

## INTRODUCING PAUL FOSH ONLINE AUCTIONS

Paul Fosh Online Auctions is a new, innovative and pioneering platform for buying and selling property.

It provides all the benefits synonymous with traditional auctions, including: speed and certainty of sale, transparency and zero risk of gazumping or double-selling, but with the added advantage of being able to bid pressure-free from the comfort of your own home or office via desktop, tablet or mobile phone.

### REGISTRATION

#### A STRAIGHTFORWARD PROCESS FROM START TO FINISH

In order to bid at Paul Fosh Online Auctions you will first need to create an account. This requires you to verify your email address, by clicking an activation link that we'll send to you via email. Once you've created an account you can 'watch' lots that you're interested in (you'll be kept up-to-date throughout the auction cycle), as well as gain access to the legal packs. In order to place a bid on a lot you will need to complete the bidder registration steps, as detailed below.

Please note, the first time you register to bid you will also be asked to verify your mobile number and upload copies of your photo ID (e.g. driver's licence or passport) and recent proof of address (dated within the last 3 months). This is required so we can easily keep in touch and helps us confirm your identity in the event of you purchasing a lot.

### ACCEPT TERMS

#### ENSURE YOU READ, UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS

You will be asked to read and accept our Online Auction 'Terms and Conditions'. Additionally, there may be specific documentation relating to the sale of the property you're registering to bid on that will need to be read and accepted before you are able to bid.

Once accepted, you will receive a copy of the document(s) via email for your own records.

### BIDDER SECURITY

#### REGISTER YOUR CREDIT OR DEBIT CARD FOR THE BIDDER SECURITY

In order to bid online you will be required to register a credit or debit card for the bidder security deposit. We use Sagepay who provide a secure, online card registration facility, and they will attempt to place a 'hold on funds' on your account for the bidder security amount (often known as a 'payment shadow' as no money is taken at this stage). The bidder security amount will be clearly displayed when registering your card.

On the fall of the electronic gavel, the winning bidder's card will be automatically debited for the bidder security amount, whilst all the unsuccessful bidder's cards will have their shadow payments released (this can take several days depending on the card provider). For more information about this process please read the detailed explanation at the end of this document.

### AUCTIONEER REVIEW

#### FINAL STEP – AUCTIONEER REVIEW

Once you have completed the bidder registration steps, Paul Fosh will review your registration to bid. We may contact you to obtain some additional information, so that we can electronically verify your identity with a credit reference agency – this is a quick and simple process which leaves a 'soft footprint' and doesn't affect your credit score. You will be notified by email as soon as you have been approved to bid.

### DUE DILIGENCE

#### RECOMMENDED DUE DILIGENCE BEFORE BIDDING

In general terms, you are strongly advised to view the property and take professional advice as to its condition and suitability. You should also ensure that you thoroughly read and understand the legal pack and any other associated documentation available online, and take proper legal advice accordingly. Finally, understand the contract you are entering into and the financial commitment that you will be liable for should you be the successful purchaser.

## STRESS-FREE BIDDING FROM THE COMFORT OF YOUR OWN HOME

When the auction opens, you will be able to place bids in line with the pre-determined bid increment levels, using the bid increase (+) and decrease (–) buttons provided. Every time you submit a bid you will be clearly shown whether your bid was successful, and a full list of all bids is displayed on-screen at all times.

### Maximum (Proxy) Bids

You are not restricted to placing a bid at the minimum bid amount, but can instead increase your bid and place a maximum (proxy) bid in the system. By setting a maximum bid, the system will automatically bid on your behalf to maintain your position as the highest bidder, up to your maximum bid amount. If you are outbid, you will be notified via email so you can opt to increase your bid if you so choose.

### Reserve Prices

Virtually every lot is sold subject to a reserve price (the minimum price that the auctioneer is authorised to sell for on the day). When you submit a maximum bid, the actual bid placed by the system will depend on whether the reserve price has been met, as defined below.

#### If your maximum bid is below the reserve price

- The system will place an immediate bid at your maximum bid amount.

#### If your maximum bid is at or above the reserve price

- The system will automatically increase your bid to be at the reserve, and will only bid again on your behalf if you are subsequently outbid by another bidder (up to your maximum bid amount).
- If another bidder has already placed the same maximum bid or higher, they will be the highest bidder and the system will notify you via email so you can place another bid.

NB: Your maximum bid is kept completely confidential – it's presence or amount are not disclosed to the auctioneer, vendor or any other bidder.

#### Bidding example:

1. The current bid on a lot is £90,000. The reserve price has been set at £100,000 (not disclosed).
2. Tom wants to bid. The minimum bid amount is £91,000 but Tom decides to place a maximum bid of £97,000. This is below the reserve price, so the system places a bid for Tom at his maximum bid amount and he becomes the highest bidder at £97,000.
3. Jane logs on to bid. The minimum bid amount is £98,000 but Jane places a maximum bid of £105,000. The system automatically increases Jane's bid to meet the reserve and she is now the highest bidder at £100,000.
4. Tom is notified that he has been outbid. If no further bids are placed Jane would win the lot for £100,000.
5. If, however, Tom then places a maximum bid of £105,000, the bidding would jump to £105,000 and the bid would be with Jane as she bid that amount first.

