

When it comes to financing a vehicle, there are so many options out there. At Capital Fleet Solutions, we want to help inform businesses about the different finance products – so when you are ready to speak to someone, you're already in the know.

If you want to speak to us about your options in more detail, just give us a call.

It is worth noting that any financial product should be discussed with an expert authorised by the Financial Conduct Authority. As each product is different, make sure you feel completely informed that the product you're signing up to is the best for you and that you understand what the terms of any agreement are. It's best to ask questions ahead than have problems further down the line.

We hope you find this guide useful.

FINANCE OPTIONS

A HANDY GUIDE FROM CAPITAL FLEET SOLUTIONS

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Vehicle Finance & Leasing

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FINANCE LEASE

Good option for businesses that rely heavily on their vehicles, either as they cover many miles, or the vehicle could see a lot of wear and tear.

It has many similarities with Business Contract Hire as there is an initial rental. It's ideal for VAT-registered businesses as some or all of the VAT can be reclaimed.

At the end of the contract, the customer has the option to sell the vehicle on behalf of the finance company and retain the equity (after any agreed charges are settled).

HIRE PURCHASE

An agreement where you borrow the money to purchase a vehicle, and then pay it back in monthly instalments.

Very flexible – the deposit and the length of the agreement can all be set to meet your budget.

A deposit is optional and can be paid in cash or by trading in an existing vehicle.

There are no mileage restrictions.

PERSONAL CONTRACT PURCHASE (PCP)

Available to private and business customers.

Payments are determined by the size of the deposit, predicted mileage, length of the agreement, price, age and current mileage.

Mileage allowances are set at the beginning of the agreement.

At the end of the agreement, you can either hand the vehicle back, trade in the vehicle for another, or pay the final payment and own the vehicle.

BUSINESS CONTRACT HIRE

Essentially 'renting' a vehicle from a Finance Company. You pay set rentals, for a set period, and give the vehicle back at the end. The ownership sits with the finance company.

Great for VAT-registered businesses because a proportion of the VAT from the rentals can be claimed back from HMRC.

You agree an estimated mileage on the vehicle over the term of the contract, and you are responsible for maintaining and returning the vehicle in a good condition. If these conditions aren't met, you may be charged.

At the end of the agreement, you can return the vehicle with nothing further to pay.