.

Interestingly, around **one in five** buyers also pay close attention to deposit amount and early repayment flexibility. These are areas under increased scrutiny by

the Financial Conduct Authority (FCA), which has recently emphasised clearer communication around affordability and the total cost of credit.

Buyers care most about what feels manageable - both financially and emotionally. The focus on monthly affordability highlights a desire for

stability amid cost-of-living pressures, while growing interest in flexibility reflects a shift towards control and transparency.

## Knowledge gaps remain

While 68% of respondents feel confident about their understanding of car finance, almost half (44%) admit they do not fully understand the meaning of APR. This is especially true among younger and first-time buyers.

## What this means for dealerships

Dealerships don't need to take on the complexity of finance themselves. Working with the right partner allows them to keep the process simple, transparent and compliant, while focusing on what they do best: sourcing quality cars and delivering exceptional service.

When buyers arrive with pre-approved finance, the transaction can move faster and with greater confidence on both sides. This reduces uncertainty, shortens lead times and creates a smoother sales experience.

# Building trust and loyalty

Trust remains the foundation of every vehicle sale. When asked what builds confidence in a dealership, respondents pointed to **free warranties (27%), customer reviews (27%), and greater transparency (25%)**.

These themes align closely with public research. Industry insight from Warrantywise shows that trust, transparency and how a buyer feels they'll be treated rank among the most important factors when choosing a dealership

Carmoola's findings reinforce that point: customers equate trust with openness, not just guarantees. They want to know what they are paying for, understand their finance terms, and feel assured that there are no hidden costs.

For independent and smaller dealerships, trust is an equaliser - a way to compete with larger groups through transparency and personal service. A clear, honest approach can turn first-time buyers into repeat customers.

Partnering with a finance provider that shares this focus on simplicity and fairness allows dealerships to offer that clarity without managing the technical details themselves. With the right partner handling affordability checks and compliance in the background, dealers can concentrate on what matters most: helping customers find the right car and delivering a smooth, confident experience.



Carmoola offered the best finance deal and approved very swiftly. The process was very easy and all done on via the app, including being able to pay the dealer with a couple of different payment options. Their support also helped me with a slight hiccup!

**Callum**

You can find Carmoola's current Representative APR at [www.carmoola.co.uk](http://www.carmoola.co.uk)



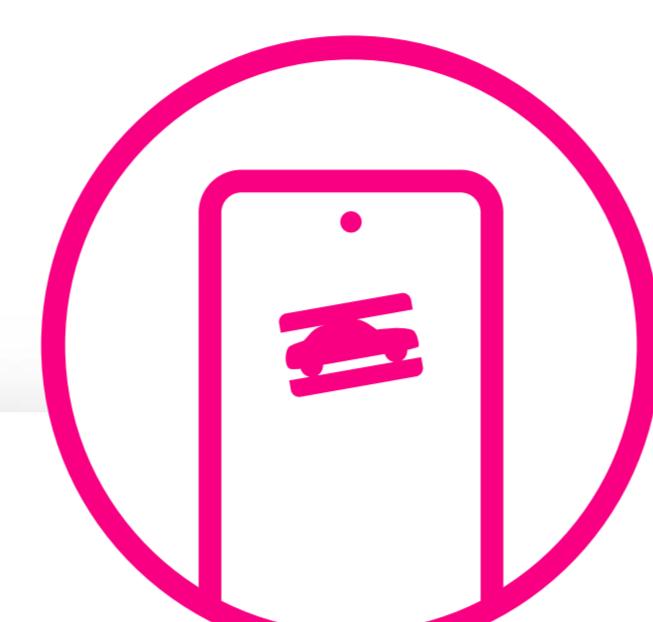
# Opportunities for dealerships

Carmoola's research points to several practical ways dealerships can respond to changing buyer expectations - focusing on what they do best, while partnering with specialists who handle the rest.



