

Re Motor vehicle auctioneers. - Buyers Premiums.

I believe the buyers premiums charged by auctioneers are misleading both to buyers and sellers.

I believe that the bid price at auction should include any buyers premium. To add a buyers premium after the sale price is a misleading way of making the purchase price appear lower. Some auction houses even sell exclusive of GST plus a buyers premium. At a recent truck auction trucks were sold exclusive of GST plus 10 per cent buyers premium. A truck that is sold for 100000.00 bid price has an invoice price of \$121000.00

From a sellers perspective it is also misleading. A vendor may think his truck is being sold free of charge or for a low selling fee. This is not the case as the auctioneer receives the invoice price which includes the buyers premium and the vendor receives the bid price less their selling fee. I believe this is misleading as the invoice price is the total realised price for the vendors goods therefore the real selling fee is the difference between the invoiced price and the vendors proceeds.

How can this practice be allowed to continue it is designed to be misleading?

Regards
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