

## The cost of living prompts buyers to change their habits

**60.32%**

Are sticking with the make and model of car they originally wanted to buy, rather than changing

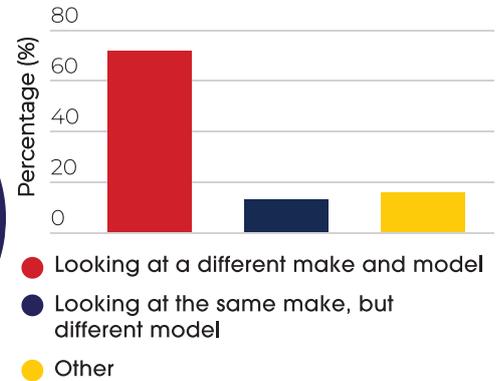
**63.39%**

Are not planning to delay their car purchase because of the cost-of-living crisis

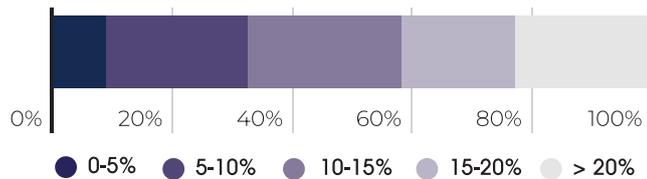
**64.95%**

Are not looking to spend less on their next car than they had previously budgeted for.

How has the cost of living crisis changed which vehicle you're now looking to buy?



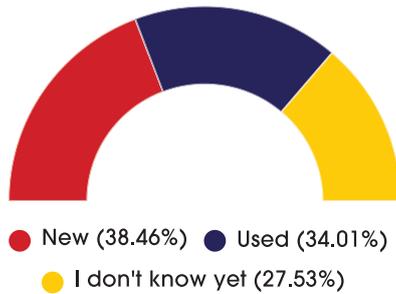
How much less are you looking to spend (approx)?



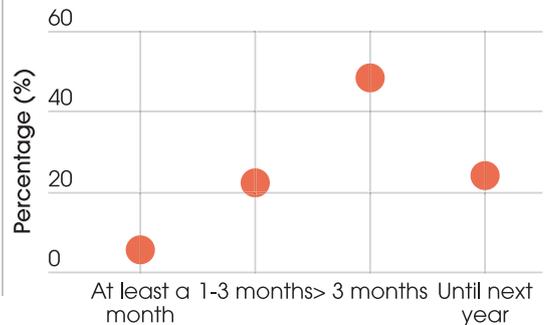
**79.38%**

Of buyers say they are now considering a used car over a new one due to the cost-of-living crisis.

Are you looking to buy a new or a used car?



By how long have you delayed your purchase?



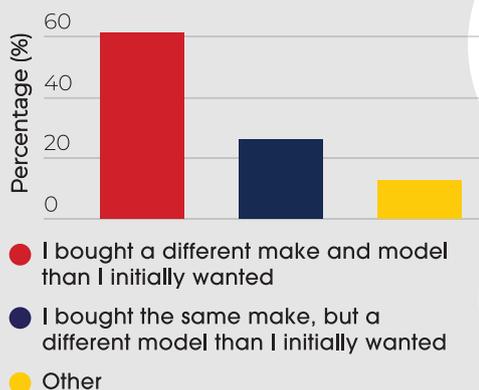
**T**he cost-of-living crisis is causing people to delay car purchases, reduce their budgets and consider different makes and models from the ones they originally planned to buy, What Car?'s latest research has found.

The survey of 1232 people who said they were in the market for a car found that 36.6% had decided to delay their purchases due to the cost of living crisis. Of those, 48.5% had pushed them back more than three months, and 24.1% were delaying a vehicle purchase until 2023.

The research also found that 39.7% of buyers had changed the make or model of car they were considering because of the cost-of-living crisis. They included 71.7% who were considering a different car brand altogether, and 12.8% who were looking to purchase different model from the same manufacturer. ▼

### RESPONDENTS THAT HAD BOUGHT A CAR

How did the cost of living crisis change which vehicle you bought?



