



## **ONLINE AUCTIONS BUYING GUIDE**

### **INTRODUCING SPENCER AUCTIONEER ONLINE AUCTIONS**

Spencer Auctioneers Online Auctions has been created to provide an efficient service that is easy to use for both buyers and sellers when selling property in 2021.

Auctions have always been recognised as a fast and efficient way to purchase property and Spencer Auctioneers have created a new platform which allows online bidding to achieve a property that you desire. With Spencer Auctioneers Online Bidding system you the buyer are in control to ensure that you are the highest bid without spending more than is necessary.

You, as the buyer are able to view all legal documents, have your solicitor review them, ensure that you are satisfied before you bid and once the auction is completed a contract is signed immediately, a deposit is paid and a completion date is arranged (traditionally set 28 days after the auction end date).

In order for you to bid on our online auctions you first need to create an account by providing your login details and provide the following information: -

1. A valid photographic ID, such as driving licence or passport.
2. Proof of address, such as a utility bill or bank statement dated within the last three months showing the buyers name and address.
3. Arrange for a bank transfer, debit card or credit card as a method of payment for the deposit and administration charge.
4. Your solicitor's name, address and contact details.

Registration is easy and the first thing you will need to do is create an account through our auction passport system. Once you have created an account you are able to "watch" lots that you are interested in, as well as gaining access to the legal packs for the said properties.

In order to place a bid on a lot you will need to complete the bidder's registration steps and once you are fully registered you can bid on any lot that you have registered for.

### **PRIOR TO THE AUCTION**

It is strongly advisable that you view the property or lot that you are interested in and we will arrange open viewings where possible for the properties and should you require private viewings please contact Spencer Auctioneers on 091 552999. Should you require an engineer to visit the property, we can facilitate this as well.

### **LEGAL DOCUMENTATION**

A legal pack which includes all documentation relevant to the sale will be available on lots that you have expressed interest in and this can be downloaded and reviewed by your solicitor at their convenience.



## **FINANCE**

It is strongly advisable that you ensure that your finances are in order and that any mortgage requirements are completed prior to the auction date. Your commitment by bidding on a property means that you have your finances in place and if you are successful, then this is a legally binding bid.

### **FINANCIAL INFORMATION**

Each property is listed with a guide price and also a reserve price. A guide price identifies the expected starting price and the reserve price is the minimum price that the vendor is willing to accept.

### **DEPOSIT**

A traditional deposit of 10% is required and our system will automatically charge your registered card the minimum deposit of €3,000. If a bank transfer has been received by Spencer Auctioneers prior to the date of the start of the auction this will satisfy the requirement. You will be required to pay the remaining balance due to make up the 10% deposit within two working days. The email address that you have registered will automatically receive an automated email with the bank payment details for that additional transfer.

### **ADMINISTRATION CHARGE/BUYERS FEE**

Each successful buyer or bidder will require to pay Spencer Auctioneers a non-refundable fee of €1,500 (subject to VAT) and this fee will be taken at the same time as the deposit from your card that you have used for registration. Lots that are less than €20,000 will be subject to a fee of €500 including VAT.

### **BIDDING**

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. Having set your preferred bid amount and clicking "place bid" button you will be asked to confirm your bid at which point it will be placed. 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 hyphen screen at all times.

### **MAXIMUM (PROXY) BIDS**

You are not restricted to placing a bid at the minimum bid amount but instead you can 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 then choose whether you want to increase your bid.



## RESERVE PRICES

Almost every bid is subject to a reserve price, the minimum bid that the auctioneer is authorised to sell the property 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 price, 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 at your maximum bid level and the system will notify you via email so that you can place another bid.
- If two bidders place a proxy bid for the same amount, the bidder who places the proxy bid first will be the bidder at that maximum amount.

**Your maximum bid is kept completely confidential – its presence or amount are not disclosed to the auctioneer, vendor or any other bidder.**

### A STEP-BY-STEP BIDDING DEMONSTRATION

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. However, Jane still has a proxy bid of €105,000 "in the system" which will automatically bid on her behalf if anyone else places a bid.
4. Tom is notified that he has been outbid. If no more bids are placed Jane would win the lot for €100,000.
5. Tom places a bid of €101,000, and Jane's proxy bid instantaneously outbids him at €102,000 as this is the lowest bid required to make her the highest bidder.
6. Tom then places a maximum bid of €105,000. The current bid jumps to €105,000 with Jane as the highest bidder as she placed a proxy bid at that amount before Tom did.
7. Tom then places a bid at €106,000 and wins the lot as there are no other bids and it is above reserve.



