Insight report

Property Auctions

May 2026

The Property Ombudsman

Contents

1. Foreword

Auction sales remain a relatively small but important part of the residential property market.

For some sellers, auctions can offer speed, certainty and a defined route to sale. For some buyers, they can provide access to opportunities that may not be available through the traditional private treaty market.

However, auction sales also involve a different level of commitment, pace and risk. Consumers may be expected to make decisions quickly, review legal information in advance, and understand contractual or financial consequences that can arise earlier than they would in a more traditional property transaction.

In 2025, we resolved over **300** complaints relating to property auctions, and **692** member businesses identified that they had some involvement in auction sales.

While auction transactions account for only a small proportion of the wider residential sales market, complaints about auction sales represented a disproportionate share of the sales cases brought to us. This suggests that, while auctions can work well when managed transparently and competently, they can also expose consumers to particular risks where the process is not clearly understood or where key information is not provided at the right time.

This report looks at the complaints we received about auction sales between January and December 2025. It explores the issues consumers commonly experienced, themes emerging from our casework, and the lessons these insights offer for auctioneers, modern method providers, consumers and the wider sector.

Whilst the report is drawn from our data, we are grateful to NAVA Propertymark for their help in producing this report's associated consumer guidance.

Lesley Horton, Chief Property Ombudsman

2. Key Insights

- **Auctions are a small share of the market but generate disproportionate dissatisfaction.** In 2025, auction sales comprised of just over 2% of UK residential sales, yet accounted for 9% of residential sales complaints (and 5% of all complaints presented to TPO).

- **Buyers often misunderstand responsibilities and roles.** Auction cases reaching an Ombudsman decision were supported 31% of the time compared to 67% for non-auction sales cases. This reflects that buyers perceive wrongdoing, often due to a lack of understanding of the process

- **The modern method of auction is a recurring driver of confusion and disputes.** It can look like private treaty, but introduces different fees, deadlines, and commitment points, increasing the likelihood of misunderstandings.

- **"Information available" isn't the same as "information understood."** Casework repeatedly shows businesses relying on legal packs/standard terms, but consumers still not grasping key implications before committing.

- **Reservation fees are a major friction point.** Disputes often relate to whether the fee is part of the price, when/if it's refundable, what happens if one party later withdraws, and how extensions to exchange/completion timescales are handled.

- **Marketing accuracy and material information are critical in a high-commitment environment.** Disclaimers don't offset misleading photos/claims or omitted material facts – especially around tenancies, rental income, conflicts of interest, mortgageability, and non-standard construction.

- **Outcomes highlight shared responsibility – but also the limits of complaints when due diligence wasn't done.** Auction cases reaching an Ombudsman decision were supported 31% of the time vs 67% for non-auction sales – reflecting the stronger "buyer beware" expectation, while still emphasising businesses' duty to communicate fairly and clearly.

- **Sellers can be disadvantaged where auction isn't the right route or isn't properly explained.** Seller issues are linked to weak fact-finds, unclear discussion of trade-offs (speed/certainty vs price), and inadequate support for consumers who may be distressed or otherwise disadvantaged.

3. Call to Action

To address the challenges in the market, we propose the following action points:

3.1 Auction Agents

- **Standardise and front-load "Key Facts":** Clearly state auction type (traditional vs conditional/MMOA), when financial and legal commitment occurs, all fees (who pays what), and what happens if the sale doesn't proceed.
- **Treat reservation fees as a regulated-risk moment:** Provide a clear written and verbal explanation of refund triggers, seller withdrawal consequences, extension handling, and finance failure scenarios before taking payment.
- **Move from "pack available" to "pack understood":** Introduce a short pre-bid/pre-reservation checklist or confirmation step that highlights genuinely high-risk items (title issues, access, tenure, restrictions, known defects, mortgageability).
- **Tighten marketing controls and conflict transparency:** Implement sign-off processes with the seller to prevent inaccurate photos/claims and ensure conflicts of interest are disclosed early and prominently.
- **Flag mortgageability risks proactively:** Where known factors may block lending (e.g., non-standard construction, missing certification), give targeted warnings to mortgage-dependent buyers before they reserve.

