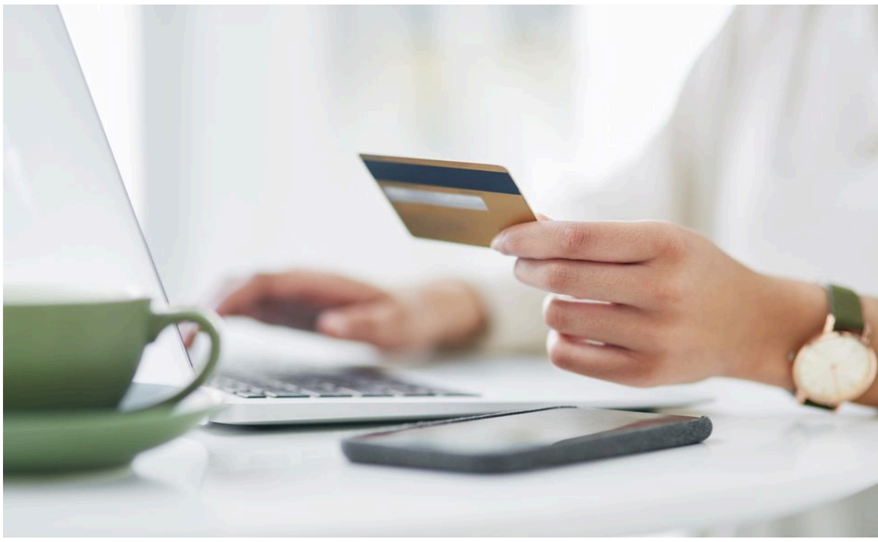
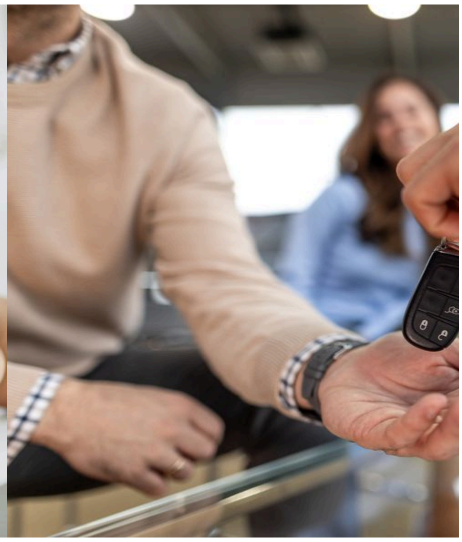
From brand-new cars to crypto, financial experts reveal the money pits you should avoid if you want to build wealth

Some purchases are almost always a bad financial decision





If an investment seems too good to be true it probably is. Photo: Getty

A brand-new car loses value the moment it leaves the for

Niamh Hennessy
Sat 18 Oct 2025 at 05:30

Mistakes, we've all made a few. But what about financial mistakes and the sometimes regrettable decisions we make with our money?

We asked financial experts to share some of the money pits they advise people to avoid.

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'Some items can depreciate almost immediately'

Jennifer Loftus, chief financial officer and chief actuary for Acorn Life Group

Jennifer Loftus

It is important to distinguish between purchases that hold value and those that lose it rapidly, according to Ms Loftus.

Some new cars can lose up to 30pc of their value in the first year alone, while the resale value of smartphones, tablets and laptops can drop sharply when new models come out.

Taking up a new hobby later in life can also be a waste of money, she says: “People often jump into big spends without taking the time to pause, do their homework and ultimately decide whether this is a good use of their hard-earned cash.

“People taking up a new hobby, often in mid-life, are a big example of this. It’s all too easy to get excited and splash out on an expensive bike or piece of kit, only for it to sit in the garage a year later, then get sold for a fraction of what you paid.

A brand-new car loses value the moment it leaves the forecourt. Photo: Getty

“The key takeaway is to think carefully before spending on things that won’t retain value or that you won’t get optimum use out of. Prioritising savings, investments or items that genuinely improve your quality of life in a lasting way can make a big difference to your financial health.

"Essentially, avoid the impulse to spend on things that provide short-term enjoyment, but long-term financial loss."

'It's important people know what they're getting into before moving to a different county'

Trevor Grant, chairperson of Irish Mortgage Advisors

The house-price inflation of recent years, paired with the shortage of new homes, has culminated in a growing number of mortgage holders moving out of the cities and into commuter-belt counties and, in many cases, more rural areas.

While people often get more value for money, says Mr Grant, it can also be a decision they come to regret.

It's important to count the cost of the commute before you relocate. Photo: Getty

"It's important that people know what they're getting into before moving to a different county, particularly if they will have to commute to work," he says.

"The commute must be a practical one which they can stick to. It must also make sense financially. People need to be aware how much it will cost them to drive to work every day, particularly those without electric cars, as fuel prices have increased significantly in recent times.

"The pent-up demand for property today coupled with the chronic shortage of housing can lead to some people taking shortcuts when buying property.

"However, it's crucial that people do their research on any area they are planning to move into, particularly if they're not familiar with it. They should find out if there's any history of flooding in the area and, if there is, avoid buying there."

Mr Grant says people should ideally have some friends or family living nearby, as life could be very lonely otherwise.

"It's important too to know what your neighbour is like if you're planning to move to the countryside, particularly if you have only a few neighbours around you."

'With crypto there will be no compensation if you lose some or all of your money'

Michael Kavanagh, CEO of the Compliance Institute

Cryptocurrency is known for its sudden and extreme price movements, so you could very quickly face significant losses if you invest, according to Mr Kavanagh.