**79.55%**

Said that the cost-of-living crisis did not cause them to change the make or model of car they were initially looking to buy

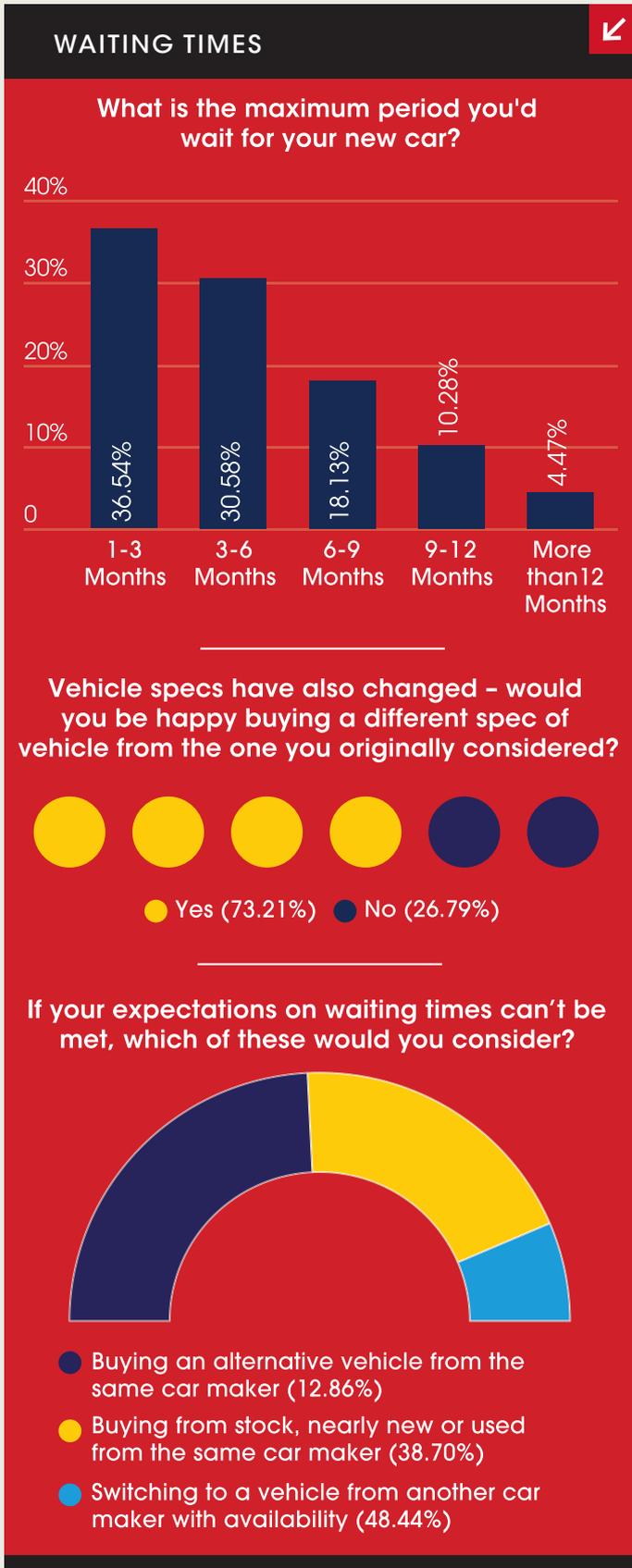
**86.36%**

Said that the cost-of-living crisis did not cause them to buy a used car?

Did you buy a new or a used car?



## 2 INSIGHT COST-OF-LIVING CRISIS CHANGING BUYER HABITS



### 'More than a third of UK car buyers expect to have their purchases delivered in 1-3 months'

The crisis is also affecting budgets, with 35.1% of buyers saying they were reducing the amount they will spend on their next car. When asked how much they will cut their spending, 25.4% of buyers estimated 10-15%, 23.6% looked to cut their spending by 5-10%, and 23.0% said 20% or more.

Of the buyers surveyed, 38.5% said they were looking to buy a new car, while 34.0% were in the market for a used model. The rest were still undecided about whether to buy new or used. Of those buying a used car, 20.6% said they were initially in the market for a new model, but the crisis had made them consider a used car.

