

CAR AUCTIONS – AVOIDING THE PITFALLS **GOING, GOING, GONE!**

Buying From A Car Auction Can Be Fraught With Difficulties Unless You Remember A Few Golden Rules. Jonathan Crouch Is Your Guide....



If you're looking to buy a used car, you'll be looking to save money. And if you're looking to do that, why not buy your car where the dealers do? At a car auction. It seems to make a lot of sense to many people – until they come to discover all the pitfalls involved. And there are many.

Mind you, it needn't be such a dangerous undertaking as long as you remember a few golden rules. In fact, you might end up finding it rather fun. You'll get a huge amount of choice – and of course, as long as you keep your bidding in check, you'll certainly save money. Where else could you find low mileage, nearly new cars, prestige cars, company cars at 2 or 3 years old, high mileage, older well used cars and even light commercials being sold on the same day at one location?

The first thing to say is that you shouldn't rush at it – either in the planning stage or on the day of the auction itself. In fact, we'd recommend that you visit three or four auctions before you actually buy, just to get used to the pace and the environment, which can seem intimidating at first. Once you feel comfortable in the auction surroundings, you are less likely to make a hasty buying decision.

To really lift the bonnet on vehicle auctions, however, you should understand how they work. Perhaps the most obvious fact is that auctioneers don't own the vehicles they sell. Vehicles are consigned for sale by the owners, (who could be a private individual, a dealer, a company, financial institution or government department for example), who complete a legally binding form (the Entry Form) which declares the vehicles age, mileage and condition. Usually a reserve value is set, which is the lowest figure the seller will accept - the auctioneers cannot sell below this value.

The vehicle is then entered for the next appropriate sale. Well respected auction houses like BCA (British Car Auctions – www.bca-europe.com) hold a wide range of sale categories, for differing types, ages or sources of vehicles. Executive and prestige cars will go in a Top Car sale, for example, while a car entered direct from the company fleet owner is eligible for the Fleet & Lease sale. Many volume sellers have their own branded sales sections, so expect to see names such as Bank of Scotland, LeasePlan, LloydsTSBautolease, Royal Mail and Lex Vehicle Leasing selling cars and commercials at places like BCA.

Then there are the other specialist auctions, such as Convertible Sales, Motorbike sales, Caravan and Campervans, and even Classic & Historic vehicles. What this means is that buyers know exactly where and when to go to find the type of vehicle they want to buy. On the sale day itself, all the vehicles will be lined up by lot order in their correct sale section ready to be sold and are displayed under cover in well-lit viewing areas. A sale catalogue is available on the morning of the sale, which buyers use to help them locate potential purchases.

Once the sale starts, vehicles are driven in lot order - one at a time! - into the auction hall. The car on sale stops in front of the rostrum and the auctioneer describes it to the crowd of buyers. It is very important to listen closely to what the auctioneer says, as his or her description is a legally binding selling statement.

Don't worry about the jargon – professional auctioneers speak in plain language. Was the mileage warranted? Was it sold with no major mechanical faults? Does the car have a MOT or a full service history? Listen to what the auctioneer says and you hear these and other points covered. The

an auctioneer will ask for a starting bid on the car and controls the bidding to reflect the interest from the auction floor. Typically, bidding is done in £100 increments, but it is not unusual for £200, £500 or even £1,000 bids on high value cars. If you are interested in a vehicle, bid clearly by raising your hand or catalogue.

If you are the top bidder, the car will be sold to you and that's when the hammer comes down. You will need a deposit at this stage - normally 10% of the vehicle's value - which you pay to the rostrum clerk. The balance can be paid at the counter in the main customer concourse - Most good auction houses accept cash (typically up to £9,000 on one transaction), Switch and Delta cards, along with Bankers drafts and Building society cheques.

If bidding did not reach the reserve value set by the seller, the vehicle will be sold provisionally to the top bidder. The auctioneers then contact the seller to see if they will accept the bid - more likely than not, the car will be sold through this 'shuttle diplomacy'!

When you settle your account, you will pay a buyer's fee on top of the purchase price. On an average purchase price of around £5,000, this equates to £200. This gives you some extra peace of mind - it guarantees you have good title to the car, meaning there is no outstanding hire purchase or credit on the vehicle, or it being a stolen vehicle or even an undeclared insurance write-off. Should such events subsequently come to light, you are fully protected by the buyer's fee.

Depending on how the car is described by the auctioneer, you have until one hour after the sale finishes to make known any faults and defects. If a car is sold on an independent engineers report, or 'with no major mechanical faults', then that is exactly how you should expect the car to be. Remember that at the fall of the hammer, the car becomes your responsibility and it is up to you as the new owner to ensure it is properly taxed, insured and road legal before being driven on the road. Most auction companies will offer vehicle delivery as an added value service.

So, as we said at the beginning, there can be problems buying at car auctions but remembering just a few golden rules can alleviate most of them. These are:

1. Do your homework:

Know what you want to buy before you come and have a good idea of what the car is worth; If you don't 'know' cars, then bring someone with you who does!

2. Don't Rush:

Arrive in good time and look around. Get a catalogue, walk the line-up and examine the stock on offer. Take time to choose the vehicle that interests you, and if possible, select a couple of 'back-ups' if you are unlucky in bidding for your first choice.

3. Check the car:

Remember that it is up to you to check the car's overall exterior visible condition - paintwork, trim, tyres - and the interior - seats and carpets, for example - prior to sale. All these factors are 'sold as seen', so take every opportunity to examine the car in the line-up prior to entering the auction hall. When the car is driven into the auction hall, follow it in and listen to the engine running.

4. Budget:

Set a limit on what you are prepared to pay. Don't go over it in the heat of the moment and remember you will have a Buyer's Fee to pay. If you are buying an older car, set aside some funds for a post-sale service and consider that you may need some minor repairs carried out.

5. Flexibility:

Don't get too possessive about a particular vehicle (see budget!) or overlook some obvious faults just because 'I like the colour'. Larger auction centres will handle in excess of 1,000 vehicles on any particular sale day, so if you miss your first choice, go and look again or walk away and come back another day.