



history, a **valid MOT certificate** and test details and a **valid licence or tax disc** – or a DVLA acknowledgement of a SORN.

Check the tax disc is physically on the car or is handed to you where the purchase price included the unexpired VED period on the tax disc.

Full set of keys. Check you have all the keys, usually two sets including keys to any lockable fuel filler cap and either a key or code for any immobiliser. If there is no second set of keys, ask why not?

Check any extras or additional items included in the agreed sale are still with the car – for example a period radio or a hardtop and even a bespoke hardtop stand.

For pre-1973 cars check the date of first registration in the UK on the V5C so you can clarify whether the car qualifies as tax exempt for vehicle excise duty. Check the seller is recorded on the V5C as the registered keeper, although this does not necessarily mean they are the legal owner of the car. It is essential you should have originals of these documents – photocopies are not acceptable. If they are not available and correct, then you should not go ahead with the purchase or make a payment, but seriously consider walking away.

If the seller had mentioned another person as the owner when you first telephoned to learn more of the car, then you will need to investigate this further before making a payment. If the seller is a trader, it is quite possible the car is being sold on a commission basis where in effect the trader is acting as a selling agent for the rightful owner. You will need to clarify the nature of that agency role and the identity of the vehicle owner who is legally entitled to sell the car to you.

Making the payment for the car

Check the seller produces the essential paperwork – the V5C registration certificate, the MOT certificate and any other documents that were agreed as part of the deal – for example the history file for the car. The buyer must remember to have motor insurance cover in place before

Negotiating the deal, making the payment and checking the documents

In this fourth part of the series on how to buy a classic MG, the guide covers negotiating a price for the car you want to acquire, then with the deal closed, ensuring you have all the necessary paperwork and finally making the payment for the car. In the first part of the series we reviewed in outline the whole process to provide an overview of what is necessary, in the second we covered the thorough research a buyer needs to do before buying a classic MG and in the third part we covered the essential checks you need to make – the vital vehicle data check, the list of questions you will need to ask when you first contact the seller and the essential checks to make when viewing and test driving a car, possibly with the help of a professional vehicle inspection by a classic MG specialist.

Negotiating a price – or the haggle

As you turn to negotiate the price, take a moment to reflect on what is included in the deal – including any extras like a hardtop, period radio or a distinct number plate. Also note any faults you have seen with the car or work you think might need doing to the car to put it in a reasonable condition for the grade of car you wish to have. Use this to negotiate the price with the seller. Ask the seller what price they realistically expect to get. Make a lower offer for the car, look them in the eye and then stay silent. Let that silence work for you because faced with that silence it gives the seller two options – either accept your

offer or make a counter offer. When it looks like they are about to accept your offer, move to shake their hand and confirm the deal. If their counter-offer is too high, then stand your ground and haggle further using the same approach – make the offer, ensure you make eye contact and then remain silent.

If you are dealing with a trader then the reality is they will be well used to the haggle, probably more so than you. But your strength will be you have decided you like the car, you are a buyer but only at the right price. Remember to be polite and courteous to the seller but if they are offhand or grumpy just remain calm, they may be coming to terms with a sale price that is lower than they had hoped to see. If they are consistently rude, then walk away – they may have equally low standards when it comes to their honesty and integrity with other matters concerning the car and that is no basis for a good deal on a classic MG.

Ensuring you have all the necessary paperwork

Before you pay over the agreed purchase price there are some final checks you need to make:

Checking the key documents

Ensure you see the originals of the following documents and check there are no signs they have been tampered with. You will want to have the **V5C** (checking the vehicle registration mark and vehicle identification number on the car match those on the documentation), the service

collecting the car. Where you have paid prior to collection the insurance cover should be in place from the date of the purchase covering fire, damage and theft. Make sure you ask for a receipt when making any payment, especially if it is made in cash. Get two copies of the receipt signed by both parties - one for you as the buyer and one for the seller. Make sure the seller's address and car details are on both copies. A sample receipt is available online.

