

Deposits Terms and Procedures

1. Buyer's position with respect to the payment of the required deposit

1a Buyer's premium

A buyers' premium fee shall be set and agreed by the auctioneer at the time of sale subject to a minimum of £5000+VAT, payable by the buyer to the auctioneer. The buyer's premium is payable in addition to the sale price (hammer price) and becomes payable upon either the signing of the memorandum by the buyer and the auctioneer or by the auctioneer if empowered to do so, irrespective of whether the sales proceeds to completion or not. The buyer's premium fee is non-refundable in any circumstances.

1b the contract of sale

The contract by which the seller agrees to sell and the buyer agrees to buy the lot.

1c the deposit

The deposit is between 10 & 15% as will be agreed by the auctioneer at the time of sale subject to a minimum of £5000 which is to be paid to the auctioneer and held by the auctioneer as stakeholder on behalf of the vendors or instructing agents whichever shall apply; Unless the special conditions provide for otherwise. The auctioneer shall be entitled to pay the balance of the deposit to the sellers' solicitor at the time of the auctioneer's choosing.

1d the Sale Price

The price at which the buyer agrees to purchase the lot under the hammer which is either the successful bid at auction or the price otherwise agreed, either pre-auction or post-auction. The timing of the agreement does not vary any of these set terms at any time.

1e If unconditional sale

1. The buyer is legally obliged to purchase the property with full legal completion taking place normally within 28 days of the date of the signing of the memorandum. Unless and in circumstances where a specific varied completion date is detailed within this memorandum.
2. The buyer hereby agrees to purchase the property from the seller and the seller agrees to sell the property to the buyer at the Sale Price and to exchange contracts in accordance with the contract of Sale prepared by the seller's solicitor and the auctioneers.
3. The sales is to proceed by way of Unconditional Sale.
4. The deposit and the buyer's premium must be paid upon the signing/ agreeing the terms of the Memorandum of Sale.
5. The property is sold subject to the common auction conditions (4th edition) which are incorporated into this agreement with the consent of the RICS. Where this agreement and the common auction conditions (4th edition) conflict, this agreement always prevails.

6. The sale is subject to any special conditions and extra special conditions contained within the Legal Pack to which the buyer will raise no objection or requisitions. Where this agreement and special conditions conflict, the special conditions and extra special conditions shall prevail in any event.
7. The buyer confirms that he had the opportunity to view the Legal Pack and to obtain legal advice in relation to the same.
8. The seller and the auctioneer agree that they have had the opportunity to review this agreement and have had the opportunity to obtain advice should it be necessary.
9. Both parties understand their liabilities and confirm that they fully understand their respective rights, responsibilities, and obligations as set out here within.

2. What is the Deposit?

The deposit is the sum paid by the Buyer to the Seller on acceptance by the Auctioneer of the Buyer's bid, as a guarantee that the Buyer will proceed to completion of their purchase. If completion takes place without dispute, the sum becomes part payment of the purchase price.

At our auctions, "Or at any time throughout the auction cycle. Whether the agreement is made Prior to auction, during the auction, or Post auction". the deposit must be paid as follows: as to the bidder security, by pre -authorised bank card payment, and, as to any balance, by electronic bank transfer to our bank client account. We do not accept any other method of payment.

The deposit will be taken and held by us as stakeholder unless we expressly agree with the Seller that it is to be taken as agent for the Seller. If this is the case, it will be stated in the addendum for the Lot.

It is a pre-requisite that any deposit and/or bidder security, in whole or in part, can only be processed on completion of all AML ID Requirements and CDD to our satisfaction and in our absolute discretion.

3. Stakeholder or Agent – what does it mean?

a. If the deposit is taken as stakeholder

The stakeholder:

- . is effectively the agent of both Seller and Buyer in relation to the deposit
- . must not release the deposit until completion takes place.

