



Buying or selling at auction

Many people are put off buying or selling at auction because they feel intimidated by their lack of knowledge of the process, so this note aims to provide an outline of what you need to know and deal with if attending an auction as a buyer or seller. It is worth visiting the auction house websites where you will find some of them are particularly helpful in explaining how their auctions work, what you need to know and how to make contact with them to obtain a catalogue or submit an item for sale.

How do I find out when the auctions are coming up and what cars are for sale?

Checking on the dates and venues of forthcoming car auctions

This can be done online by visiting the leading auction house websites – in the case of H & H you simply click the “Auctions” rollover button beneath the top banner and details pop up together with a convenient link to the “Entries” where you can review the lots included in the auction together with the price estimates alongside. Also most classic vehicle magazines list forthcoming auctions in their “What’s On” sections.

Catalogues

These are available on the front desk at the sale or prior to the sale by post from the auction house. They can also be obtained by post – the advantage of using this method is that you can research lots on view prior to the auction. Catalogues can also be purchased on a yearly subscription basis direct from the auction houses. Obtaining a catalogue gives prospective buyers full details of all the automobilia and vehicle lots in the auction. In the catalogue there are photographs and descriptions of the lots on

offer. Almost all catalogues can now be accessed free of charge over the internet – the details being published on the web as the first issues of the catalogue are posted out.

How can I get reports of recent auctions and prices for cars?

You can read the auction reports in motor magazines like *Classic Cars for Sale* and of course the regular series of reports in *Safety Fast!* by David Newton. Most auction houses also report their past sales on the internet.

Can I view the lots and the history files?

Official viewing usually takes place the day before the auction and on the morning of the sale. Vehicles are sold as static exhibits and are not driven through an auction hall, but during viewing on the day prior to the sale vehicles may be started by one of the auction house staff members. This is also possible on the day of the auction. The documentation office is open during those times when the history files are generally available for review and should be examined in detail by a prospective bidder prior to bidding on any lot.

Are there any warranties offered?

No, all vehicles are offered on an “as seen” basis. However you should remember that many cars are for sale because for one reason or another they have not been used enough so a successful bidder is well advised that at least a cursory inspection by a mechanic prior to road use is in order. The catalogue describes the cars to the best of the ability of the auction house using information supplied by the seller and should any pertinent information about a lot arrive after the publication of the catalogue, usually a note to that effect will be added at the bottom of the “details sheet” on display on the windscreen of the car. Whilst the auction house staff members are knowledgeable and helpful in discussing and offering opinions as to the integrity of any vehicle at the sale, you must be aware they offer only an opinion which should not be relied upon. In short, you should satisfy yourself as to the completeness, condition and integrity of any lot prior to bidding. It is also important to note that some catalogue illustrations are historical and may show the vehicle in a better condition than it is now offered.

Can I change my mind after I have purchased a vehicle?

Not under any circumstances. Lots are not sold as an option and there is no “cooling

off” period. Once the auctioneer drops the gavel or hammer a contract is made and you are under an obligation to proceed with that contract by paying for the item and removing it from the auction house.

Are there any other charges?

Most auctioneers charge what is known as a buyer’s premium, typically 10% to 15% of the hammer price. For full details of the charges, visit the auction house website or call their office to clarify their charges.

How fast will the auctioneer go?

You should expect the auctioneer to offer around 30 vehicles or 100 lots of automobilia an hour and usually an auction sale will last about three to four hours.

Will refreshments be available on site?

Most venues used for classic car auctions have their own cafe or restaurant at the venue and those that do not are usually not far from local amenities.

How do I buy at auction?

Registering to bid

Once you have decided you want to bid on a car you will need to register with the auction house. Many auction houses operate their sales using a “paddle bidding system” where each registered bidder is issued with a “paddle” – a card printed with your personal number for the sale – which you raise to make your bid and thereby identify yourself to the auctioneer. So if you wish to bid at an auction you must register before the sale, providing your name and address together with proof of identity and residence. Typical documents needed would be your passport or driving license, together with your credit or chargecard and in exchange you are given a paddle. At the end of the sale, or when you have finished bidding, you have to return your paddle to the auction house registration desk.

Bidding

Once you have registered for a sale then you are ready to bid. There are a number of ways that you can bid for an item at auction but the most likely is you will wish to attend the sale in person to see the car and get a feel for the level of interest and the flavour of the bidding. You will be issued with a paddle when you register at an auction sale and you must show this to the

auctioneer, by raising it, when you wish to bid on a lot. If you are successful in your bidding the auctioneer will make a note of your paddle number and you can proceed to the cashier's office to make the payment for the car. If you would like to bid on further lots in the sale you can pay for all your items at the end of the sale.

If I can't make it to the sale how can I bid?

The auction house will execute commission bids or telephone bids when instructed and prospective bidders must complete the appropriate forms at least 24 hours prior to the auction. References are required for either method and interested bidders are usually required to pay a refundable deposit of approximately 10% of the intended bid amount. Lot(s) will be bought as cheaply as is allowed by other bids and reserves.

