

Online Auctions Buying Guide

INTRODUCING MCHUGH & CO ONLINE AUCTIONS

McHugh & Co 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 our Online Auctions you will first need to create an account by providing your contact details. To do this, follow these steps:

- Click View Lot List in the Auction section and click on the lot you are interested in.
- Click the blue "Bid Now" icon in the bottom right hand corner of your screen.
- Click 'Register / Log in to bid'.
- This will take you through to the Auction Passport system where you can either log into your existing account or use the green button on the left-hand side that says 'Click here to sign up for free'.
- At this stage you will only need to enter your name, email address, mobile number and password.
- Once done, an activation email will automatically be sent to your Inbox where you just need to click the verification button within and you will then be automatically presented with the next steps that you need to complete in order to bid.
- The final page will inform you that you are pending authorisation to bid.

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. Once fully registered you will be able to bid on any lot within the auction, but note that if you are the highest or winning bidder of a lot and want to bid on another lot then you will be required to register your credit or debit card for an additional bidder security deposit.

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. **Please note, registering for the legal pack is not registering to bid.**

You will be registering as the authorised bidder/purchaser. If you wish to purchase in a joint or company name, you will need to provide us with sufficient identification for this to be actioned. **We will request the contract name upon your successful bid. If you have not provided this information within 48 hours of the auction date, the contract will be signed in your bidder name.**

For limited companies, we require two forms of identification for all directors i.e. passport/drivers licence and recent utility bill (dated within last three months).

For joint purchases, we require two forms of identification for all names on the contract i.e. passport/drivers licence and recent utility bill (dated within last three months).

You will be asked to provide two separate forms of identification. We require one photographic ID and one with evidence of your address. Both must be in date and the utility bill must be dated within the last three months. A passport and driver's licence may also suffice.

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 Stripe 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. **The payment window will open five days prior to the auction.**

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 immediately after the auction (this can take several days to process depending on the card provider). For more information about this process please read the detailed explanation at the end of this document.

AML CHECK

COMPLETE AN ONLINE ANTI-MONEY LAUNDERING CHECK

We reserve the right to carry out an online anti-money laundering check on all persons wishing to bid and if successful, any directors associated with a company purchase or joint names that form part of the contract.

This check leaves a 'soft footprint' on your credit report, but should not affect your credit rating.

AUCTIONEER REVIEW

FINAL STEP – AUCTIONEER REVIEW

Once you have completed the bidder registration steps, we will review your registration to bid. We may contact you to obtain some additional information, so that we can electronically verify your identity (and the identity of any other individuals associated with the purchase) 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.

REGISTERING

REGISTERING TO BID

Registrations should be setup no later than 1pm the day before the auction. If you have registered closer to the auction date or you have not yet been approved for any reason, please contact the office on 0207 485 0112. We will be able to locate your application and approve you to bid providing we have all the relevant documentation on your account.

BIDDING

STRESS-FREE BIDDING FROM THE COMFORT OF YOUR OWN HOME

Click View Lot list on our website www.mchughandco.com and click on the lot you are interested in. The Bidding window will be shown on every lot page through the Blue "Bid Now" Icon. 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 the '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, if you are the highest bidder or if you have been outbid by an existing proxy bid. A full list of all bids is displayed on-screen at all times in the history tab.

PROXY BIDDING

Maximum (proxy) bids – Bid increase (+) to your maximum bid and click Place Bid.

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.

How proxy bids work with the reserve price

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 where the reserve price is in relation to your maximum bid, 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 at your max bid level and the system will notify you via email so 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 the maximum amount.

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

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.

BIDDING WINDOW

The bidding window opens at 7:30am 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 09:00am.
- Lot 2 is scheduled to close at 09:02am.
- Lot 3 is scheduled to close at 09:04am.
- Each lot has a two minute window. If a bid is placed at 08:59:35 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 1 minute 40 seconds later.

- This will push back lot 2 from 09:02am to close at 09:04am. 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 EXTENSIONS

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 25 seconds of the auction's scheduled end time the auction will be extended by an additional 25 seconds – known as the 'bidding extension window'.