What Car? also surveyed 401 people who had recently bought a car. Around a fifth (20.5%) said the cost-of-living crisis had affected their decision. Of those impacted, 61.3% said they had bought a different make and model from the one they initially wanted.

More than half (59.1%) of car owners surveyed said they had bought a new car, with the rest buying a used model. Of those who had bought used, 13.6% said they had intended to buy a new car, but had ended up in the used market to save money.

#### How long will customers wait for their new car?

The ongoing semiconductor chip shortage is leading to increased delivery times across

the car market, but What Car? research has revealed that fewer than 5% of new car buyers are willing to wait more than a year for their vehicle to arrive.

Surveying 1640 buyers, of which 739 were in the market for a new car, just 4.5% told What Car? they'd be willing to wait longer than 12 months for their next vehicle to arrive.

One-in-10 (10.3%) were happy to wait between 9-12 months, while 18.1% expect to receive their car between 6-9 months of placing an order. More than a third (36.5%) expect to have their vehicle delivered within 1-3 months, and 30.6% within 3-6 months.

When waiting times cannot be met, 48.4% of buyers said they would be switching to a vehicle from another car maker in the hopes of better stock availability, while 38.7% said they would be moving to the nearly new or used market. The remaining share of buyers (12.9%) said they would be sticking with the same brand, but would consider different models with hopefully shorter waiting times.

The semiconductor shortage is also affecting vehicle specification levels, with manufacturers compromising on technologies offered as a result. The research found 73.2% of new car buyers would be happy to buy a lower spec vehicle than they had originally intended. ▼

### 'The semiconductor chip shortage has caused car makers to slim down their specifications'

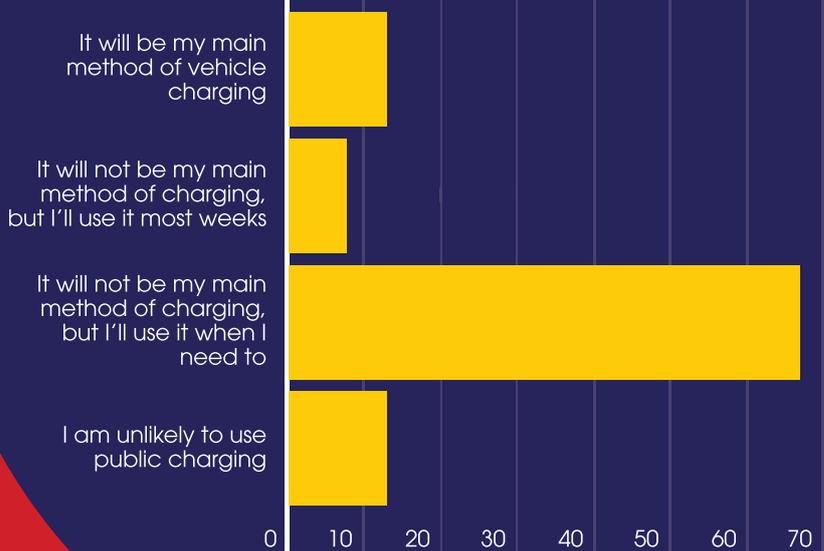
ELECTRIC CARS AND PUBLIC CHARGING



25.28%

Would you be comfortable owning an electric car and only using the public charging network to recharge the vehicle?

How much will you rely on public charging?



Is the electric car going to be your primary vehicle?



● Yes (92.45%) ● No (7.55%)

87.80%

Do you have, or are you looking to install a home wallbox charger?

92.83%

Will you be able to charge the electric vehicle overnight at or near your home?

Manufacturers are working to offset long lead times, but given the semiconductor shortage is likely to extend to next year, there's little to suggest delivery times falling anytime soon.

**Electric car buyers lack confidence in UK public charging network**

Only a quarter of electric car buyers would be comfortable owning an electric car if they had to solely rely on the public charging network, according to the latest What Car? Research.

A study of 1276 buyers, of which 265 (20.7%) were in the market for an EV, found 74.7% of buyers would not be comfortable owning one if they could only use public chargers.

