

These are formal auctions and are in principle the same as traditional 'ballroom' auctions.

Normal entry fees and commission are paid to the auctioneers as per a 'ballroom' auction, with the entry fee paid in advance of the sale and the commission due when the contracts are exchanged.

Following instructions to market a property, it becomes listed on the online website, external listing channels (Rightmove etc.) and marketing commences.

A solicitor is instructed to prepare a legal pack for prospective buyers to inspect. Paul Fosh Auctions can recommend a solicitor who can prepare a legal pack with no or minimal upfront costs to the sellers.

At the point of listing, a guide price and provisional reserve (known only to the auctioneers) are agreed.

As with a 'ballroom' auction, properties are usually made available to be viewed in the run up to the online auction.

Legal packs must be made available for inspection prior to the auction bidding going live.

In normal circumstances, once the bidding window has opened, no changes can be made to the legal pack. In the unlikely event that a change is made after this point, all parties who have already downloaded the pack will be informed of the changes.

A property can be listed at any point in advance of the online auction closing, but bidding will only commence 48 hours before the closing date/time.

Buyers are required to register and allow pre-authorisation of a bidder security prior to being able to bid. This provides security for the seller.

When the bidding stops, (assuming the reserve has been met), the highest bidder secures the property and contracts are exchanged at the close of the auction.

The buyer is then contractually obliged to immediately pay a deposit of 10% of the purchase price (subject to a minimum of £3,000). This deposit forms part of the purchase price.

Minimum deposits and buyer's premium (£3,000 and £1,500) are paid to the auctioneers by taking the money from the debit card that had been preauthorised in advance of the sale. The auctioneers will then contact the purchaser/s to make arrangements to collect the difference between the amount already taken and 10%, as well as the buyer's premium of 1.5% (minimum £1,500).

Completion is usually set for 20 working days after the auction but will be confirmed in the legal pack.

Following the auction, the auctioneers will sign contracts on behalf of the buyer/s and seller/s and will forward the contracts on to each party's solicitor. The respective solicitors will handle the remaining paperwork between exchange and completion.