## **THE BIDDING WINDOW**

The bidding window opens at a predetermined time on the day of the auction. From this moment, bidders will be able to place their bids on any of the available lots in the auction catalogue. We open the window early so bidders are able to set proxy bids and gives plenty of time for potential buyers to log in and familiarise with the system. Each lot has a scheduled end time shown through the bid now button on the lot page. Here is an example of the online auction format:

- Lot 1 is scheduled to close at 09:30am.
- Lot 2 is scheduled to close at 10.00am.
- Lot 3 is scheduled to close at 10.30am.
- Each lot has a thirty minute window. If a bid is placed at 09:29:30 seconds on Lot 1, the bidding window extension is activated. If the bidding window resets a further 4 times, the lot will close a maximum of two minutes later.
- This will push back lot 2 from 10.00am to close at 10.02am. If the bidding window is activated in Lot 2, lot 3 will also be pushed back.
- Lot 1 must complete the countdown before the countdown begins immediately in Lot 2. This is the same for every lot, the previous lot must complete its countdown to commence the countdown on the following lot. If you make a bid, the system will inform if you are the highest bidder. If you have been outbid, it will inform you of this also. The bidding history can accurately show how many current bidders are placing bids on each lot.

## **BIDDING EXAMPLE BIDDING WINDOW THE BIDDING EXTENSION WINDOW ELIMINATES 'BID SNIPING'**

Unlike eBay, bid sniping is impossible on our online auction platform. All auction lots will close as per their 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 countdown 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 bids being placed, i.e. 60 seconds of 'bidding silence'.

This ensures every bidder has a fair and equal opportunity to place another bid. Please note: The end time on each lot will be updated during the auction, and it is common for the end time on each lot to be put back whilst bidders are bidding in the extension window.

**DO NOT LEAVE YOUR BID TO THE LAST FEW SECONDS. IT GIVES YOU NO ADVANTAGE, YOU RISK YOUR BID NOT BEING RECEIVED BY THE SERVER IN TIME AND YOU COULD LOSE THE LOT TO ANOTHER BIDDER. BIDDING IS BASED ON THE SERVER TIME AND NOT YOUR DEVICE WHICH COULD BE UP TO 2 SECONDS BEHIND THE SERVER.**

## **WHEN YOU HAVE WON THE AUCTION.**

All properties for sale are with unconditional contracts, this means that the fall of the electronic gavel constitutes an exchange of contracts between buyer and seller. Both parties are legally bound to complete the transaction (usually within 28 days) following the close of the auction, but this will be confirmed in a legal documentation.



## 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 for €3,000 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 would like to bid on one lot only - The card hold for €3,000 will allow you to bid on any lot at one time. If you would like to bid on one or more lots - The card hold for €3,000 will allow you to bid on any lot at one time. - If you are unsuccessful on an earlier lot, you can bid on another lot with your current hold of €5,000. - If you are successful on one lot, you will need to place another hold of €5,000 and will be asked to re-enter your card details as soon as you bid on another property. - You cannot be the highest bidder on two lots at the same time with a single card hold. If you would like to do this, it will automatically ask you to place a further hold of €5,000 on your card. FOR MORE INFORMATION CONTACT SPENCER AUCTIONEERS ON 091 552999

### EXTENSIONS PAYMENTS EXPLAINED

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 €10,000, and a current available balance of €8,000

- Tom registers to bid on Spencer Auctioneers Online Auction
- Tom registers his credit card – a hold on funds is placed on the card to the value of €3,000.
- The available balance to spend on the card is now €5,000.
- Tom goes out shopping and buys a new laptop for €1,500.
- The available balance on Tom's card is now only €3,500.
- Tom bids on the online auction but is unsuccessful and doesn't win. The auction closes and the system automatically instructs Stripe to release the hold on funds from Tom's card.
- The available balance on Tom's card will revert to €8,000 once the 'release' has taken place.

#### Scenario 2:

Jane has a debit card for a bank account with a current balance of €3,500

- Jane registers to bid on Spencer Auctioneers online auction.
- Jane registers her debit card – a hold on funds is placed on Jane's bank account, to the value of €3,000.
- The available balance in Jane's bank account is now only €500.
- Jane goes shopping and buys a new computer for €600, pushing her €100 into an overdraft.
- Jane bids on the online auction and wins the auction. The auction closes and €3,000 is immediately taken from her bank account which includes the administration fee of €1,500 plus VAT.
- Jane remains overdrawn.