3.2 Consumers

- **Use and share TPO's buyer/seller guides** as the default starting point before bidding/listing – especially for first-time auction participants.
- **Ask Questions.** Don't be worried about asking questions about the process and the property. If you're unsure, remember you do not have to proceed.
- **Conduct Due Diligence:** Read the legal pack, find out about the property and ask questions before the auction – know what you are buying.

3.3 Wider Sector

- **Align consumer-facing terminology across auction models** (MMOA/conditional/reservation fee/buyer's fee) so consumers can compare processes consistently.
- **Make the "point of commitment" impossible to miss** in online and hybrid auction journeys (prominent, repeated, plain-English signposting).

4. Auction sales explained

4.1 What is an auction sale?

An auction is a method of sale in which a property is marketed for a defined period and then offered for bidding, either in person, online, or through a hybrid process. The highest bid may result in either an immediate binding commitment to purchase, or a conditional agreement subject to further steps, depending on the type of auction used.

There are two broad auction routes commonly seen in the residential market:

4.2 Traditional auction (Unconditional auction)

In a traditional or unconditional auction, a successful bid normally results in an immediate exchange of contracts. The buyer is usually required to pay a deposit at that point and complete the purchase within a set time.

This means that buyers are expected to have carried out their due diligence before bidding. If they later decide not to proceed, they may face losing their deposit or any fees paid, and in some cases could trigger further financial or legal consequences.

4.3 Conditional auction (Modern method of auction)

In a conditional auction, often referred to as the modern method of auction, a successful bidder does not usually exchange contracts immediately. Instead, they typically enter into a reservation agreement and pay a reservation fee, with an agreed period of time allowed for legal work, mortgage arrangements and progression to exchange and completion.

This route is often presented in a way that appears more familiar to consumers used to the traditional sales method. While this may make the process seem more accessible, it can also create misunderstanding where buyers or sellers do not fully appreciate how the process works, what fees are payable, when commitment arises, or what happens if the transaction does not complete.

4.4 Why auctions matter

Auction sales can offer real benefits. For sellers, they may provide a quicker route to sale and a clear timescale. For buyers, they can provide access to properties that may be unusual, in need of work, investment-led, or otherwise suited to auction.

However, these benefits also come with particular risks.

The speed of the process, the level of consumer understanding required, the role of legal packs, and the financial consequences of withdrawing can all create significant scope for disputes where expectations are not managed properly or key information is missing, unclear or poorly communicated.

The rise of the modern method of auction has seen a corresponding rise in the number of complaints in this area. Our casework suggests that this may be because the process is often marketed in a way that resembles a traditional estate agency sale, while in practice involving different obligations, costs and consequences for the consumer.

Consumers may misunderstand the significant financial obligations involved and the potential for reservation fees (which are often non-refundable) to be lost.

4.5 The role of The Property Ombudsman

The Property Ombudsman can consider complaints about both unconditional property auctions and conditional auction sales. Those who may complain include buyers, prospective buyers, sellers, prospective sellers whose property did not proceed to sale, and other consumers directly affected by the conduct of a business in relation to an auction sale.

The Property Ombudsman applies the Code of Practice for Residential Estate Agents to all sales - whether they are via auction or traditional sales method. The obligations on agents to provide clear explanations, be transparent about costs, and the provision timely disclosure of material information are the same irrespective of how you buy or sell your property.

Best practice in the auction sector is also further informed by professional standards and guidance, including those published by the Royal Institution of Chartered Surveyors (RICS). This includes the RICS professional standard Auctioneers selling real estate, which has also been adopted by NAVA Propertymark and incorporates the Common Auction Conditions.

Under these conditions, buyers are expected to take responsibility for carrying out appropriate checks before bidding. In auction transactions, this is particularly important because a buyer may become financially or legally committed at an earlier stage than in a traditional private treaty sale.

While businesses must still act fairly, provide clear information and avoid misleading consumers, not every complaint from a disappointed buyer will be upheld. Where relevant information was available before bidding and the consumer chose not to make full use of it, there may be limited grounds for redress.