The research also found 92.8% of electric car buyers are able to recharge at home or nearby, with 87.8% either

**'Almost 75% wouldn't be comfortable with an EV if they could only use public chargers'**



There are currently more than 520,000 electric cars on UK roads

already owning or planning to install a wallbox charger to cover home charging.

According to charging point map provider, Zap-Map, there are currently more than 520,000 full EVs on UK roads and 33,281 charging devices across 20,336 locations – equating to roughly one charging device for every 15 electric cars.

We also asked whether buyers intend to use their electric car as their primary or secondary vehicle, with 92.4% of buyers confirming the electric car will be the primary car they use.

When asked how much they expect to rely on public charging, 66.8% of electric car buyers said it will not be their main method of charging, but they'll use it when they need to, while 12.8% said they are unlikely to use public charging at all.



Buyers who rely exclusively on public chargers could be paying over the odds

# Making headlines this month

## EV charging costs nearing that of petrol prices

Electric car drivers who use public rapid chargers are paying almost the same for electricity as they are petrol per mile, according to the RAC. Prices have increased by 42% for rapid chargers since May.

## Charging firm bosses call for immediate VAT reduction on public chargers

Electric car charging firms have written an open letter to the Chancellor, Kwasi Kwarteng, urging the Government to cut VAT on electricity used at public chargers from 20% to 5% to help tackle rising prices.

## Extreme fast-charging batteries begin testing

Battery start-up StoreDot has started sending samples of its '100in5' battery, which can accept 100 miles of charge in just five minutes, for testing, ahead of production beginning in 2024.



## Pressure mounts for clarity on battery health of used EVs

Pressure is growing on manufacturers to provide more information on the health of the batteries in used electric cars. This is because factors such as age, temperature and usage can significantly affect the quoted range.



Kia has re-used batteries from old Kia Soul EVs to provide power storage solutions

## Kia to re-use electric car batteries for energy storage

Kia and German start-up Encore have partnered to re-use electric car batteries for energy storage. At present, the facility uses 24 Kia Soul EV batteries to provide 72kWh of capacity.

# The best and worst discounts around right now

## TOP 5 HIGHEST % TARGET PRICE DISCOUNTS THIS MONTH

These are the largest discounts revealed by What Car?'s mystery shoppers over the past month. They typically highlight slow-selling and run-out models or, occasionally, models with which there is a fierce manufacturer-driven battle for market share.

1	<b>Volkswagen Arteon</b> Shooting Brake 1.5 TSI R Line	<b>18.4%</b>
2	<b>BMW M5</b> Competition DCT	<b>16.9%</b>
3	<b>Volkswagen Passat Estate</b> 1.5 TSI SEL DSG	<b>16.4%</b>
4	<b>Volkswagen Golf Estate</b> 1.0 TSI Life	<b>13.2%</b>
5	<b>BMW 530d</b> MHT xDrive M Sport auto	<b>12.2%</b>



**BMW M5**  
Competition can hit  
62mph in just 3.3sec



## TOP 5 TARGET PRICE DROPS THIS MONTH

These are the discounts that have been reduced by the greatest amount in the past month, as found by What Car?'s mystery shoppers. Often they show a cut in incentives on a heavily discounted model, but they can also signal increased demand for that car.

1	<b>Smart Fortwo EQ</b> coupé models	<b>-1.3%</b>
2	<b>Kia Sportage</b> Hybrid models	<b>-0.8%</b>
3	<b>BMW X2</b> models	<b>-0.5%</b>
4	<b>Peugeot 2008</b> petrol and diesel models	<b>-0.5%</b>
5	<b>Volkswagen Up</b> petrol models	<b>-0.5%</b>



**Smart Fortwo** is  
only available in  
electric form



# This month's Target Price report

**W**hile we are beginning to see early signs of dealers agreeing higher discounts, the legacy from the distorted market state over the past couple of years continues to linger. Indeed, it means that consumers are facing monthly payment increases of up to 68% when buying new cars using dealer PCP offers.

Our year-on-year research reveals that the like-for-like monthly PCP payment when buying a new car has increased by up to eight times the rate of national inflation. Higher brochure prices, lower transaction price discounts, higher PCP APRs, lower or removed manufacturer sales bonuses and lower or removed PCP finance deposit contributions have all contributed to this increase in the cost of buying.

