



Setting Auctioneering Standards

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Five tips for first time buyers at an auction

The majority of South African consumers find auctions daunting, but by doing your homework and asking the right questions beforehand it can be a cost-effective and secure way of procuring assets for you or your business.

“It is part of our job to educate consumers about the benefits and pitfalls of auctions,” says new South African Institute of Auctioneers (SAIA) chairman John Cowing. He gives the following tips to new buyers.

1. Buy from the best

Although the South African auction industry has cleaned up its act in the past few years, there are still a few charlatans in the industry looking to take advantage off prospective buyers. Consumers need to verify whether they are buying from or selling through a reputable auctioneer. “One easy way to verify their credibility is to check whether they are a registered member of the South African Institute of Auctioneers (SAIA).

“They also need to specialise in the commodity you are interested in buying or selling. Consumers can also request a list of institutions the auctioneer is members of.”

In South Africa, online auctions are still fairly new and consumers are particularly wary of the security issues. Reputable and well-known auctioneers in the industry have a number of online safety measures in place to protect their customers from online fraud.

2. Look before you buy

The next step for potential buyers is to gather information about the item they are considering buying. Don't wait until the day of the auction before you do your research. There is a lot of excitement during an auction, which can be distracting.



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“Consumers must do their research beforehand. Try to view the item in person on the allocated viewing days. Some online auctioneers will also allow consumers to see the item beforehand,” Cowing says.

“Find out where the item comes from and why it is being sold. Do not be intimidated to ask the auctioneer questions. Full disclosure on any item up for auction is a requirement in terms of the Consumer Protection Act,” Cowing explains.

3. Take it as it is

Buyers must be aware that in most cases items are sold as “voetstoots”.

This means the property or item is sold without warranties. Buyers are solely responsible for examining and judging the property for their own protection.

It is one of the few methods of selling that is not protected by the Consumer Protection Act, and the buyer will not be able to return the item, should they find fault with it later on.

Buyers should make a 100% sure they understand what they are buying, what the condition of the asset is and whether it comes with outstanding interests and bills.

4. Read the rules

“Rules of auction are made available online and at the site on the day of the auction.

Buyers should carefully read through these rules before the auction commences,”

Cowing says.

Buyers are advised to obtain a sales catalogue and familiarise themselves with the terms and conditions.

Only bidders who register can take part in an auction and can bid. The auction house will usually need FICA documentation like an ID and proof of residence, as well as a deposit, before they agree to register the buyer.

You should especially take note of deposits, commission (if any) and balances payable to the auction house.



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5. Know where to search

Auctions take place daily and weekly. If you are interested in attending an auction, visit the SAIA website, www.auctioneering.co.za. Cowing says it is one of the best resources to find out about upcoming auctions. It also offers consumers a view of all the auctions that is taking place over South Africa.

The website is divided by industry types and geographical areas to make navigation more user-friendly. Potential buyers can register free of charge and receive weekly updates of auctions in their area, or of industries they might be interested in.

“Most auction houses also have their own websites where you can register as a buyer. Registered users receive weekly newsletters and/ or updates on auctions,” explains Cowing

Auctioneers also use auction billboards and street-pole advertisements to alert buyers of upcoming auctions. There are also a variety of regional and national newspapers that has special auction supplements, where auctioneers advertise in. They are usually published on a Friday in most national newspapers.

Should you have any auction-related complaints please direct them in writing to SAIA. Visit the webpage <http://www.auctioneering.co.za> for more information.