The Property Ombudsman is unable to determine complaints that require a legal ruling, such as whether a contract is enforceable or how legal documents should be interpreted. Where The Property Ombudsman cannot assist, consumers may have other routes to resolving through their dispute through the Courts. In those cases, consumers may seek independent legal advice to explore their options.

5. TPO casework data

This data draws on auction-related complaints resolved by The Property Ombudsman between January and December 2025.

5.1 Auction complaints in context

In 2025, The Property Ombudsman resolved over 300 complaints relating to auction sales. Auction complaints accounted for:

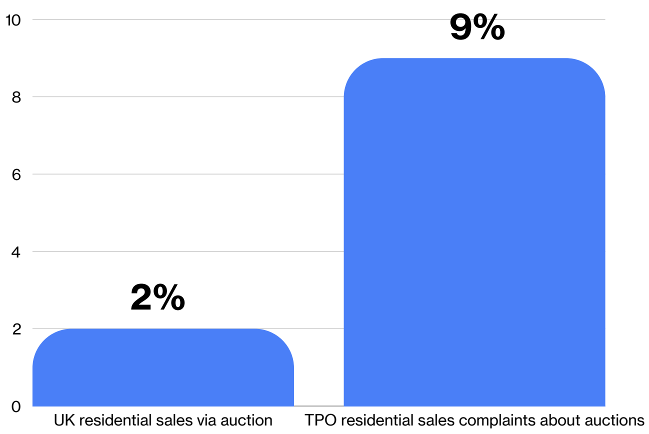
- 5% of all complaints received by The Property Ombudsman
- 9% of all residential sales complaints.

This is notable when set against the wider market.

In 2025, just over 2% of all UK residential property sales were conducted via auction. However, nearly 9% of the residential sales complaints received by The Property Ombudsman related to auction transactions.

This indicates that currently auction sales, while representing a relatively small share of the market, generate a disproportionately high level of consumer dissatisfaction.

Auction sales generate a disproportionate level of complaints



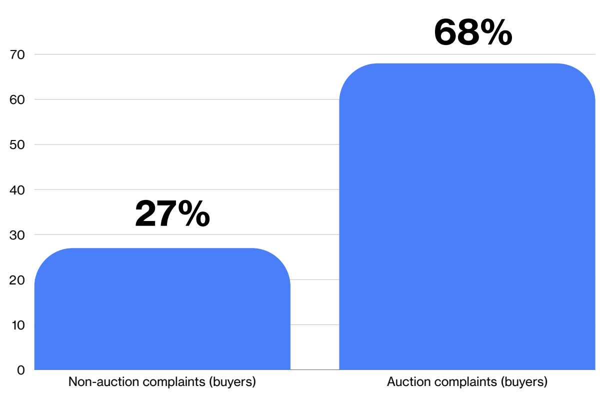
5.2 Buyers and Sellers: Who is more likely to complain?

Buyers and prospective buyers were significantly more likely than sellers to bring complaints about auction sales.

Of the auction-related residential sales cases received by The Property Ombudsman in 2025, 68% were brought by buyers or prospective buyers. This contrasts with the wider property sales related caseload, where seller complaints form a much larger share (73%).

The data suggests that the auction process may expose buyers to a greater concentration of risk, particularly where they are unfamiliar with the process or where key information is not made sufficiently clear before commitment.