If World of Auctions take the deposit as stakeholder, we will keep any interest earned during the time it or any part of it is held by us.

b. If the deposit is to be taken as agent for the Seller

The agent must:

- . act in the best interests of the Seller in relation to the deposit
- . account to the Seller for interest on the deposit
- . release the deposit to the Seller (or, if we choose, to the Seller's solicitors) after the auction without further reference to the Buyer, whether or not the Buyer completes their purchase.

A deposit taken as agent will, in effect, belong to the Seller as soon as it is paid to them although the Buyer may have a right to recover the deposit from the Seller if the Seller fails to complete.

Any dispute regarding whom the deposit belongs to must be resolved between the Seller and the Buyer.

4. **Stakeholder or Agent – which capacity applies?**

At World of Auctions, the deposit will normally be taken by us as stakeholder.

If we agree with the Seller that it is to be taken instead as agent, this will be stated in the addendum for the Lot.

If VAT is applicable to the property, the deposit will be taken as stakeholder in any event in order to avoid creating a VAT tax point on the date of contract.

5. **World of Auctions procedures where the deposit is taken as stakeholder**

- a. Where a deposit is paid to us as stakeholder we are at liberty, if we choose, to transfer all or part of it prior to completion to the Seller's solicitors for them to hold as stakeholder in our place. Sometimes, the special conditions provide that we must do this.
- b. In all such cases, that will be due to us from the seller by way of Commission upon the sale or for the avoidance of doubt. The buyer's premium. Which we may normally agree. Falls due to us, from the buyer at the time of exchange of contracts. The buyer's premium is nonrefundable in any event. Whether the contract is complete or indeed does not. we will pass the deposit on after funds clearance, net of any fees and commission that will be due to us from the Seller on completion. Any part of the deposit not so transferred will continue to be held by us in our stakeholder account pending confirmation of completion of the sale and purchase.
- c. Where we hold as stakeholder up to the completion date for the sale and purchase of the Lot, we will release the deposit to the Seller's solicitors on or very shortly after completion upon receipt from the Seller's solicitors of a letter in our standard form, confirming that completion has taken place. If completion is delayed for any reason, we will retain the deposit as stakeholder pending resolution of the delay. See below, under paragraph 4.3, for what happens to the deposit in the event of delayed completion.
- d. Where World of Auctions hold a stakeholder deposit and completion is delayed:
 - . It is not World of Auctions' responsibility to decide which party is in breach of contract, or which party has caused delay. Consequently, in any of these circumstances, we cannot decide which party is entitled to have the deposit released to them.
 - . In such cases, we will only release the deposit with the express consent and authority of both the Seller and the Buyer.
 - . If mutual consent is not forthcoming, or if there is a protracted delay in the matter being resolved, we may take legal proceedings which will involve asking the Court to hold the deposit pending a Court decision as to whom is entitled to have it. If proceedings are issued,
 - . we would usually seek costs against the party found to be in default.
 - . If Proceedings are issued by any party to the contract, The auctioneers reserve the right to claim costs and any out-of-pocket expenses from the party who is proven to be in default.

6. **World of Auctions procedures where the deposit is taken as agent**

After the auction, we will release the deposit, less all fees due to us, after 7 working days from the date on which the deposit was received in our client account (unless we have been notified by our bank of any problems in the interim).

Release of the deposit will be without further reference to the Buyer, regardless of whether or not the Buyer completes the purchase of the Lot.

7. **What happens if too much deposit has been paid?**

Occasionally, an amount in respect of deposit monies that is greater than the contractually -required deposit is paid.

Please note that, in the interests of maintaining clarity in the auction buying and selling process and for administrative ease, Palace Auctions standard policy will be followed in all cases where an amount in excess of the contractually -required deposit is received.

The policy is that any such deposit excess will be returned as soon as reasonably possible once the amount received is held in cleared funds. Funds will normally be returned by bank transfer to the account indicated by the bidder or (at our option and at our entire discretion) by bank transfer or cheque to the solicitors indicated as acting in respect of the purchase of the Lot.

© Copyright World of Auctions (London) Ltd 2024. All rights reserved to World of Auctions Limited