How to get car finance with a bad credit history.docx

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How to get car finance with a bad credit history

If you have a history of bad credit, it can be really difficult to find a lender who is able to help you with your car finance. You may find that your options are very limited, but the good news is that it is not totally impossible. There are some tips that you can follow to help you select the right type of car finance for you.

Understand your position

Do some research to ensure that you understand your current credit status. Noddle is a free service that allows you to access your credit report for life, rather than other tools which only allow you to access it for 30 days.

Once you know where you stand, don’t forget to research providers before you apply for credit. Searching does not affect your credit profile, but applying for loans which you are then rejected for does. Each time you make an application, it remains on your credit profile for a 12 month period and your score will be reduced each time you make an application in that same timeframe. It’s always a good idea to contact the lender to find out more about their criteria before you take the step of applying.

If you have already been refused credit

Each lender has different criteria that they require customers to meet. This is good news, because it means that just because one lender has denied you credit doesn’t mean that another will. A lender will always assess your circumstances and payment history individually in order to make a decision.

There are some lenders that specialise in bad credit. PayAsUGoCarFinance helps people who are on benefits, disabled, self-employed or who have been refused credit elsewhere to get car finance. You’ll be allocated a personal advisor to help you manage your application.

Manage expectations

You may find that you can get a loan with your bad credit history, but it may be for less than you expect. However, a lender will want to ensure that the loan is affordable for you to pay back, so managing your expectations and going for a lower amount of loan can help.

Improving your chances

If you are able to put down a deposit, it can really help your chances of securing credit. PayAsUGo Car Finance doesn’t require a deposit, but other lenders might.

Always ensure your bills and outgoing expenses are paid on time- this shows that you are financially responsible.