Buyers are significantly more likely to complain

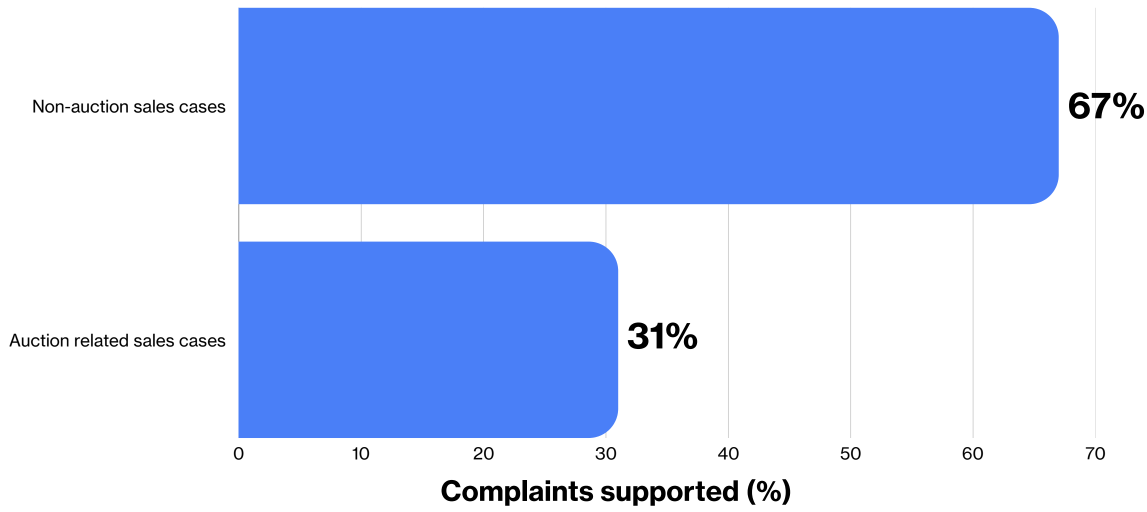


5.3 Outcomes

Auction complaints were significantly less likely to be supported than non-auction residential sales complaints.

Of the auction-related residential sales cases that proceeded to a full Ombudsman decision in 2025 31% were decided in favour of the consumer, by comparison, among non-auction residential sales cases 67% were decided in favour of the consumer.

Ombudsman decisions: auction vs non-auction sales complaints



This likely reflects wider consumer misunderstanding of the auction process and their responsibilities. We find that consumers may be dissatisfied with the outcome of the auction process, and perceive this as a shortcoming on the part of the agent.

There are significant expectations on buyers in the auction process. For example, buyers are expected to review the legal pack, property information and auction conditions before bidding, and a successful bid may create immediate legal or financial consequences. Often, buyers have a relatively short time to make decisions and conduct due diligence, which increases pressure on them to take action.

There are opportunities for the property professionals involved in auction transactions to lessen consumer dissatisfaction through clearer communication, better explanation of the auction process and associated risks, and more accessible presentation of key information before consumers commit financially.

6. Lessons from Casework

The complaints brought to The Property Ombudsman about auction sales in 2025 point to a number of recurring issues. While the facts of each case vary, our casework suggests that many complaints arise not from a single isolated error, but from a combination of unclear communication, weak process controls, and a lack of consumer understanding about how auction sales work in practice.

Several themes emerged repeatedly across both Traditional auctions and the MMOA. In many cases, these issues were avoidable (case studies are included in the appendix).

6.1 Understanding the auction route

A recurring theme in our casework is that consumers, particularly buyers, often do not fully understand the auction process.

In traditional auctions, the legal and financial consequences of a successful bid are immediate and significant. Buyers are expected to have completed their due diligence before bidding and may lose their deposit if they do not proceed.

In the MMOA, the point of legal commitment is different, but the financial consequences can still be substantial. Buyers may be required to pay a significant reservation fee before they have fully appreciated the implications of the process, the property itself, or the circumstances in which the fee may or may not be refundable.

Our casework suggests that some consumers approach auction transactions with expectations shaped by the traditional private treaty market, particularly where the process is marketed in a more accessible or familiar way. This can lead to misunderstanding about timelines, commitment, fees, due diligence responsibilities, and the extent to which a transaction remains conditional.

Auctioneers and agents should not assume that consumers understand the differences between auction and traditional sales routes simply because standard terms and conditions have been made available.

6.2 Clear information is not the same as available information

A number of complaints arose in circumstances where businesses relied on the fact that information had been made available to the consumer, for example through a legal pack, reservation agreement, sales particulars or standard warnings.

Our casework indicates that information being available does not necessarily mean it has been communicated clearly enough to support informed consumer decisionmaking by sellers and buyers.

The obligation to act fairly and provide material information is not satisfied solely by making documents accessible somewhere within the process. Information must be presented in a way that consumers can reasonably understand and act upon before they commit financially or legally.