The worst offenders are Subaru, Peugeot, and Jeep, with increases of 40.9%, 35.9% and 29.9% respectively in like-for-like monthly PCP payments across their model ranges. At the opposite end of the scale, Renault, Mini and Dacia appear to offer better value,

with corresponding increases of 4%, 3.5% and 2.3% respectively.

While nine of our 14 vehicle segments have shown increases in the average cash Target Price discount, the all-segment figure remains unchanged this month, at 3.7% or £1698 per car.

After allowing for dealer contributions towards manufacturer-backed finance

offers, the cash Target Price saving drops to £1430 per car. However, with an average £804 per car available as a finance deposit allowance, the total average Target Price discount is £2234 per car.

We have noted a 4% increase in the cash Target Price discount across electric cars, up from 1.77% (£915 per car) to

1.84% (£965 per car). The total (cash and finance) average saving (after adjusting for dealer contributions to manufacturer finance offers) is £1183 per car. Smart dealers are currently the most generous when offering an average cash Target Price discount across a model range, at 7.2%, followed by Nissan at 6.9% and Peugeot at 6.8%.



**Fiat** has the biggest increase in the typically achievable cash **Target Price** discount, with a 0.9% increase across its range, up from **2.5% to 3.4%**.

# Target Price market watch

## Coupés

The average cash Target Price discount among coupés is unchanged at 4.9% (£2656 per car) following previous successive increases from the low of 3.4% (£1792 per car) five months ago.

This represents a 43% increase over this period that is second only to hot hatchbacks and sports cars (a corresponding 116% relative-terms increase).

The cash Target Price discount is adjusted to £2296 per car after accounting for dealer contributions. These offers are linked to an average PCP 6.2% PCP APR and include an additional £1017 per car in finance deposit contributions, which means the total average Target Price saving across the segment is £3313 per car.

The average PCP APR has increased by more than 40% over the past year, up from 4.4% to 6.2% currently. There has also been a 14.7% relative-terms drop in the average



Discounts across coupés are currently static

finance deposit contribution over the same period, down from £1192 per car to £1017 currently.

This means that in comparison to this time last year, consumers buying a coupé using the manufacturer's PCP offer are having to pay, on average, £40 per month more, which represents a 7% increase.

The top three cash Target Price discounts within the segment are taken by BMW, Audi, and Lexus, with an average saving of 17.4% (£17,710 per car) on 8 Series models, 5.8% (£2723 per car) on A5 versions and 5.5% (£5079 per car) on LC variants respectively.

## SMALL SUVs



The average cash Target Price discount among small SUVs has fallen by more than 38% over the past 12 months, and is currently 3.6% or £1023 per car.