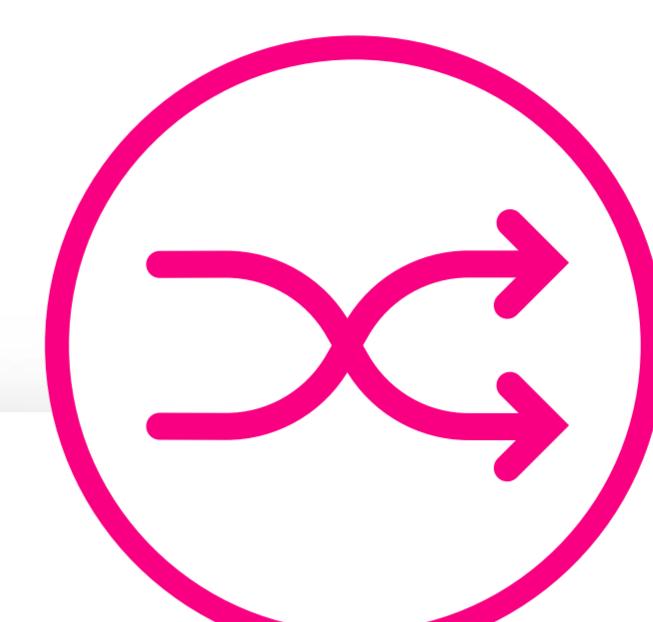
## 1. Lead with confidence

Dealers don't need to become finance experts to give customers clarity. By partnering with trusted, transparent providers, they can offer finance that's simple, compliant and ready to go, freeing up time to focus on the customer relationship. When buyers already understand their affordability, the conversation on the forecourt can stay focused on finding the right car, not explaining the paperwork.



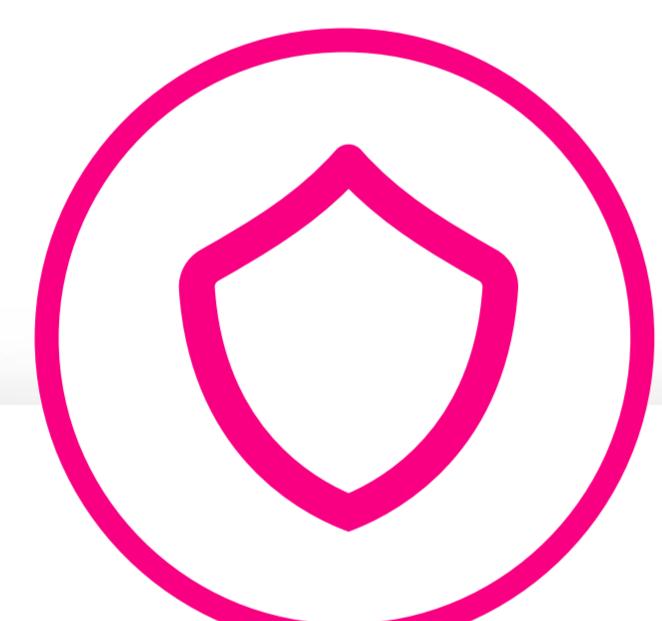
## 2. Embrace digital habits

Most buyers now start online, even if they end up buying in person. Working with partners that provide quick, easy online finance tools helps dealers meet buyers where they are - and ensures customers arrive at the dealership informed, pre-approved and ready to buy.



## 3. Offer flexibility

Seventy per cent of buyers rate flexibility as important - whether that means adaptable terms, transparent upgrade options or the freedom to repay early. The right finance partner can help dealers deliver this without adding administrative load or compliance risk.