Where businesses are aware that a consumer is unfamiliar with auction sales, in a vulnerable position, or may not reasonably understand technical or specialist terminology, greater care is required. This may include using clearer language, drawing attention to key risks or deadlines, or encouraging the consumer to seek independent professional advice before proceeding.

6.3 Material information and marketing accuracy are critical

A number of complaints involved inaccurate, incomplete or misleading information in auction marketing.

The speed and commitment involved in auction sales mean that poor marketing information can have particularly serious consequences. Buyers may make decisions quickly and incur financial loss before they have an opportunity to revisit assumptions or withdraw without cost.

Disclaimers and due diligence warnings do not remove the need for accurate and fair marketing. Businesses must take reasonable steps to ensure that sales particulars are correct, up to date, and not misleading. Where a property has features that are likely to affect finance, value, use, or suitability, these should be made sufficiently clear at the outset.

6.4 Buyers still carry due diligence responsibilities – but businesses must support this properly

Auction purchases involve a greater degree of buyer responsibility than many consumers may expect.

In both traditional and conditional auction sales, buyers are generally expected to inspect the property, review the legal documentation, seek professional advice where appropriate, and ensure they understand the implications of proceeding before they bid or reserve.

Due diligence is a shared responsibility of auction sales, but businesses still have an important role in helping consumers navigate the process fairly and transparently.

6.5 Reservation fee disputes remain a significant area of complaint

Complaints about reservation fees were a prominent feature of our auction casework in 2025, particularly in relation to the MMOA.

These complaints often arose where buyers believed:

- the fee would be applied towards the purchase price
- the fee would be refundable if the transaction did not proceed
- the fee had been described or handled inconsistently
- the seller, rather than the buyer, had caused the transaction to fail
- the practical consequences of withdrawal had not been clearly explained

Our casework indicates that even where reservation agreements are clear, complaints may still arise if the surrounding communication is not. This is particularly important where substantial sums are being paid by consumers who are not professional investors and may be unfamiliar with the auction process.

6.6 Sellers also need clear advice about whether auction is the right route

Although buyer complaints make up the majority of auction-related cases, our casework also shows that sellers can experience poor outcomes where the auction route is recommended or managed without sufficient advice, explanation or support.

This can arise where:

- sellers are not properly advised on the differences between auction and traditional private treaty sales
- guide prices are not clearly explained
- the likely trade-off between speed, certainty and sale price is not discussed
- sellers are vulnerable, distressed, inexperienced or reliant on professional guidance
- businesses do not take adequate steps to understand the seller's objectives before instruction

Auction sales can be entirely appropriate in many circumstances. However, our casework indicates that they should not be treated as a one-size-fits-all route. Where a seller may need additional support or may not fully understand the implications of the process, businesses should ensure this is identified, documented and appropriate action is taken at the outset.

7. Recommendations

Auction sales can work well for both buyers and sellers when the process is transparent, well-managed and properly understood.

However, our casework also shows that avoidable complaints continue to arise where businesses rely too heavily on generic disclaimers, fail to explain key risks clearly, or - where communicating directly with consumers - do not adapt their communication to the consumer's level of understanding.

The following recommendations for auction providers are intended to support better outcomes for consumers, enhance professional standards and reduce the likelihood of complaints across the auction sector.

7.1 Recommendations for auction providers

- **Explain the auction route clearly and early**

Consumers should be told, at the earliest practical stage, what type of auction process is being used and how it differs from a traditional private treaty sale.

This explanation should not be limited to legal terms or auction conditions.

It should be set out in plain language and should make clear:

- whether the sale is unconditional or conditional
- when financial commitment arises
- when legal commitment arises
- what fees are payable and to whom
- what happens if the transaction does not proceed
- what the buyer and seller are expected to do before commitment

Our casework indicates that many complaints arise because consumers proceed on the basis of assumptions that do not reflect the actual auction process being used.

- **Treat reservation fees as a high-risk consumer issue**

Reservation fees remain one of the main areas of consumer dissatisfaction in auction sales, particularly in the MMOA.