Payment

Ensuring safe payment is essential for both the buyer and the seller. Sadly there are fraudulent bank notes, banker's drafts and of course credit and debit cards around, so prudent checks and procedures are simply both necessary and wise. There are also a number of clever scams where sellers are pestered by prospective buyers offering an advance payment by email – examples of these scams are available on the Club website but they tend to come from Nigeria and East European countries and are often characterised by poor English – so simply ignore them and delete them immediately from your email inbox. If you are returning to pay for the car or collect it, do make sure everything is as you originally saw it. Check the spares, tonneau cover and other items are still there and that the tyres or anything else have not been changed. Now assuming you have viewed the car in person and have agreed a deal, so what are the safe ways to pay?

Paying by cash

Try and hand over the cash payment for the car in a bank so the seller can go the bank counter and pay it in straight away. As buyer you will be able to see the bank counter clerk check and count the bank notes for credit to the seller's bank account. So any problems arising from fake or suspect bank notes will hopefully be identified by the bank at the time of paying in with both parties to the underlying transaction present. Once the cash has been paid in, get the seller to sign a receipt for your payment, together with a second copy which will be for their retention, and then the seller can handover the essential vehicle documents and keys. It is a good idea to take someone with you who can act as a witness to the payment, the signing of the receipt, paying in of funds at the bank and the handover of the documents. If there are any problems with the payment (for example a suspect bank note is identified) then having someone with you will be useful – if only to reach into their wallet to produce a substitute £20 note!

Naturally the buyer will need to think carefully about carrying around in public large amounts of cash to make payment for the car, so do arrange to view the car and make the payment for the car during bank opening hours so you can conclude the deal and then go straight to the bank and make the payment at a bank counter as recommended above. Try and avoid walking near a bank with the bank notes packed in a manilla envelope on public view as that is a give-away to any malevolent lurking outside bank premises that someone could well be carrying substantial amounts of cash. You do not need to have a cotton bag marked "swag" or "cash" to alert such people as they have a keen eye. You may think this is fanciful but people carrying cash are prone to muggings and snatches near bank premises.

High value dealer (HVD)

Paying cash for a car sold by a trader will depend on whether they are an HVD. An HVD is any business prepared to accept high value payments (HVPs). An HVP is a payment of at least €15,000 (or equivalent in any currency) in cash for goods, whether as a single transaction or in several instalments. This includes circumstances where a trader's customer deposits cash directly into the trader's bank account.

If you are an HVD you need to put anti-money laundering systems in place so that you can identify and prevent money laundering and report any suspicious activities. You also have to register with HM Revenue & Customs (failure to register with HMRC before beginning to trade and/or accepting HVPs of €15,000 or more will result in a penalty), pay an annual fee based on the number of premises through which you accept HVPs and report changes during the registration year. Many motor vehicle traders choose not to register and are therefore not able to accept cash amounts greater than the HVP limit above.

Paying cash with a trader

Unless a trader is registered as a High Value Dealer or HVD with HM Revenue and Customs, payments (High Value Payments or HVPs) in excess of the Sterling equivalent of €15,000 cannot be accepted in cash, whether as a single transaction or in several instalments. So, with current Euro/Sterling exchange rates bouncing around parity or just above, that means an effective Sterling cash payment

limit of £13,500 to £14,000 for practical purposes. The HVD requirement and HVP limit are part of the UK money laundering regulations effective from 2007 and a breach by a trader exposes the trader to an HMRC penalty.

Paying by personal cheque

When paying by cheque you will need to ask the seller beforehand whether that method of payment will be acceptable. If it is, then it is almost certain the seller will want to hold the car until confirmation is received from the seller's bank that the funds have been cleared and credited to the seller's account. As the seller will receive the funds before releasing the car to you, it is a very good idea to get him or her to sign a receipt, or even an agreement that includes a receipt, confirming the funds have been received by way of a personal cheque from the buyer and that the seller will hold the car and not release it to the buyer until the funds are cleared. That agreement will need to clarify who will be responsible for any damage to the car until it is handed over to the buyer, although the buyer should prudently insure the car from the date of purchase.

