



**Around three out of four customers successfully reclaim their jewellery...but some do not. What happens then?**

We always allow a generous grace period after the contract redemption date has passed and send a reminder letter to the address on the loan agreement. Not everyone reclaims their items, however, so ultimately we do face the prospect of having to sell those clients' property to recover our loan, interest and costs. **This is the last thing we want to happen.**

Please ask us if you are struggling to repay your loan; we may be able to help you. We don't judge anyone and want to prove ourselves a fair, family business.

**If there is no reasonable alternative we have to sell unredeemed items.**

First, your items will be assessed by our highly qualified jewellers, headed by NAG Registered Valuers and a dedicated watch team. We will determine how best to realise maximum value for your property and then carry out any reasonable / cost-effective repairs, restoration, modifications etc.

**In over 99% of cases the highest value will be achieved for you if we sell such unredeemed pledges by private treaty.** This means that we sell your property on your behalf, usually to retail customers through a Miltons store on the high street.

In only a *very small* number of cases is a better result likely to be obtained for clients if we sell their item(s) through a public auction.

**Pawnbrokers can charge reasonable costs incurred in the sale of pledged items.**

This is because it is an accepted fact that the process of selling things itself costs money. If you think of internet auction sites, magazine advertisements, public auctions, house sales and so on, there is always a cost faced by the seller. For our part, in selling things we have to cover the expert assessment and any refurbishment, repair, remodelling etc of each individual item, documentation, boxes & wrapping, advertising, warranties and after-sales service, insurance, a proportion of the shop rents and costs, our management and sales staff wages, utilities, telephones, regulators' fees, compliance costs and so on.

Auctions are the main alternative to sales by private treaty, so their charges provide a useful comparison. We conducted a survey of eight UK auction houses in May 2015\* and found that on average **over 40.6%** in fees etc was deducted by the auction house from the total actually paid, leaving less than 60% for the seller.

Remember that auction sales generally do not realise as much for you as sale by private treaty, that auction houses sell items "*as is*" rather than having them restored and repaired as we would, and that they provide no warranty to buyers. It is clear how expensive even the most *basic* process of selling can be.

Very few pawnbrokers publish in advance the level of costs incurred if they have to sell unredeemed pledges. In the interests of fairness to customers, Miltons has for many years displayed the costs of sale on the walls of its pawnbroking offices.

**We charge 28% of the actual selling price for all items sold by private treaty.** Selling this way generally realises a *higher* value for you, but involves significantly greater work on our part than an auctioneer has to put in, so we think the comparison is very favourable. Please remember: this figure reflects our costs of sale, not profit.

In those *very few* cases where we expect sale by auction to be better for you, there remains significant work required of us. Not only will our experts have had to carry out additional research in the best route to market for your item, but we will still carry out any reasonable repairs / refurbishment to make it/them as saleable as possible, arrange secure delivery to the auction house and deal with all correspondence / administration that is part of the auction process, as well as bear those costs which are common to sales of *all* unredeemed pledges.

**In those very few instances where items are sold by auction, we will limit to 28% the *combined* costs of the auction house fees and our own costs, taken from the hammer price (which excludes buyer's commission).**

These costs will be deducted *before* calculating any deficit or surplus on your loan agreement, and will be shown on your Notice of Sale. **You will not have to repay any deficit which arises, but any surplus will be repayable to you.** Keep your pawn contract safe, *even if you don't come back for your property*, as you may need it to claim some surplus funds in future.

In the three years to the end of April 2015, the four shops comprising Miltons (Liverpool) Ltd, M.S.Milton Ltd and S.S.Milton Ltd generated **over £150,000 in surplus amounts payable to pawnbroking customers whose items had sold.**



\* Miltons survey of auction fees published on proprietary websites or obtained by telephone enquiry on 19<sup>th</sup> – 20<sup>th</sup> May 2015 from Sotheby's, Fellows & Sons, Bonhams, Phillips, Lyon & Turnbull, Dreweatts, Adam Partridge and Tennents, for items selling at hammer price of £1,000. Fees included buyer's and seller's commission, indemnity, advertising / illustration and VAT.