Where a reservation fee is payable, businesses should ensure that buyers are given a clear written and verbal explanation of:

- the amount payable
- whether the fee forms part of the purchase price
- whether the fee is refundable in any circumstances
- what happens if the seller withdraws
- what happens if the buyer cannot secure finance
- what happens if the transaction is delayed beyond the reservation period
- how and when any extension to the reservation period will be agreed and recorded

Where reservation periods are extended, this should always be confirmed in writing.

Businesses should also ensure that sellers understand the implications of withdrawing from the sale during the reservation period, including the potential consequences for fee entitlement and complaint risk.

- **Do not rely on "documents being available" as a substitute for clear communication**

Making information available in a legal pack, online portal, reservation agreement or auction catalogue is not, by itself, always sufficient to avoid consumer dissatisfaction.

Where practical, businesses should take reasonable steps to ensure that key material information is brought to the consumer's attention before they commit financially or legally.

This is particularly important where the property has features likely to affect:

- mortgageability
- insurability
- value
- use or access
- affordability
- legal risk
- resale potential

Terms such as "non-standard construction", "cash buyers only", "subject to licence", or "tenanted investment opportunity" may carry significant implications for consumers who are not professional investors or experienced auction buyers.

Where businesses are communicating directly with consumers and are aware that a buyer is relying on mortgage funding, they should take particular care to ensure that relevant risks are explained as clearly as possible.

- **Marketing material should be clear and accessible**

Businesses should ensure that sales particulars, photographs, rental information and promotional statements are accurate, current, and not misleading by omission or presentation.

Special care should be taken where a property is marketed as:

- an investment opportunity
- suitable for mortgage buyers
- income-generating
- development-ready
- suitable for a particular use or purpose

Where there is uncertainty about a material fact, this should be made clear rather than implied or overstated. Disclaimers and due diligence warnings do not remove the obligation to comply with consumer protection requirements.

- **Respond promptly and constructively to requests for key information**

Auction buyers are expected to carry out due diligence before committing. A consumer's inability to fully understand key documentation does not necessarily mean they should not proceed, but where there are clear indications that a buyer is confused, inexperienced or asking for help, businesses should respond constructively and helpfully.

- **Take greater care where consumers may be inexperienced, distressed or otherwise at a disadvantage**

Auction sales can involve pressure, urgency and unfamiliar terminology. Some consumers may need additional explanation or support in order to engage fully and fairly with the process.

This may be particularly relevant where a consumer:

- is unfamiliar with buying or selling property
- is relying heavily on the businesses advice
- appears uncertain about key aspects of the process
- is under time pressure
- is distressed or bereaved
- may have communication or comprehension needs

Businesses should take reasonable steps to identify where a consumer may require more tailored advice and support, keeping a clear record of the advice and information provided.

- **Ensure sellers are properly advised on whether auction is the right route**

Auction should not be treated as a default or interchangeable route to market.

Before recommending a sale via auction, businesses should take reasonable steps to understand the seller's priorities and explain the likely implications of using an auction route.

These steps should include considering:

- the seller's circumstances
- likely buyer audience
- likely pricing strategy
- speed of sale
- level of certainty
- risk of a lower price than might be achieved through another route
- any relevant fee or contractual implications

This is particularly important where a seller may be vulnerable, distressed, inexperienced, or heavily reliant on professional guidance. Businesses should be able to evidence that the seller understood why auction was being recommended and how it aligned with their priorities based on their circumstances.

- **Improve complaint handling and record keeping**

Many complaints escalate unnecessarily because businesses do not respond promptly, clearly or constructively when concerns are raised. Clear written records of advice, warnings, requests for documentation, reservation fee discussions, and any agreed extensions or variations can significantly reduce dispute risk.

7.2 Considerations for the wider sector

The complaints seen by The Property Ombudsman suggest that some issues in auction sales are not simply isolated service failings, but rather reflect broader challenges in how auction routes are presented and understood.

- **Greater consistency in consumer-facing language would be beneficial**

Consumers are not always well served by inconsistent terminology across auction models, platforms and providers.

Terms such as “Modern Method of Auction”, “conditional auction”, “reservation agreement”, “buyer’s fee”, and “auction pack” may be used frequently within the sector, but they are not always well understood by ordinary consumers.

