TLDR: Collateralization is not only wasteful, but can lead to costly signaling, entry deterrence and inefficiency when used in an auction where private bids are secured by publicly observable collateral.

Here is the paper:

arXiv.org

On-Chain Auctions with Deposits

Second-price auctions with deposits are frequently used in blockchain environments. An auction takes place on-chain: bidders deposit an amount that fully covers their bid in a smart contract. The deposit is used as insurance against bidders not...