

INTERNET MONEY MATTERS

Online Auction Tips For Buyers And Sellers

(NAPSA)—Americans are sold on online auctions. According to a new Harris Interactive survey commissioned by National Consumers League (NCL), approximately 36 million online Americans participate in these auctions, bringing words like “ebay” and “feedback” to the forefront of popular culture.

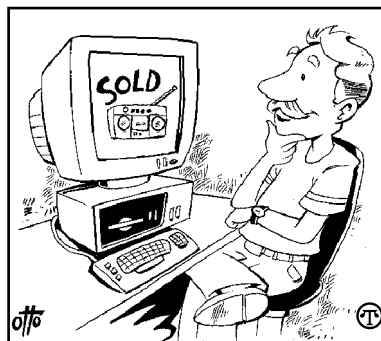
Along with this growing popularity, however, come problems. A whopping 94 percent of bidders say they are somewhat or very confident that as the winning bidder in an online auction, they will get what they pay for from the seller. But almost half, or 41 percent, reported having a problem as a buyer.

“Consumers’ over confidence that they’ll get what they paid for is one big reason why they easily fall victim to these scams,” said Susan Grant, director of NCL’s Internet Fraud Watch (IFW). “Many don’t know about the safe ways to pay on online auctions.”

Incidents of fraud in online auctions have topped the list of Internet scams reported to IFW ever since they were added to the database in 1997. The most common way buyers pay, according to the NCL survey, is by sending a personal or cashier’s check or money order directly to the seller.

Unfortunately, by the time some buyers discover there’s a problem, the check or money order has often already been cashed. And if the seller receives a bad check, the merchandise may have already been shipped.

Grant said buyers and sellers should consider using an online escrow service to monitor their transaction. These companies—for a small percentage of the item’s value, or for a flat fee—hold the buyer’s payment and forward it to the seller upon the buyer’s receipt and approval of the item within an agreed upon inspection period.



In online auctions, buyers and sellers need to agree on terms so no one gets taken advantage of.

Other tips for auction buyers and sellers include:

- Understand how the auction works.
- Check out the seller before you bid.
- Be especially cautious when dealing with buyers or sellers in other countries.
- Get the name and contact information of the company or individual.
- Ask about delivery, returns, warranties, and service before you pay.
- Avoid cash payments.
- Payment by credit card can protect both buyer and seller. Credit card payment protects the buyer because you can dispute the charges if the goods are misrepresented or never delivered. For sellers, payment by credit card is quicker than waiting for a check or money order and avoids the problem of bad checks.
- Look for information on the auction site about insurance for buyers.
- Let the auction site know if you have a problem.
- If all else fails, complain to NCL’s Internet Fraud Watch. It forwards complaints to the appropriate law enforcement agencies. Log on to www.fraud.org to fill out a complaint form, or call 800-876-7060.