There would be benefit in greater consistency and clarity in how auction processes are described, particularly where the route is being marketed to mainstream residential consumers rather than professional investors or experienced auction buyers.

- **The point of commitment should be more clearly signposted**

Our casework indicates that a significant proportion of complaints arise because consumers do not fully understand when financial or legal commitment begins.

The sector should consider whether current consumer-facing information and pre-commitment warnings are sufficiently prominent, accessible and understandable, particularly in online and hybrid auction environments.

- **Consumer protection obligations should remain central to auction practice**

Auction sales are not exempt from the standards of fairness, transparency and accuracy expected elsewhere in the property market.

As auction routes continue to evolve and become more accessible to a wider consumer base, it is important that consumer protection obligations remain central to businesses marketing, communication and process design.

8. Consumer Guidance

Traditionally, property auctions have been a relatively niche part of the residential market, often focused on experienced participants such as investors, developers or buyers seeking renovation or resale opportunities.

By contrast, much of the consumer protection framework and industry best practice that has developed over time has been shaped around the traditional private treaty market, where the average consumer typically engages.

As auction sales have become more widespread, particularly through the growth of conditional models such as the MMOA, the profile of consumers entering this space has broadened significantly. Many buyers and sellers using auction services today are not professional investors.

This shift highlights the importance of ensuring that guidance and professional standards continue to evolve, so that long-standing principles such as caveat emptor are applied in a way that remains fair and appropriate for today's consumer market.

Many of the complaints seen by The Property Ombudsman could have been avoided if consumers had a clearer understanding of the auction process before proceeding.

To support this, The Property Ombudsman has published accompanying guidance for:

- consumers buying a property at auction
- consumers selling a property at auction

These guides are intended to help consumers better understand:

- the difference between conditional and unconditional auctions
- the key stages of the process
- what checks to carry out before bidding or listing
- the role of reservation fees and deposits
- common risks and practical steps to reduce them

TPO businesses are encouraged to share these guides with their clients.

The Property Ombudsman recognises that auction sales can offer a legitimate and effective route to market. It remains the case that they require a level of preparation and understanding that may differ significantly from a standard estate agency sale.

The Property Ombudsman will continue to monitor complaints in this area and use our casework to identify emerging risks, support learning across the sector, and help improve outcomes for consumers buying and selling property at auction.

The Property Ombudsman
May 2026

Appendix

Case studies

Case study one

Case type: Modern Method of Auction – misleading marketing

What happened
The complainant agreed to purchase a property, marketed as an investment opportunity with rental income, through the Modern Method of Auction. The complainant paid a reservation fee and administration charges. During the transaction, the complainant discovered serious discrepancies between the advertised information and the reality of the property. As a result, he withdrew from the purchase.

What the consumer said
The complainant stated that the photographs used did not reflect the true condition of the property and that details of the rental income and the nature of the contract with the tenants had been incorrect.

The complainant argued that, had the information provided been accurate and not misleading, he would not have agreed to proceed or paid the reservation fee and associated charges.

What the auction provider said
The auction provider said that disclaimers were included within their marketing and auction documentation and that buyers were responsible for carrying out their own due diligence before proceeding. They stated that the reservation agreement, legal pack, and terms and conditions had been made available to the complainant before the transaction progressed.

What we found
The Ombudsman found that the auction provider, which had an undisclosed connection to the seller, marketed the property in a way that was misleading. The wider transaction information, including the legal documentation made available to the complainant, did not resolve or correct these inconsistencies before the complainant committed to the purchase process.
The Ombudsman concluded that this information was material to the buyer's decision to proceed. Had the property been presented accurately and transparently, the complainant would have been able to make a properly informed decision before agreeing to the transaction.

Outcome / remedy
The complaint was supported. The Ombudsman directed the auction provider to refund £8,400 to the complainant, representing the financial loss arising from the misleading marketing which led the complainant to proceed with the transaction and pay the associated fees.

Main learning point
Auction providers must ensure that marketing information is clear, accurate and not misleading, including photographs, rental income details and other material information.