What do I pay?

You will pay the hammer price plus VAT on the buyer's percentage or "premium" charged by the auctioneer. The premium paid is usually between 10% and 15%. The buyer's premium is clearly laid out under the terms and conditions of the auction house which are normally found at the front of each auction catalogue. You of course need to factor in the cost of the auction catalogue which entitles you and one other person to enter the Auction.

Making a payment for a successful bid

The payment options at the cashier's office are cash, credit or chargecard and cheque. If you pay with cash you can take your items away immediately. If you pay by credit or chargecard you will be liable to a surcharge. If you pay by cheque you must wait until the cheque has cleared before you can pick up your items.

Collections/storage/ delivery

If you have bid in person you can proceed to cashiers and pay and collect your car. If you are unable to remove your car immediately you will need to arrange storage and shipping. You can either do this yourself or through the auction house subject to their terms set out in their sale catalogue.

When can I remove what I have bought?

All lots are held at the buyer's risk at the fall of the hammer and must be removed in line with the terms and conditions of the auction house. This is normally the day after the auction. If they are not removed by that time, then the auction house will have the item taken into store at the buyer's expense. You will usually find the auctioneers most accommodating in these matters.

Can I insure my purchase and drive it home?

Yes, but you must check that the car you have bought at the auction has a current

MOT and road fund licence. If you do not have motor insurance cover for the vehicle you have bought at auction you will find there may be a representative of a classic car insurance broker present who will be able to give instant quotations and cover. It would be a good move to carry the name and contact details of your insurance broker with you so you can call them following your successful bid and arrange cover whilst you are at auction room as that could avoid a return journey to collect the car the following day.

Can I bring my trailer?

There will be adequate parking available at the auction site for trailers, transporters and motor cars alike but it is a good idea to arrive there early as the parking areas at auctions do get very busy so parking close to the auction room or hall can become full.

Can someone deliver the car for me?

Yes this can be arranged and usually representatives of the auction house's preferred transport company, along with representatives of other companies, will be on site to give advice. If you have any questions on transport you can always speak with the auction house beforehand or at their office at the auction. A list of specialist car transport agents can be found in the classifieds of most motor and classic car magazines.

How do I sell at auction?

Valuations

The first step to selling through an auction house is to obtain a valuation. Auction valuations are free and can be obtained in the following ways.

- **By mail** - you can send a description and photograph by post to the auction house. The best way to find out to whom you should send your valuation request to at the auction house is to visit their website to find where they are located. Then send it to the nearest saleroom or office and then a member of their staff will contact you to discuss your options further.
- **By email** - you can email a description and an image to the auction house. To find out who you should contact go to the specialist page for classic cars on the auction house website and then send an email to the relevant specialist. If you are unsure about who to contact simply call their office first.
- **By visiting the auction house** - you can take your car or item of automobilia

to the auction house for valuation.

Although an auction house will be able to estimate the value of your car from photographs and descriptions, and this is a good starting point, a more accurate valuation requires sight of the car first hand. To find your nearest saleroom for a particular auction house checkout their website which will give you the addresses, contact details and opening hours for all their offices and salerooms. The pages also contain a list of specialist valuation days and weekly valuation days. If you are unable to attend the weekly valuation day you can telephone the office to arrange an appointment.

- **By a "house call"** - if your car cannot be taken in for valuation then the auction house may be able to arrange for a specialist to make a house call to look at your car for valuation.

What does the auction house want to know about my entry and its history?

Usually the auction house will want to know as much as possible so they can describe the entry of your car in the catalogue. Usually the history of the marque is not included unless of course it is of specific historic interest. A full description of the condition of the entry is required along with details of any interesting information which will help sell the car to potential buyers. Remember, when you are selling a classic car, it is a good idea to put yourself in the position of a buyer - what information would you want to know to help you buy the item?

Is there anything I can do to help the final sale price?

Yes. Clearly it is important that entries are shown in their best light so need to be thoroughly cleaned and prepared, including the engine bay, boot and wheels. Any cosmetic defects should be corrected where necessary. The auction houses do have staff or contractors to valet cars on site to remove delivery grime, but they cannot and will not prepare your vehicle for you. Do remember that all the paperwork, spares and anything else that is being sold with the entry must be with the car when it is delivered to the auction house so it can be viewed by any prospective buyers.

Can I set a reserve price?

Yes. However, if the entry is patently too expensive an auction house will not accept it so please ensure that the reserve price you set is the minimum price you will accept. In fact a very sensible reserve, which leads to a low estimate, will usually bring in more bidders. If you require advice on values the auction houses will be pleased to discuss this with you.

From valuation to consignment

Once the auction house has discussed your requirements with you and inspected your car, they will give you an estimate of what the car is likely to realise at auction and will advise you of the most appropriate sale for it to be entered as a lot.

When can I deliver my entry to the auction site?

You will need to arrange for your car to be delivered to the auction site during normal working hours prior to the sale (check with the auction house for these times) and do note entries are rarely accepted on the day of the sale. Usually automobilia must be delivered to the office at least a calendar month before the auction via prior arrangement with the relevant department at the auction house.