## 4. Focus on reassurance

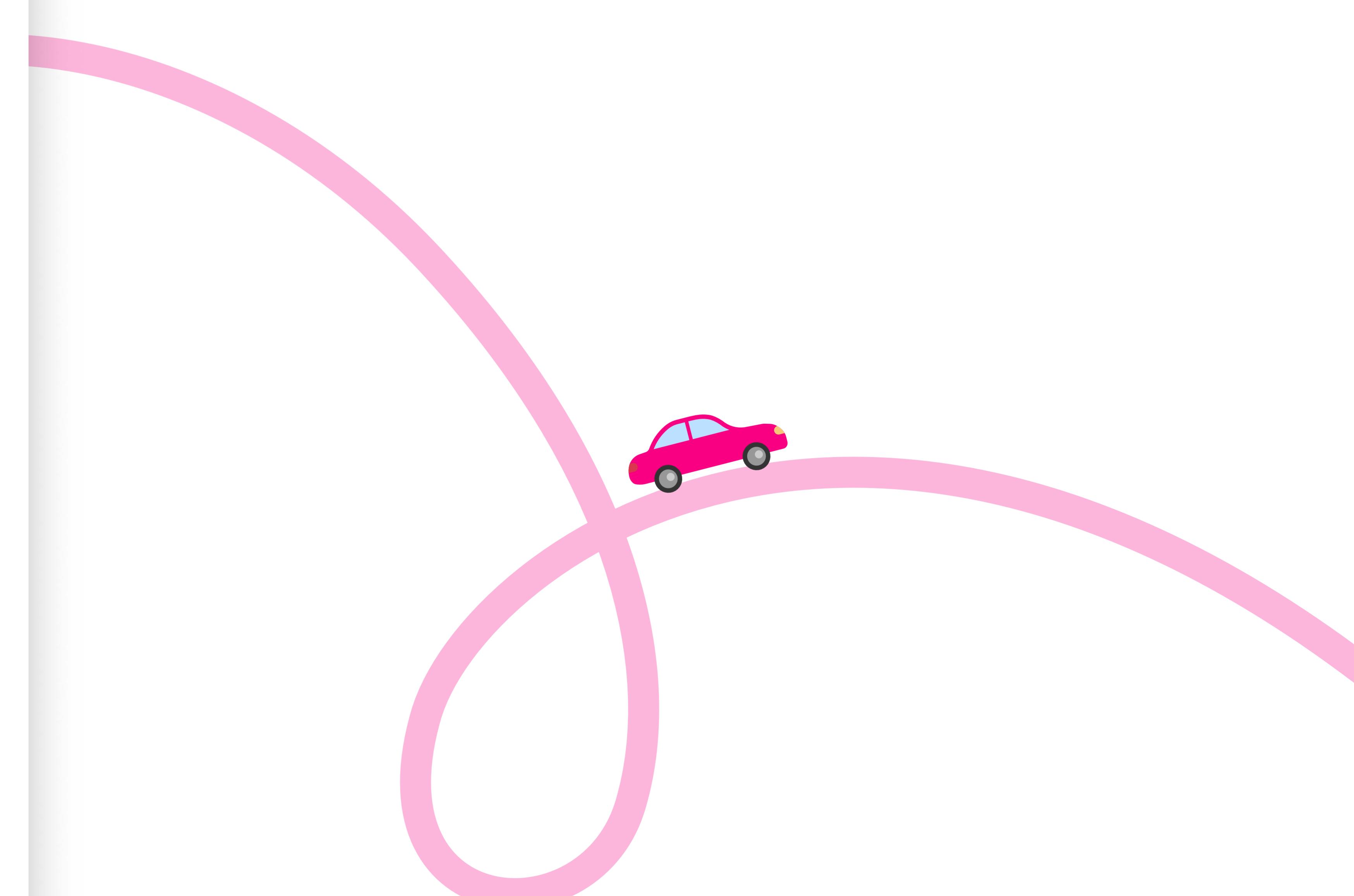
Common buyer concerns include overpaying (28%) or buying a faulty vehicle (30%). Dealerships can build trust by making the experience open and straightforward - clear vehicle checks, published reviews and fair pricing.



## 5. Build lasting relationships

When customers feel confident about both the vehicle and the finance, they're more likely to return.

Transparent finance partnerships make the buying experience smoother, faster and more trustworthy, which strengthens reputation and repeat business for independent dealerships in particular.



# The next generation of car buyers

Younger consumers are shaping the future of the used car market. They are more comfortable with online tools, expect convenience, and are less attached to traditional ownership models.

While they show lower confidence in finance terms, they are also **the most likely to use finance in future (59%)**,

indicating a strong appetite for accessible, transparent options.