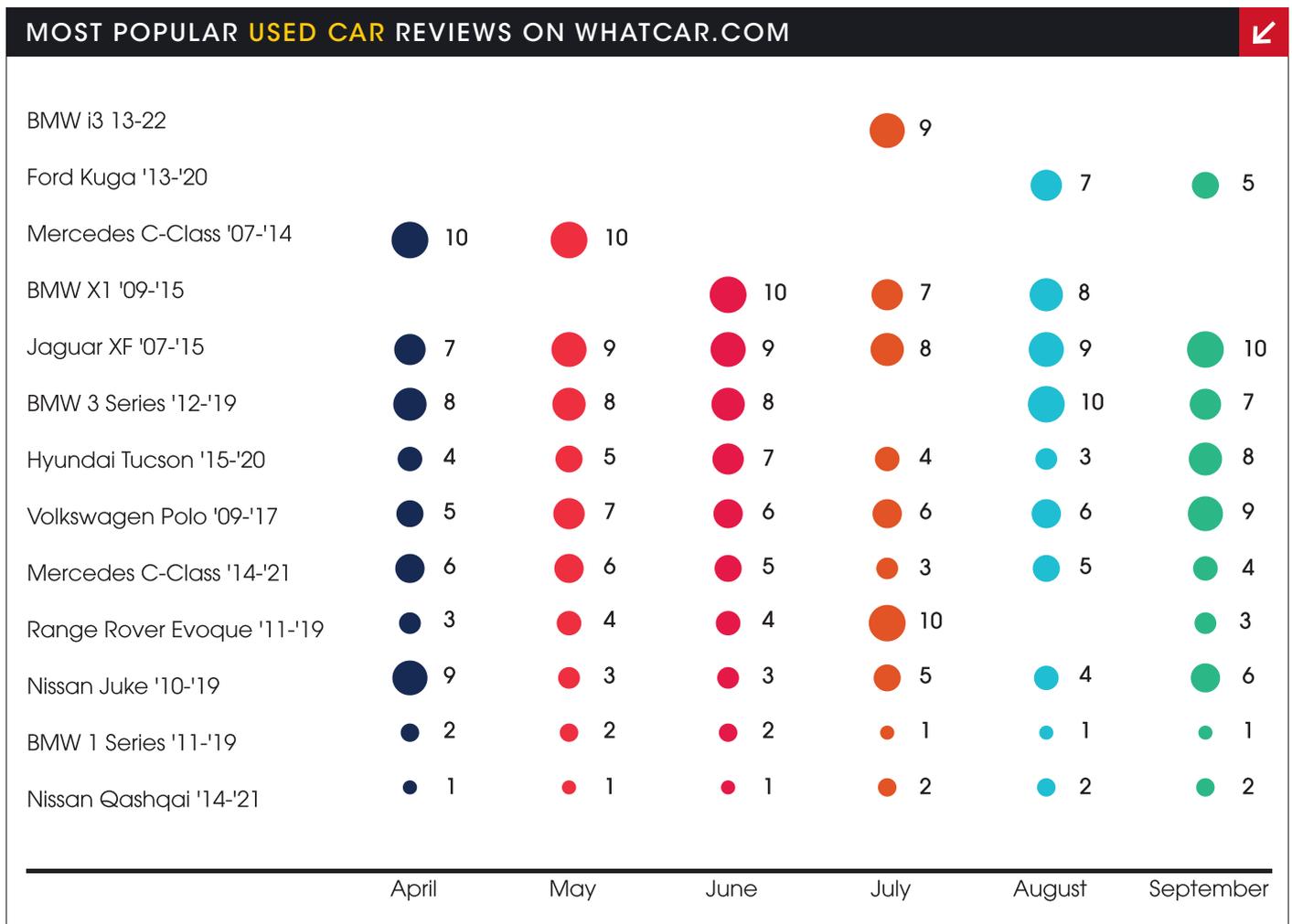
Over the same period the average PCP APR has increased from 4.1% to 6.4% and the average finance deposit contribution per car has been cut by more than 18%, to £749.

Once dealer contributions towards manufacturers PCP offers are accounted for, the total (cash and finance) average Target Price saving is £1641 per car. This means that the average monthly PCP payment across the Small SUVs segment has increased by 8.8%, or £24, to £296 over the last year.



Discounts have tumbled on small SUVs

# Most popular used car reviews



**A**fter a few months where budget-option cars seemed to be edging out more premium-badged cars in our chart, most likely as a result of the ongoing cost-of-living crisis, September saw a return to normality.

The first-generation Range Rover Evoque, for so long a model whose used review has featured right at the top of our chart and has only recently slipped down, was the highest climber and jumped back

up to third place. We recently updated its review, as well as creating a new one for the Range Rover Evoque Convertible, which undoubtedly renewed interest. Among other premium cars, the review for the previous-generation BMW 3 Series returned to the top 10, too, after an

update, and the Audi A3 was back on the list after falling out of the top 20 in August. For a third month running, the 2011-2019 BMW 1 Series held on to the number one slot.



# What Car? reveals the cars buyers can depend on in new survey

**T**he most and least reliable cars have been revealed in the 2022 What Car? Reliability Survey, held in association with MotorEasy.

Feedback from 24,927 car owners on 248 models and 32 brands was analysed to find the most dependable vehicles. Four models achieved a perfect 100% score: the

current versions of the Hyundai Tucson and Mini Convertible and the used-only Kia Soul (2014-2019) and Mitsubishi Eclipse Cross (2017-2021).