Of course the buyer will need to ensure their current account has sufficient funds to meet the cheque amount when cleared by either a transfer of funds from a deposit account or arranging sufficient credit facilities with their bank.

Paying by banker's draft

Payment using a bank or building society cheque or draft has been a popular vehicle payment method but sadly the fraudsters have been active so if a seller accepts payment by banker's drafts there is a risk it could be fraudulent or counterfeit, in which case it would not be discovered until after the seller had released the car to the buyer, even if the bank into which the draft was paid had told the buyer the funds had been cleared.

Payment by bank transfer

An immediate bank transfer can be made using the CHAPS system for a nominal fee (around £20 to £30) but you need to be aware that CHAPS payments are irrevocable. It is a good idea for the buyer and seller to meet at

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a branch of the buyer's bank so the CHAPS transaction can be completed there. Then the buyer would receive a receipt, the vehicle documents and the car keys, then take possession of the car.

Just a note of caution with bank transfers – this is an area where many attempted scams operate often suggesting the scam buyer will make a bank transfer for an amount covering the cost of the car and shipping but requiring the buyer to make a payment to the buyer's shipper for that part of the bank transfer equal to the shipping cost. Those taken in by the scam make the payment to the shipper (or at least an account of a party assumed to be the shipper – who of course vanishes with the cash) but then find the buyer's bank transfer does not come through. There are also variations involving escrow accounts but the clear advice is simply ignore any scam approach and do not get involved. You can see examples of these scams on the V8 Register website or on the Metropolitan Police website at where there is other useful information provided by their VSTAG (Vehicle Safe Trading Advisory Group). See the useful contacts panel.

Payment by a credit or debit card

Where the seller is a trader then they will naturally have concerns over accepting payment by either a credit or chargecard because the card issuer's percentage fee can amount to a tidy sum on a substantial purchase price for a good quality classic MG. The significantly lower transaction charges with debit cards means they are more readily accepted. The buyer will need to ensure that their card account will permit a large payment and, with the increased card security procedures adopted by the card issuers aimed at identifying potentially fraudulent card use, it may be wise for the buyer to forewarn their card issuer that a large payment will be made in advance of their visiting the trader to conclude the purchase.

Notifying DVLA of a sale

Following the sale and purchase of the car, the **seller** as the Registered Keeper must complete Section 6 (the New Keeper Details) of the V5C vehicle registration certificate with the buyer's details as the New Keeper and complete Section 10 (the New Keeper Supplement) and then remove Section 10 and give it to the buyer. Then **both the seller and buyer** must sign and date the declaration at Section 8. The first page of the VRC (Sections 1 to 7) must be sent immediately to the DVLA. This is particularly important for the seller because if the seller

does not notify the DVLA that they have sold the car, they will continue to be responsible for licensing the car and ensuring it has a current MOT certificate and motor insurance cover. You will find most sellers will insist, not unreasonably, that they will attend to this and ensure the first page of the VRC is mailed to the DVLA immediately. It is wise to have with you a C5 envelope and a stamp for that purpose.

So as you drive off in great excitement, it is time to enjoy the pleasures of classic MG motoring and the shared enthusiasm

and support of fellow enthusiasts. The next article in this series is on buying at classic car auctions.

The final article in the series is "Part 5 – Buying or selling at auction".

Article contributed by Victor Smith

Useful contacts

The AA www.theaa.com

Autocheck www.autocheck.co.uk

Autotrader www.autotrader.co.uk

HPI www.hpicheck.com

RAC www.rac.co.uk

Metropolitan Police/VSTAG

www.met.police.uk/fraudalert