Will the auction house still accept my entry if it has been accident damaged or I owe money to a finance company?

Auction houses do not accept cars that are on the alert register as having been accident damaged or written off by an insurance company. If this information was not known at the time but subsequently comes to light then the car will be returned to you and all costs and commissions incurred will be have to be met by you. Where a financial encumbrance is outstanding you may be able to negotiate with the auction house that they settle any outstanding amount, providing the outstanding amount is less than their estimate of the likely the sale proceeds, however there will be an administration charge.

Receipt for consignment

The car you wish to sell should be delivered to the saleroom. When you have consigned your goods for sale at the auction house, their specialist will discuss your sale requirements with you and record these on a receipt and contract form. This document is your instruction to the auction house to sell. It is your contract with the auction house and your receipt for the property you have consigned. The form carries your personal reference number for that particular consignment which should be quoted in all communications concerning your sale items. This form sets out the terms and conditions

of your contract with the auction house so should be read carefully and kept for convenient reference.

Agreeing sale terms and reserve sale price

The receipt and contract form includes details of your wishes about the price at which you will be prepared to sell your car. You have several options:

- **No reserve/sell.** In this case your car will be sold for the highest bid received, with no minimum price specified.
- **Discretion.** The car will be sold at a price which is at the discretion of the auctioneer. This means you are giving permission for your goods to be sold at typically 10% – 20% below an agreed figure.
- **Agreed reserve.** Your car will normally be sold at or in excess of your agreed reserve. However, in certain circumstances, your lot may be sold at a figure below the agreed reserve, with the auction house settling with you the same amount as if the item had been sold at the agreed reserve. The auction house will treat your sale instructions with complete confidentiality; they are never discussed with anyone other than you or your authorised representatives.

Will I get a top price for my entry?

The leading auction houses usually get many genuine buyers attending their classic car auctions and, depending on the venue, often buyers from around the World too. Naturally all the main collectors, museums, institutions and dealers will be aware that your entry is for sale with an auction house by their direct mail shots, but they also advertise extensively throughout the World in all the major publications. With most auction houses the full descriptions and photographs of all their lots on their website helps a great deal so that buyers can view the items online which helps get you the best result possible. For example, H&H claim they have "set many World records for prices achieved and sell on average 80% of all the lots entered in our sales".

What happens if your car fails to sell?

You need to discuss all aspects of the fees should your car fail to sell at auction with the auction house prior to agreeing terms with them. The seller will be responsible for collecting their property from the auction house after the sale where a sale was unsuccessful. If you wish to re-offer your car for sale at a subsequent auction you can do so and should discuss this

further with the department handling your car at the auction house.

What charges can I expect if I sell through an auction house?

In brief an auction house will charge an entry fee, which includes an entry into their catalogue and in some cases an entry on their website, and a seller's commission. Both charges are subject to VAT. The charges are sometimes negotiable but typically the charges will include a minimum commission, an unsold charge and illustration charges (note that these charges are only incurred by prior agreement with you the seller). You will need to discuss and agree the charges with the auction house in advance so they are absolutely clear.

Additional Charges

These charges are only incurred by prior agreement with you the seller but may be for restoration, shipping, packing, storage, custom duties and import tax, if appropriate. Again discuss these charges with the auction house beforehand.

Advertising

All normal costs of advertising and promotions are borne by the auction house. In certain cases, the auction house or the customer may feel the need for special advertising over and above what is usual. In such cases a special plan will be devised, costed and discussed with the customer.

When you can expect payment following a successful sale?

After your car has sold successfully, you will be sent a sale result notification a few days after the auction, listing the individual lot(s) and the price realised for each item. If you wish to know the outcome on the day, you can telephone the saleroom about an hour after the end of the auction. Payment is normally made by sterling cheque between 8 and 21 days after the sale date, depending on the auction house, but this is subject to the condition that payment to you is made only upon the receipt of payment in full from the buyer for your car. Usually you will also receive a settlement statement detailing the charges which have been incurred. All relevant charges are normally deducted before your settlement cheque is prepared and dispatched. Should you request a bank transfer, any charges associated with the transfer will be at your cost.

What else do I need to know?

Guide to buying a classic MG

Vehicles are not accepted without the current logbook or V5. No payment will be made to the seller until the auction house receives the logbook or indeed any other documentation or items that have been sold with the vehicle.

New to auctions?

Two auction house guides are also very helpful: BCA Classics have a very useful nine page guide to buying and selling Vintage, Classic and Collectors' Motor Vehicles at auction from the leading auction house BCA Classics and Brightwells Classic Vehicle Auctions have a very helpful guide – the links are below:

<http://www.v8register.net/v8/subpages/buyingatauction4.htm>

<http://www.brightwells.com/Portals/9/auctionguide.pdf>

This final article in this five part series was contributed by Victor Smith with support from David Newton who provides the regular auction reports in Safety Fast!