At brand level, Lexus was named as the most dependable with an overall score of 98.4%, followed by Toyota on 97.2%; five of the 10 highest-scoring models belong to those two brands.

On the other hand, Jeep has the least reliable cars according to owners, gaining a rating of only 77.0%. Land Rover and Fiat were second and third worst for reliability, although Land Rover's sister brand Jaguar fared a little better.

Hybrids are the type of car to choose if your priority is reliability. Cars in this class scored an average of 95.4% and they took first place in four of the other 11



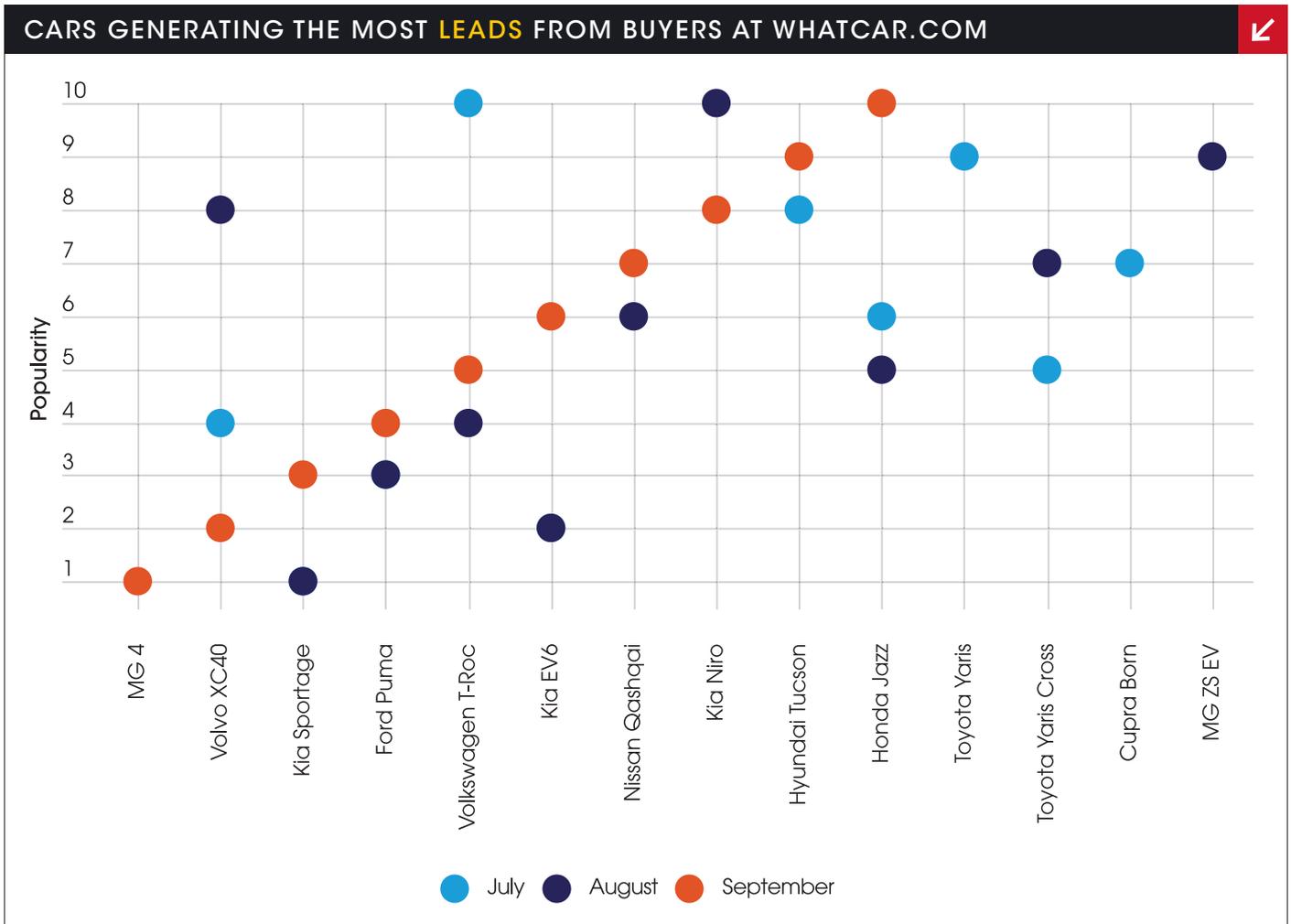
categories. By contrast, electric cars averaged 90.9%, making them the third least dependable class, ahead of only luxury cars and luxury SUVs.