If a bid is placed in the bidding extension window, the countdown clock will immediately reset to 25 seconds again, and the auction will only finish when an entire 25 second bidding extension window passes without any further bids being placed, i.e. 25 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.

FALL OF THE GAVEL

LEGAL POSITION WHEN YOU'VE WON THE AUCTION

We offer property for sale by immediate, unconditional contract. This 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 working days following the close of the auction but this will be confirmed within the legal documentation.

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 after the auction); the successful bidder will be asked to transfer the balance for the remainder of the 10% deposit and buyers fee within 24 hours of the auction date; the contract will then be signed on your behalf with copies being sent to both yourself and your solicitor and the seller's solicitor.

FOR MORE INFORMATION CONTACT MCHUGH & CO ON 0207 485 0112

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 £5,000 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 £5,000 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 £5,000 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.
- If you would like to place another card hold before or during the auction, click the Auction Tab on the Bid Now window, and follow the steps to add an additional card hold on your account.

FOR MORE INFORMATION CONTACT MCHUGH & CO ON 0207 485 0112

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.

REGISTRATION EXPLAINED

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 McHugh & Co's online auction.
- Tom registers his credit card – a hold on funds is placed on the card to the value of £5,000.
- The available balance to spend on the card is now £3,000.
- Tom goes out shopping and buys a new laptop for £1,500.
- The available balance on Tom's card is now only £1,500.
- 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 £6,500 once the 'release' has taken place.

Scenario 2:

Jane has a debit card for a bank account with a current balance of £5,500

- Jane registers to bid on McHugh & Co's online auction.
- Jane registers her debit card – a hold on funds is placed on Jane's bank account, to the value of £5,000.
- 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 £5,000 is immediately taken from her bank account.
- Jane remains £100 overdrawn.

REMOTE BIDDING

TRADITIONAL TELEPHONE & PROXY BIDDING

If you would prefer to bid over the telephone directly with a member of our Auction Team or wish to set up a traditional Proxy Bid, please contact our office to request a Telephone/Proxy Bidding Form. The form needs to be completed and posted to the auctioneer's office along with the required ID and cheque. The completed form will need to be with the auctioneers no later than 1pm one day prior to the auction.

IMPORTANT NOTICES

NOTICE TO ALL BIDDERS

1. Any measurements referred to in the particulars are for guidance only and do not form part of any contract.
2. All photographs and plans are published for the convenience of Purchasers only and do not form part of any contract.

3. The successful bidder is under a Binding contract as soon as the Auctioneer's electronic gavel falls on his/her Bid. The bidder/purchaser authorises McHugh & Co to sign the memorandum on their behalf.
4. Upon a successful bid, the bidder's card will be automatically debited for the bidder security amount, which is considered as a whole or contribution towards the deposit. The bidder security amount is non-refundable upon a successful bid.
5. If unsuccessful, all bidder's card security, will be released immediately after the auction. It can take up to several days for this to appear as cleared funds in your account. The refund will go through in the form of a payment reversal.
6. Prospective Purchasers are advised that sales are subject to (a) the General Conditions of Sale printed in the catalogue; (b) Special Conditions of Sale available in the legal documentation; (c) any addendums or alterations, made available for inspection.
7. **Guide Price:** An indication of a seller's minimum expectation at auction and given as a "Guide Price" or a range of "Guide Prices". This is not necessarily the figure a property will sell for and is subject to change prior to the auction. Guide prices will continually be updated on the McHugh & Co website.
8. **Reserve Price:** Each auction property will be subject to a "Reserve Price" below which the property cannot be sold at auction. Normally the "Reserve Price" will be set within the range of "Guide Prices" or no more than 10% above a single "Guide Price."
9. **BUYER'S FEE** - Each successful buyer or bidder will be required to pay the Auctioneers McHugh & Co., a non-refundable buyer's fee of £1,000 inclusive of VAT. Lots sold for less than £10,000 the buyer's fee will be £300 inclusive of VAT.
10. The seller may charge additional fees payable upon completion. If applicable, such fees are detailed within the special conditions of sale. Buyers are deemed to bid in full knowledge of this.