

Unpaid Invoices --- NO SHOW or No Sale?

Please keep for future reference

NO SHOW Invoices = bidder failure to honor bids --- When the reason for an unpaid invoice is the fault of the bidder, the invoice should be processed as a NO SHOW. Bidders lose their bidding privileges for NO SHOW invoices.

Common NO SHOW reasons, the bidder:

- failed to show up on removal day or the agreed upon alternate removal day.
- refused to take possession of the asset at the removal. IMPORTANT: The lot description and picture must accurately reflect the asset to be considered a NO SHOW.
- didn't realize auction location/low value item not worth picking up.
- claims he didn't place bid
- shipping is too expensive/didn't realize shipping wasn't available on the asset.

No Sale Invoices = issue with the asset --- The asset, as described, is unavailable to the winning bidder at the removal. No Sale invoices should be infrequent. No Sale invoices typically indicate the affiliate has an issue they need to address to prevent future No Sale invoices. The exception being assets damaged after the invoices were generated. Below are reasons for processing an invoice as a No Sale.

Damaged Assets – the only time an asset will be a No Sale due to damage is if the asset sustained damage after the auction closes. If an asset is discovered to be damaged during the course of the auction, the affiliate needs to contact K-BID immediately and request to have the item halted.

Misrepresented – the description/picture of a lot doesn't represent the asset accurately. Either the seller or the affiliate failed to fully disclose material facts about the asset. Affiliates are ultimately responsible for the accuracy of lot descriptions and pictures. Mistakes will happen, but if misrepresentation is a regular occurrence, the affiliate obviously needs to make the full disclosure clause in their consignment agreement much more prominent --- and consider charging the seller a fee for every asset that fails to sell because it was inaccurately described.

Reserve Lowered – The reserve was lowered after the winning bidder placed their bid. If this is a regular occurrence, the reserves are clearly being set above the “absolutely can't sell for less” amount. Affiliates need to spend time educating their sellers on the risks associated with reserves. Sellers need to understand if their reserve is set too high and it's lowered after the last bid is placed, the winning bidder is in control of whether the asset sells or not. There is no penalty for bidders who become winning bidders by default.

Other – the only time an affiliate should process an invoice as No Sale - Other is when something unusual occurs such as:

- Theft – affiliate needs to identify/resolve the weaknesses in their security system.
- Seller fails to honor contract – refuses to sell for high bid price (contact K-BID ASAP) – Seller will be prohibited from selling on K-BID.com in the future.
- Affiliate error at removal resulting in the wrong bidder taking an asset. Develop a system to double check assets against the invoice.