

Warranty cover price doubles at franchised dealers

Buying a warranty to cover your car against hefty garage bills will cost you more than double on average if you buy it from a franchised dealer rather than an independent provider.

The failure rate of a car leaps up by 50 percent as it moves out of the comfort zone of the manufacturers three-year warranty with 1 in 3 suffering a breakdown*. Last year, British motorists spent £9.6 billion on servicing and repair costs.

But, according to new research by independent automotive warranty specialist, Warranty Direct (www.warrantydirect.co.uk), franchised dealers are exploiting their customers and charging over the odds for extended protection.

Comparing warranty prices on a random basket of 20 cars, covering 15 different manufacturers, Warranty Direct found that the average price for a dealer policy was a staggering 221 percent of the price of independent cover.

The average franchised warranty price came out as £538.75, while the cost of the equivalent cover from Warranty Direct was £243.94 – a saving of almost £300.

The biggest difference in price came from a Volvo dealership, which quoted £1,132 to cover one of its S80 models. The same independent policy, with the added benefit of wear & tear and consequential loss protection, would set you back £280.

In another case, a Renault dealer wanted to charge £552 for a Clio, compared to just £180 from Warranty Direct.

Sample table

Manufacturer	Model	Average Dealer premium	Warranty Direct premium	Average Repair Bill Per Visit
Volvo	S80 Executive	£1,132	£280	£522.12
Renault	Clio Privilege 16v	£552	£180	£246.72
Nissan	Almera SXE DC1	£450	£225	£491.24
Vauxhall	Vectra Elite 16v	£425	£230	£261.24
Subaru	Legacy S	£425	£240	£506.72
SEAT	Alhambra SE 130 TDi	£916	£295	£414.64
Suzuki	Grand Vitara TD	£350	£250	£271.48

NB: All models registered in 2004

“Some of the prices are daylight robbery,” said Duncan McClure Fisher, managing director of Warranty Direct. “Its totally unjustifiable.”

“Not only do they charge extortionate labour rates, sometimes as much as £156 an hour, to service or repair your car, but dealers also get a fat pocket every time they sell an extended warranty to an unsuspecting driver, who could have the same cover and peace of mind for much less.”

Extended warranty quotes are available from Warranty Direct by calling 0800 731 7001.
ENDS

For further information please contact:

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* Taken from Warranty Direct's database of more than 50,000 vehicle policies