

Consumer Advisory- Jewellery Appraisals

What consumers need to know.

The term "appraised value" represents the estimated market value of a jewellery item on a given date, given by a qualified person. When "appraised values" are used by jewellers in comparative price advertising situations, and these "appraised values" do not represent genuine market prices, it could mislead consumers to believe that they are receiving a percentage off the market price of the item. An example would be "Diamond Rings - Appraised value \$850, A deal at only \$550".

The "appraised value" of an item used in comparative advertising should mean that the jewellery product has been offered for sale at the "appraised value" for a substantial period of time (more than 50% of the time in the last 6 months), OR a substantial volume of the product (more than 50%) has been sold at the "appraised value" within a reasonable period of time (12 months) in the relevant geographic market. If this is not so, it could be considered misleading under the *Competition Act*.

An advertisement may also be considered misleading under the *Competition Act* if a jeweller were to advertise jewellery products displaying grossly inflated "appraised values". Consumers may contact Jewellers Vigilance Canada at info@jewellersvigilance.ca or 1-800-636-9536 to file a complaint.

Consumers need to know

- If a “deal” looks too good to be true then chances are it isn’t a “deal”.
- Insurance premium will be based on the “appraised” value. If this value is over inflated then your premiums will reflect the over inflated value.
- Check with your insurance broker and understand what your policy means if there is a claim, particularly if you have a “replacement value” clause

For more information contact:

www.jewellersvigilance.ca or 1-800-636-9536
www.canadianjewellers.com or 1-800-580-0942