Cirencester Scene Article July 2026

Auctions – Traditional and "modern"

Sale by auction can be a useful method of sale for a seller particularly if there is no chain or a property is unusual or for some reason is difficult to sell.

In a traditional auction

1) The seller's solicitors would be responsible for preparing a pack containing

- The particulars of sale which include information about the seller, the price and any other payments due under the contract, a description of the property and any other terms and conditions relevant to the property.
- Copies of the title which usually nowadays consist of copies of the Land Registry record and any documents filed with the Land Registry. Where a property is not registered at the Land Registry, which happens in a few cases, copies of the "pedigree" of ownership going back at least 15 years has to be provided and consists mainly of transfers between the previous owners of the property.
- Searches which are at this stage paid for by the seller although a fee is often added to the particulars of sale to make the buyer liable for reimbursement of these costs on completion.
- Any certificates, planning consents or other documents relating to specific features of the property which a seller would normally expect to provide to a buyer.

2) The pack will be lodged with the estate agents, normally electronically, so that potential buyers can be given access to inspect it and ask any questions they want.
3) On the auction date the successful bidder automatically enters into a contract immediately the bid is accepted and 10% of the price is payable immediately. The buyer becomes responsible for insuring the property as from that date.
4) Within the time frame agreed the solicitors for seller and buyer arrange for completion.
5) The Common Auction Conditions put together by the Royal Institute of Chartered Surveyors will regulate the whole procedure.

In a modern method of auction transaction, the "platform" or middleman is often an online auction house which may or may not work with a local estate agent.

The pack is prepared essentially in the same way in advance but otherwise the transaction does have some significant differences from an auction in the traditional sense.

1) The transaction is effectively not an auction but a reservation agreement.

2) A reservation fee has to be paid within 48 hours of the auction. This is not the 10% deposit payable to the seller but a fee payable to the auction house itself.

3) Exchange of contracts with a payment of 10% deposit by the buyer takes place within an agreed time after the auction via the buyers and seller's solicitors.

4) Stamp Duty Land Tax is payable not only on the purchase price but also on the reservation fee, as it is considered for tax purposes to form part of the consideration, although it does not form part of the price on the transfer document.

5) The Common Auction Conditions do not apply, and it is important to read the small print in the auction house's terms and conditions.

6) The usual adage “buyer beware” applies to modern methods of auction to a greater extent than the traditional auction, as there are fewer safeguards to protect buyers.

For more information on auctions, reservation agreements and related topics please consult your own solicitor or feel free to contact Alison Fielden & Co on 01285 653261 or alison@alisonfielden.co.uk