"Cryptocurrencies are not protected by any form of compensation scheme similar to those in place for traditional financial products," he says. "So there will be no compensation if you lose some or all of your money."

He points out that the Central Bank of Ireland has issued a number of warnings on crypto-related products and they have also warned people to be aware of the presence of misleading or unverified information about crypto in advertising. Some products are aggressively advertised using information that he says is confusing, incomplete, inaccurate and, at times, deliberately misleading.

“On social media, some influencers are being paid to advertise crypto and crypto-related products,” Mr Kavanagh says. “Crypto scams are common.

“As with any investment, be wary of individuals that pressure you into investing in a cryptocurrency as soon as possible and don’t be tempted by promises of fast or high returns.”

‘Spend money on expensive cars when you are wealthy, not when you are trying to get there’

Steven Barrett of Bluewater Financial Planning

Steven Barrett

Mr Barrett discourages young clients from spending money on expensive cars.

“We are trying to build their wealth and, when the cost of the car is a big proportion of their net worth, they are damaging their ability to grow wealth,” he says. “Spend money on expensive cars when you are wealthy, not when you are trying to get there.”

He says the other areas he advises against are crypto and meme stocks: “While it looks like Bitcoin is going to be here in the long term, there are meme coins, such as Trump coin, that have no intrinsic value.

“It is simply a game of pass the parcel. You need to buy and sell quickly. If the music stops and you are holding the coins in your wallet, you will be wiped out.

“The same goes for meme stocks. Companies that are way overvalued and will go back to their actual valuation at some point. Whoever buys in too late will sit on massive losses.

“It takes decades to grow wealth. Some people achieve it quickly, but they are the few. Everyone wants to copy them and take enormous risks to do it. Most fail and end up losing all their money. Add in that a lot of people bet with money borrowed off their credit card. They still owe thousands at crippling interest rates.”

‘Small leaks can turn into a flood’

Shane Tobin, CEO of TrueWealth.ie and LowQuotes.ie

When it comes to money, we all have blind spots, says Mr Tobin, who is a qualified financial adviser.

“A daily coffee you don’t think about, a quick tap for something you don’t need… It doesn’t feel like much but it adds up fast,” he says. “Over the years, that’s thousands of euros gone. And, worse, it’s money that could have been pushing you towards real financial stability.”

He says impulsive clicks and thoughtless taps could be one of the most difficult financial habits to change.

Think before you tap

“Online shopping makes it effortless to spend without thinking, giving you that quick dopamine hit when you hear that lovely ping from your iPhone to let you know your purchase was successful.

“It's addictive, and it's so easy and convenient on your iPhone. Add in contactless card tapping for coffees, lunches and everyday treats, and small leaks turn into a flood. Even €10 a day on non-essentials totals about €3,650 per year – money that could be compounding for your future instead of disappearing.”

He says people should be conscious about living beyond their means.

“It sounds obvious, yet it’s one of the most common mistakes. Whether it’s stretching for a car you can’t afford, a bigger mortgage than you need or a lifestyle that runs ahead of your income, living beyond your means is a guaranteed path to stress. The pressure of repayments can suffocate your options, leaving you struggling to stay afloat.

“Designer labels, expensive watches and luxury gear are often more about showing off than living well. But who really cares? Are they impressed? I don't think so. They are probably the opposite of impressed.

“These items don’t build wealth. They burn it. As the saying goes, true wealth is quiet, liabilities shout. Too many spend to look rich instead of putting their money to work so they can become independently wealthy.”

‘An investment that promises high returns with little or no risk should be a red flag’

Nick Charalambous, managing director of Alpha Wealth

Nick Charalambous

As a financial adviser, Mr Charalambous says he often meets people who regret where their money has gone, wishing they had paused to think about the long-term impact before parting with their cash.

He says unregulated schemes and “too-good-to-be-true opportunities" are areas where people fall down when it comes to making good financial decisions.

“From offshore investment plans to so-called guaranteed return offers, these are designed to prey on people’s desire for fast growth with minimal risk.

“Unfortunately, many of these schemes collapse, leaving people out of pocket. If you are ever presented with an investment that promises high returns with little or no risk, that should be a red flag.”

Mr Charalambous says the rise of cryptocurrencies has created a whole new category of financial regret.

“Many people were drawn in by stories of overnight millionaires, but the reality is that for every winner, there are countless losers. Unlike regulated investments, crypto assets are highly speculative, extremely volatile and, in many cases, not backed by anything of substance.

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- Eoin McGee answers: ‘My wife has life-limiting medical conditions. Should we use our savings to pay off the mortgage in case she has to leave her job?’ (/business/money/eoin-mcgee-answers-my-wife-has-life-limiting-medical-conditions-should-we-use-our-savings-to-pay-off-the-mortgage-in-case-she-has-to-leave-her-job/a574568620.html)
- Financial experts make mistakes too – from crypto to foreign property, five money pros share their greatest regret (/business/money/financial-experts-make-mistakes-too-from-crypto-to-foreign-property-five-money-pros-share-their-greatest-regret/a620517999.html)

“We regularly meet clients who put in significant sums chasing huge returns, only to find themselves facing heavy losses.

“While crypto can have a place as a small portion of a well-diversified portfolio, it should never form the core of your investment strategy.”

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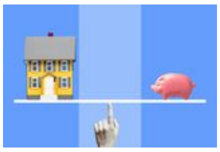

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