## THE BIDDING EXTENSION WINDOW ENSURES A FAIR CHANCE FOR EVERYONE

The online auction will close as per the advertised 'Auction End Date'. However, if a bid is placed within the final 60 seconds of the auction's scheduled end time, the auction will be extended by an additional 60 seconds – known as the 'bidding extension window'.

If a bid is placed in the 'bidding extension window', the clock will immediately reset to 60 seconds again, and the auction will only finish when an entire 60-second bidding extension window passes without any further bid being placed, i.e. 60 seconds of 'bidding silence'.

### BID 'SNIPING' – DOES IT WORK?

Unlike eBay, bid sniping will not work on our online auction platform. There is no advantage in leaving your bid until the last few seconds; it will only initiate a 60-second bidding extension window which ensures every bidder has a fair and equal opportunity to place another bid.

Additionally, if you do leave your bid until the final few seconds you could risk your bid not being received by the platform server until after the closing time, and therefore not accepted.

## FALL OF THE GAVEL

### LEGAL POSITION WHEN YOU'VE WON THE AUCTION

We offer property for sale by both immediate exchange of contract and conditional exchange of contract. It is very important that bidders are aware of which method is being used for the lot(s) they are interested in, and below is set out what each means. Both the particulars of sale and the legal pack will indicate which method is being used.

**Immediate exchange of contracts** means that the fall of the electronic gavel constitutes an exchange of contracts between the buyer and seller. Both parties are legally bound to complete the transaction – usually within 20 business days following the close of the auction, but this will be confirmed within the legal documentation.

**Conditional exchange of contracts** means that the fall of the electronic gavel secures the winning bidder with an exclusive 'right to exchange contracts' on the property within the prescribed time frame – usually 20 business days, but this will be confirmed in the terms and conditions of sale and/or legal pack. Unlike the immediate exchange of contracts, this method gives the bidder additional time to carry out surveys and secure mortgage finance **before** exchanging contracts, whilst the seller undertakes not to sell to anyone else during this period.

## POST AUCTION

### WE'LL GUIDE YOU THROUGH TO COMPLETION

If you are the successful purchaser, we'll be in touch following the online auction to discuss the next steps. The system will take the bidder security amount from your registered credit or debit card (all underbidders will have their hold on funds released); the contract will then be signed on your behalf with copies being sent to both your solicitor and the seller's solicitor.

**FOR MORE INFORMATION CONTACT PAUL FOSH ON 01633 254 044**

## PAYMENTS EXPLAINED

### HOW THE PAYMENT REGISTRATION WORKS

In order to bid online you are required to submit details of a credit or debit card. When you register your card, we will be placing a hold on funds on your credit card (or bank account if you use a debit card), to the value of the bidder security deposit. This means that the amount we're holding will affect the available amount you have to spend on your card, as the amount will be ring-fenced and you will not be able to spend it until the hold has been released.

If you are the winning bidder then the amount will be taken in full from your registered credit card or bank account **immediately following the close of the auction**. If you are not a winning bidder then the hold on funds will be released from your card, but be aware that it can take anything from a few hours up to several days for the hold to be released (dependent on the card issuer). If in doubt, contact your card issuer. Please be aware that you will not have access to the funds until the hold has been released.

Please see two example payment registrations below:

#### Scenario 1:

*Tom has a credit card with an overall limit of £5,000, and a current available balance of £4,500*

- Tom registers to bid on an online auction lot which has a 'buyer's premium' of £2,500 applicable
- Tom registers his credit card – a hold on funds is placed on the card to the value of £2,500
- The available balance to spend on the card is now £2,000
- Tom goes out shopping and buys a new laptop for £1,500
- The available balance on Tom's card is now only £500
- Tom bids on the online auction but is unsuccessful and doesn't win. The auction closes and the system automatically instructs SagePay to release the hold on funds from Tom's card
- The available balance on Tom's card will revert to £3,000 once the 'release' has taken place

**Scenario 2:**

*Jane has a debit card for a bank account with a current balance of £2,750*

- Jane registers to bid on an online auction lot which has a 'buyer's premium' of £2,500 applicable
- Jane registers her debit card – a hold on funds is placed on Jane's bank account, to the value of £2,500
- The available balance in Jane's bank account is now only £250
- Jane goes shopping and buys a new mobile phone for £300, pushing her £50 into an overdraft
- Jane bids on the online auction and wins the auction. The auction closes and £2,500 is immediately taken from her bank account
- Jane remains £50 overdrawn