

RICS Practice Alert – Real estate auction sales

Issued April 2025

RICS is issuing this Practice Alert as a reminder of the regulatory requirements for members engaging in real estate auction services under the provisions of RICS' [Auctioneers selling real estate](#), professional standard.

Real estate auction services

Following the recent publication of RICS' new [Property agency and management principles](#) professional standard, RICS wishes to remind members and firms who provide real estate auction services the provisions of RICS' [Auctioneers selling real estate](#), professional standard. This standard is being reviewed in light of the stronger consumer protections being introduced by the [Digital Markets, Competition and Consumers Act 2024](#), and this Practice Alert clarifies RICS' expectations about transparency and fairness for consumers.

Auctions enable the sale of property assets efficiently and have become increasingly accessible to sellers and buyers due to the shift to online platforms. This transition has seen an increase in auction platforms. However, with a mix of novice buyers and new auction services, transparency and regulation are crucial for maintaining trust in this growing market.

Why we are issuing this alert

RICS plays a key role in promoting professionalism and transparency in property auctions. We are aware that concerns have been raised with regards to setting accurate guide figures.

Guide figures influence the decisions that potential buyers make and their willingness to carry out due diligence and to bid. A guide generally reflects the seller's minimum acceptable price, often tied to the reserve, below which the property cannot be sold.

However, problems arise when auctioneers act on the suggestion of the seller and set guides at a price level that the owners will not accept in order to attract (also known as 'bait') bidders. This is misleading potential buyers into expecting an unattainable deal. While auction results can sometimes exceed expectations, particularly in unique situations, guides should never be systematically set below the seller's minimum acceptable price to manipulate bidder expectations.

Guide figures must reflect the anticipated reserve at the time the guide is published.

Key points you need to be aware of:

1. RICS members and RICS-regulated firms need to be familiar with the statutory regulations that protect buyers.
 - a. You need to understand your obligations under the *Estate Agents Act 1979*, which mandates that an auctioneer needs to disclose any personal interest in a property and/or whether they or anyone related to them have an interest in the property.
 - b. You must adhere to the [Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017](#), which require registration with HMRC, and must follow the current edition of RICS' [Client money handling](#).
 - c. You need to understand your obligations under [The Consumer Protection from Unfair Trading Regulations 2008](#) and [The Business Protection from Misleading Marketing Regulations 2008](#), which prevent any misleading practices such as 'bait advertising', a technique where an unrealistically low guide is advertised to draw in buyers without the intention of selling at that price. You should also be familiar with the guidance published by the National Trading Standards Estate and Letting Agency Team on [material information](#).
 - d. You need to be aware of the [Sale of Land by Auction Act 1867](#) and the [Fraud Act 2006](#) where a conspiracy between an auctioneer and a vendor to trick a buyer into paying a higher price could incur a term of imprisonment of up to 10 years.
2. RICS considers that failing to ensure that all fees are clearly outlined in the seller's special conditions of sale or in the sale particulars, so that buyers can calculate the full purchase cost upfront, is likely to be misleading. This includes costs such as buyer's premiums, administration fees, and any contributions to legal fees or other premiums stipulated by the seller. We consider that using words instead of numbers (1,2,3) could be an attempt to conceal.
3. You are responsible for accurately reporting auction results. RICS considers that failing to declare that a property does not meet the reserve or is 'bought in' or declaring such a property as sold or withdrawn is also likely to be misleading. For conditional sales, all sale terms must be met and the final sale price recorded before marking the property as sold.

Further information

For further reading see the [RICS Property auctions consumer guide](#), published in June 2024.

If you have concerns about the practice of an RICS member or RICS-regulated firm, please raise this with RICS by submitting your concerns to complaints@rics.org or [Report concerns about a RICS member or RICS-regulated firm](#).

Good practice reminder: RICS members have a professional duty to promptly disclose the details of any regulated member that you reasonably believe may have breached RICS Rules or professional standards. The duty to speak up is an important part of the profession's 'moral compass'. Think of it as protecting the reputation of your profession by helping RICS to uphold the public interest. Please email concerns to complaints@rics.org.