Helping this group understand their finances earlier in the process is not only empowering but also commercially beneficial. Customers who know their budget before they visit a forecourt tend to move faster from browsing to buying.

For dealers, that means fewer missed opportunities and a smoother sales journey.

Dealerships that partner with finance providers built around simplicity and speed can turn these expectations into advantages — freeing up time to focus on customer service and vehicle expertise.

## Conclusion: a new era of partnership

The used car market is evolving, but the fundamentals remain. Customers want choice, clarity and confidence - and they reward dealerships that deliver it.

Independent dealerships, in particular, are well placed to thrive by combining their personal expertise with trusted finance partnerships that handle the complexity on their behalf.

When buyers understand their budgets before stepping onto the forecourt, it speeds up decision-making and builds confidence on both sides. For dealerships, the opportunity lies in focusing on what they do best - sourcing quality vehicles, offering great service, and creating genuine trust - while working with partners who make finance simple, fair and fast behind the scenes.

To learn more about partnership opportunities, visit [www.carmoola.co.uk/partners](http://www.carmoola.co.uk/partners).



Seamless from start to end. When I had to speak to Carmoola I spoke to a real person and they answered all questions.

Paying via Apple Pay was very easy and even the car dealer thought it was great

**Daniel**



# Sources and further reading



The research referenced in this report was commissioned by Carmoola and conducted by Censuswide, among a sample of 2,001 nationally representative respondents aged 18+. The data was collected between 22.10.2025 - 27.10.2025. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

In addition to Carmoola's survey of 2,001 UK drivers, the following industry sources informed the wider market context.

## Market data and trends

- Society of Motor Manufacturers and Traders (SMMT), Used car market bounces back to pre-pandemic level in first half, August 2025. <https://www.smmt.co.uk/used-car-market-bounces-back-to-pre-pandemic-level-in-first-half/>
- SMMT, Used car sales statistics, 2025. <https://www.smmt.co.uk/vehicle-data/used-car-sales/>
- Auto Trader Group plc, Consumers take an average of 87 days to buy a car, August 2025. <https://plc.autotrader.co.uk/news-views/press-releases/consumers-take-an-average-of-87-days-to-buy-a-car/>
- Auto Trader, Retail Price Index - July 2025: Used car market gains momentum in July. <https://plc.autotrader.co.uk/news-views/press-releases/retail-price-index-july-2025/>
- The Guardian, UK used electric vehicle sales hit record last year as prices fell, February 2025. <https://www.theguardian.com/environment/2025/feb/10/uk-used-electric-vehicle-sales-prices-new-evs-smmt>

## Finance and regulation

- Financial Conduct Authority (FCA), Motor vehicle finance consumer research, September 2025. <https://www.fca.org.uk/publication/external-research/motor-vehicle-finance-consumer-research.pdf>
- FCA, CP25/27: Motor finance consumer redress scheme, October 2025. <https://www.fca.org.uk/publications/consultation-papers/cp25-27-motor-finance-consumer-redress-scheme>
- Financial Ombudsman Service, Complaints about car finance commission, 2025. <https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/credit-borrowing-money/car-finance/complaints-about-commission>

## Consumer behaviour and trust

- Warrantywise & OnePoll, Motorists less likely to add a car to their basket as trust and transparency drive buying decisions, October 2024. <https://www.warrantywise.co.uk/blog/news/motorists-less-likely-to-add-a-car-to-their-basket/>
- YouGov, Websites Britons use to research buying a car, 2025. <https://yougov.com/articles/46570-what-are-the-websites-britons-use-to-research-buying-a-car>

## Additional market commentary

- BusinessCar, UK used car market growth continues, November 2025. <https://www.businesscar.co.uk/news/uk-used-car-market-growth-continues/>
- Carwow, Used car market returns to pre-pandemic norms, August 2025. <https://www.carwow.co.uk/news/9358/used-car-market-back-to-pre-pandemic-level-first-half-2025>
- MarketCheck UK, Weekly used car market data - August 2025. <https://marketcheck.uk/market-analysis/uk-weekly-used-car-market-data/>