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Think twice before you sell your gold jewelry

TODAY finds widely varying results when selling identical pieces to dealers



By Janice Lieberman TODAY consumer correspondent

TODAY

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In these tough financial times, the price of gold is hitting all-time highs. It is at these economic crossroads that people often sell their little-used valuable jewelry to help pay the bills.

TODAY wondered what would happen if we asked someone to take gold jewelry of the same value — 21 grams of 14-karat gold — to a number of different buyers to find out what they would offer for it. The results varied dramatically.

The ads are everywhere. And the offers are so appealing, promising lots of cash for your unwanted jewelry. It's no surprise that selling your gold is very tempting.

It was for Patricia Count.

"I needed some extra cash," Count says. But now she's infuriated. "I can't believe that I even did this, that I even fell for this scam — that's what I considered it to be."

What's it worth?

The saga began when Count saw an ad on TV and packed up the gold jewelry she never wore. "I came up with two necklaces, a pair of earrings and three gold charms."

She mailed it in, hoping for at least \$100. "I got the check back in the mail. It was for \$26 and change."

Count was frustrated and confused. In reality, she had no clue of the gold's real value. Did she get low-balled, or was it a fair price?

According to gem expert Donald A. Palmieri: "Most people do not know what their gold is worth."

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TODAY wondered what would happen if we took gold of the same weight and karat and mailed it in to a variety of companies. How much **money** would we receive in the initial offer?

The results and the vast disparity are shocking. Palmieri lent us gold packages of the same value. He used a high-tech device to measure just over 21 grams of 14-karat gold.

“The gold that we lent you is worth about \$450,” he says.

Wide price range

TODAY tested 10 different companies. After mailing in our gold, we waited to see what offer came back. Since the gold market fluctuates every day, we based our analysis on the day that the offer was dated.

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Our best offer was from sellyourgold.com — \$393.36. That’s about 90 percent of the value on the gold market. Meanwhile, we got approximately 87 percent of value from goldpawshop.com.

But from there, the offers began to fall — 81 percent ... 55 ... 54... 52 ... 33. Then they plummeted — 18 percent, or \$76.89, from the well-known Cash4Gold company. And 13 percent from brokengold.com, a company that claims to pay “top dollar” and “10 percent more than the competition.” (Brokengold.com declined our request for an

interview. Cash4Gold said it is a “great option” for consumers and will return items to unsatisfied customers.)

But the bottom of the barrel — the very lowest — came from hardgoldcash.com. The company claims on its website “we are about giving you the best price for your gold.” Their offer? \$38.25. That’s a measly 8 percent of the gold’s real **market value**.

We repeatedly contacted the Montana-based company’s phone number listed on its website but only got the sound of a fax machine.

Angry consumers

Reporter Janice Lieberman: “Are there places out here that are really taking advantage of the consumer?”

Donald A. Palmieri: “There’s no question. Many consumers are angry, and the gripes

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have spiked.”

Alison Southwick of the Better Business Bureau: “In the past year, complaints to the Better Business Bureau about gold-buying companies have tripled.”

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New York congressman Anthony Weiner is taking on the operators. He is working on tough new legislation. Lieberman asked him: “Do you believe that people are underpaid for what they have?”

“I think that too many of these operators function in this area that we just don’t have enough information to be smart consumers,” Weiner replied. “So, I think we have to have extra protections.”

Video: Selling gold, Tupperware-style

While many people are in fact pleased with the extra cash they get by selling gold, experts believe you should figure out the rough value before trying to sell. Potential sellers should also seek out an appraiser and try multiple buyers.

Gem expert Palmieri: “I always recommend that the first place you should go is a local jeweler that you know. If you don’t know any local jewelers, you should go to several in your area.”

So TODAY gave that a shot too. With a hidden

camera, we shopped our gold around in person to several local buyers. The amounts we were offered exceeded most of the mail-in offers.

The prices? \$310. \$310. \$300. \$250. So in our case, shopping around locally made sense.

As for Patricia Count, she knows the mistake she made and it’s one she won’t make again. “Shop around and see how much the gold is worth — before you send it in,” she says.

A few important tips to keep in mind:

- If you mail in gold and aren’t happy with the check, immediately request your gold be returned. **YOU JUST HAVE TO MAKE SURE TO DECLINE THE PAYMENT WITHIN THE DESIGNATED TIME WINDOW.**

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- Most local jewelers or companies will negotiate — often more than once. So haggle until you get a price that you consider acceptable.
- If you have problems, file a complaint with the Better Business Bureau or

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