Things You Should Know About ... ONLINE AUCTIONS

You may find online auctions attractive for many reasons. Many online auction sites offer rare items, popular collectibles and great deals. However, online auctions are hot sites for Internet scams. Even when auction sites are legitimate, there is still a possibility that the sellers who use them to market their goods may be ready and willing to take advantage of the unwitting consumer. To learn how to use online auctions more safely, familiarize yourself with the following facts and tips and talk to your friends about the experiences they’ve had with different online auction houses.

Going once, going twice...

In both traditional and online auctions the merchandise goes to the highest bidder. This small detail, however, is just about the only similarity shared by traditional and online auctions.

While traditional auction houses serve as third-party mediators that collect payments and distribute goods, online auctions offer no such services. Because online auction sites do not actually house the merchandise, buyers must deal directly with the individual seller to complete the sale.

If you place the highest bid for an item, the person who put the merchandise on the site will typically contact you by e-mail to arrange payment and delivery. Most legitimate sellers will accept credit cards or use a third-party escrow agent for payment.

Be very cautious if a seller asks you to pay by check or money order. Never pay in cash. If you pay by check or money order and become a victim of fraud it will be extremely difficult for you to get your money back.

Be aware...some online sellers will take your money and never deliver the merchandise.

Questions to Consider Before Bidding Online:

- Can you pay by credit card? In some cases, if you use a credit card and don’t get the merchandise, you may be able to challenge the charges with your credit card company. Check with your credit card company before making a bid.
- Can you use an escrow agent, or pay by COD? A third-party escrow agent will collect both your payment and the product you are buying, and process the delivery of each. Be aware, however, that most escrow services charge a fee.
- Can you verify the seller’s identity? To complete a sale, you will need the seller’s name, address, and phone number. If the seller is unwilling to provide this information and you are unable to verify their identity, do not do business with him or her. Some sellers may also use a forged e-mail header, making it impossible to contact them.
- Can you get follow-up service if necessary? Many sellers don’t have the necessary expertise or facilities to provide services for the merchandise they put up for auction.
- Is this an impulse bid or purchase? Online auctions may be enticing, but are you really getting the best price? Do you know all the terms of the deal (for example, shipping costs)?
- Is the merchandise returnable? Returning merchandise to an online seller may be difficult. Remember...since online auctions do not actually house the merchandise listed on their sites,
they have no way of ensuring that the merchandise you bid on exists or has been accurately described. Report any problems you have to the auction site. They may be able to use your report to keep the seller from marketing goods and services on the site again.

If you feel you’ve been a victim of Internet fraud, you can file a complaint with the Attorney General’s Office, the Federal Trade Commission (FTC) Consumer Response Center or the Better Business Bureau.

Office of the Illinois Attorney General
www.ag.state.il.us

Chicago     Springfield     Carbondale
(800) 386-5438 (800) 243-0618 (800) 243-0607
TTY: (800) 964-3013 TTY: (877) 844-5461 TTY: (877) 675-9339

Information for these tips from the FTC Web site, www.ftc.gov.
Printed by the authority of the state of Illinois.
This material is available in alternate format upon request.