

What is Personal Contract Purchase?

Personal contract purchase (PCP) is a way of financing your car whilst keeping your options open. You choose your deposit and term and when you get to the end of the term, you can choose what to do from three options:

Retain

Keep the car and pay the optional final balloon payment to own the car.



Return

Give the car back to us and pay any excess mileage or damage fees (if applicable).



Renew

Part-exchange your car for a new one, using any equity in your car towards the deposit on another car.



Your monthly payments will be calculated based on:



The on the road price of the vehicle.



The deposit you pay.



The term of your agreement.

1000

The annual mileage you expect to drive in your car.



The optional final payment (which is based on the value of your car at the end of the agreement term).

Honda Financial Services will deduct the deposit you pay, plus the optional final payment, from the on the road price of the car. They will take the remaining figure, apply interest to it and then spread the figure across your chosen term. You can choose a term of from 25 months to 48 months.

Because your estimated mileage impacts the value of the vehicle, you might find that you will pay more if your estimated mileage is higher because the optional final payment (and so the value of your car at the end of the agreement term) will be lower.

Don't forget, if you decide to give the car back to us and you've done more miles in the car than you expected, you will need to pay for the excess mileage. You can find details of the excess mileage charge in your finance quote and your finance agreement.

Before choosing to finance your vehicle, you should think about:

- **Your ability to keep the car in good condition.** It will be your responsibility to service, tax and insure the car. If you decide to return the car at the end of the agreement term, you may need to pay damage charges if any damage exceeds fair wear and tear. You can get in touch if you have any questions on what this means.
- **Ownership.** You will not own the car during the agreement term, but you will be the registered keeper of it. Honda Financial Services will own the car. You will only own the car if you pay all of your repayments, pay the optional final payment and the option to purchase fee and any other charges that may be due under your agreement. You should consider whether the optional final payment will be affordable when it is due if you want to own the car.
- **The value of your repayments.** The monthly repayments are fixed from the start of your agreement, and must be paid on time. You should consider whether the value of your repayments are affordable as if you miss them, this could affect your credit rating and ability to secure finance in future.
- **Whether the term of your agreement is right for you.** Of course we hope that you would like to stay with us for the full term of your agreement. But if your circumstances change and you want to return the car earlier than your full term, you can. More information can be found in your finance agreement and this will be explained to you before you sign your agreement.



Comparing Finance Options

The table below highlights the key differences and similarities between the finance products available through Honda Financial Services.

Summary of our finance products

Product	Hire Purchase (HP)	Personal Contract Purchase (PCP)
New cars	✓	✓
Minimum balance to finance	Typically £1,000*	Typically £1,500*
Length of contract	New: From 1 to 5 years	New: From 24 months to 4 years
Deposit/Initial rental required	Zero deposit may be available	Zero deposit may be available
Miles per annum allowed	Not applicable	New: 6k to 24k per annum
Fixed monthly payments	✓	✓
Optional final payment	✗	✓
Maximum permitted age of car at end of contract	New: 5 years	New: 4 years
Ownership option at end of contract	✓	✓
End of contract goods return option	✗	✓ Return conditions apply
Mileage and condition restrictions/charges	✗	✓ Refer to contract
Ability to amend annual mileage in life	✗	✗
Voluntary termination	✓ Return conditions apply	✓ Return conditions apply
Early settlement option	✓	✓
Fully comprehensive insurance required	✓	✓
Ability to amend monthly payment due date	✓	✓

*Promotional offer terms may vary