The survey asked owners of cars aged up to five years old whether their car had gone wrong in the past two years, how long repairs took and how much they cost, with these factors determining the score.

Of the 24,927 drivers surveyed, 21% had experienced a fault with their car and, although 83% of faults were repaired free of charge, 9% cost between £101 and £500, and an unlucky 2% paid more than £1500.

Although 37% of cars could still be driven and were fixed within a day, 26% took more than a week to repair.

# The cars generating the most leads



**T**hanks to a combination of long electric range, low price and a full five-star road test rating, the MG 4 family hatchback rocketed to the top of our leads leaderboard in September, pushing the perennially popular Volvo XC40 family SUV into second place.

This was also the first time since June where the Kia Sportage didn't gain any places - indeed, having led our listings in both July and August, this family SUV found itself in

third position in September, despite being available with savings of up to £1130 at the time of writing. The biggest drop of the month came from the Honda Jazz, which fell from fifth to 10th position in September, despite seriously tempting PCP offers (beginning from

£226 per month on our New Car Buying platform) making it cheaper to finance than rival small cars such as the Mini hatchback and Peugeot 208.





# Briefing notes

Facts, stats and quotes from a month in motoring

## £42bn

the potential value of the driverless goods and passenger transport market by 2035, according to Government figures.



## £801m

worth of shares being bought back from General Motors by Stellantis, which sold them as part of the acquisition of Vauxhall-Opel in 2017.

INDUSTRY VOICE



"With time, we have proven we are reliable and the cars are working well. People renew with Dacia 60% of the time, and keep the cars a long time." - **Dacia** CEO Denis Le Volt.



## £17bn

the amount expected to be raised from the Initial Public Offering of Porsche on the German DAX index.



INDUSTRY VOICE



"You can now have a Ferrari with a family. This answers all our clients' needs." - **Ferrari** chief marketing and commercial officer **Enrico Galliera**, speaking about his company's Purosangue SUV.



## £654m

the amount needed to be raised by Aston Martin to secure its long-term future and reduce its debt.

# Britain's biggest and best car buyer's guide

**THE ULTIMATE ROAD TEST**  
ONE electric car • 14 countries • 24 hours to break a world record



# WHAT CAR?

EVs & PLUG-IN HYBRIDS

Britain's biggest and best car buyer's guide **October 2022**

# ELECTRIC CAR AWARDS 2022

The best new and used buys revealed



haymarket  
1 29 997548  
5 70304999230  
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**PLUS!**



**New Range Rover** vs rivals    **Living with a five-star** car    **Save £1962** on a new XC40    **Used hot hatch** shootout

October 2022: New Citroën C5 X, Genesis GV60, Hyundai Ioniq

**ELECTRIC CAR RANGE TEST**  
How far can the latest EVs really go between charges?

# WHAT CAR?

NEW-REG SPECIAL ISSUE

Britain's biggest and best car buyer's guide **September 2022**

# NEW CARS COMING SOON

The hot 72-plate models worth waiting for



**SAVA BUSTER**    **BMW X1**

Save **£5318** on a Volvo XC90    New Kia EV6 vs used Jaguar    The best small SUV named    Mini's radical electric future

**BEST NEW CAR DISCOUNTS**  
£3318 off an Audi Q7 and other great savings

# WHAT CAR?

Britain's biggest and best car buyer's guide **August 2022**

# A TESLA RIVAL OR THE REAL THING?

Why one of these electric SUVs should be your next car



**KIA EV6**    **TESLA MODEL Y**    **FORD MUSTANG MACH-E**

**PLUS!**



Hyundai gets radical    503bhp and 500 litres    New hybrid Juke drives    Britain's best low cars

# EVERYTHING YOU NEED TO KNOW EVERY MONTH