Disclaimers and buyer due diligence obligations do not remove the requirement to present material information fairly and transparently. Where there is a connection between the seller and the business instructed to market the property, this relationship should be disclosed.

Case Study two

Case type: Traditional auction – structural defects identified after auction

What happened

The complainant successfully purchased a property at a traditional auction and paid the contractual deposit following the fall of the hammer. After bringing in her builder, significant issues with the roof were identified. The complainant wanted to reverse the purchase and receive all her money back.

What the consumer said

The complainant said the roof defects had not been disclosed before the auction and believed the auctioneer should have identified or highlighted the issues before the property was marketed. They argued that, had they been aware of the extent of the defects, they would not have proceeded with the purchase.

What the auctioneer said

The auctioneer said that the auction pack and supporting property information had been made available before the auction and that buyers were expected to carry out their own due diligence prior to bidding. They stated that they had not been aware of any structural defects affecting the property and that identifying issues of this nature would fall within the role of a surveyor rather than an auctioneer.

What we found

The Ombudsman recognised the complainant's frustration on discovering the extent of the roof defects after the auction had concluded. However, auction purchases involve a high level of buyer responsibility and buyers are expected to carry out appropriate due diligence before bidding.

The Ombudsman found that the auctioneer had made the auction pack and supporting information available before the auction and they had recommended physical checks such as viewings and condition surveys be done prior to bidding.

The Ombudsman also considered that identifying structural issues of this nature was not within the auctioneer's remit and required professional support. The Ombudsman was not persuaded that the member had acted unfairly or in breach of the Code.

Outcome / remedy

The complaint was not supported. The Ombudsman did not direct any compensation payment.

Learning point

Traditional auction purchases involve significant legal and financial commitment from the point a bid is accepted. Buyers should ensure they have reviewed the available legal and property information carefully and, where appropriate, obtained professional advice before bidding.

Case Study three

Case type: Traditional auction - Valuation advice, vulnerability and duty of care

What happened

The complainant had owned the property for over 40 years and was selling under difficult circumstances. He was approached by an agent who recommended a sale by auction. An auction was scheduled, with a guide price set below comparable market sales. A short time after a sale had taken place, the buyer sold the property on for a considerably higher sum.

What the consumer said
The complainant said that the agent did not take adequate steps to understand his circumstances or to advise him properly about the implications of selling under auction conditions. He said that, given his circumstances at the time, he would have benefited from clearer advice and additional support. He believed that the agent's approach resulted in him accepting an offer that was significantly below the property's potential value.

What the agent said
The agent said that the complainant agreed to proceed with the auction sale and confirmed an acceptable selling price before the offer was accepted. They stated that auction guide prices are typically set below market value to generate interest and that the complainant was not pressured into accepting the offer.

What we found
Given the complainant's personal circumstances at the time of sale, the Ombudsman was also not satisfied that the agent adequately explained the full implications of selling under auction conditions, including the likelihood that the guide price could be lower than market value.

The Ombudsman concluded that a higher resale price achieved shortly after an auction sale was not, of itself, evidence of wrongdoing. There was no indication that the agent deliberately undervalued the property or improperly influenced the complainant. However, the lack of clear advice, documentation and explanation contributed to the complainant's sense that he had been disadvantaged.

Outcome / remedy
The complaint was supported in part. The Ombudsman did not direct reimbursement of the agent's fees, as the agent had arranged the sale and the contractual entitlement to the fee remained valid.

However, the Ombudsman agreed that the complainant was in a vulnerable position and found that shortcomings in the agent's service had caused avoidable distress and undermined the complainant's confidence in the fairness of the transaction.

The agent was directed to pay £500 compensation to reflect the aggravation, distress and inconvenience caused.

(Continued on next page)

Learning point
When selling property at auction, agents must ensure they understand and document a seller's circumstances, priorities and capacity to engage with the process. This is particularly important where a seller may be distressed, unfamiliar with auction sales, or heavily reliant on professional advice.

Auction sales can offer speed and certainty, but they do not guarantee the highest price. Failure to explain this clearly, or to evidence how pricing and sale methods align with a seller's needs, can lead to avoidable distress and dissatisfaction.