



## **How to Sell Your Gold Jewellery- a Consumer Guide**

As gold continues to climb in price more consumers are turning to selling their gold jewellery to take advantage of these record prices.

The Canadian Jewellers Association (CJA) and Jewellers Vigilance Canada (JVC), together with our industry partners, have developed this guide to assist consumers in making an informed decision when selling their precious metals.

### **BEFORE YOU SELL YOUR GOLD**

**Ask yourself these questions:**

**Do you really want to sell this jewellery?**

You think of your gold as "jewellery" with value for its design and the memories associated with it but the buyer thinks of it as "scrap" to be melted for its gold value.

- If the jewellery is sentimental or a family heirloom you probably shouldn't sell it.
- If you remember what you paid you may be disappointed that the gold value is a fraction of the original retail price.
- The ideal gold jewellery to sell is an old, broken item you never wear that has no emotional attachment.

**Does this jewellery have value as "estate jewellery"?**

"Estate jewellery" is a nice term for "used jewellery" but sometimes jewellery can be sold for more as estate jewellery than for its gold value, but there are things to consider:

- Sentimental value is not the same as heirloom value. You need a professional appraisal from the estate department of a reputable jeweller to determine if your item has estate value.

- The item will need to be in very good condition. Used jewellery is challenging to sell and, like a used car, needs to look and feel new to the buyer.
- This method of selling jewellery usually takes much longer as it depends on finding a buyer for your unique piece.
- Often you must leave your jewellery on consignment until it sells. If you leave your jewellery for consignment sale clarify with the jeweller whose insurance covers the item during the consignment stage.
- Generally the jeweller sells the piece to the public at a reduced price taking into consideration that it is "second hand".
- The price that an item is sold for is divided between the jeweller and the seller at an agreed-upon percentage. The price you eventually get may not be much more than the gold value.

### **How is the value of your scrap gold determined?**

Three simple factors determine the value of your gold:

- **What karat is it? (10K, 14K, 18K etc)**
  - The karat mark should be somewhere on each piece. It generally takes a magnifier to find it. In North America jewellery is generally stamped with a karat mark like "10K while in Europe the mark is generally the decimal equivalent like ".416". There is a chart at the end of this document with common equivalents.
  - There are tests available to determine the karat of gold items.
- **What does it weigh in grams?**
  - A reputable buyer will weigh your jewellery, on an accurate scale, where you can see it, to determine the weight. When items are weighed they must be grouped by purity. For example 10K and 14K items cannot be weighed together because the price per gram weight will be lower for the 10K.
  - Although gold's price is quoted in ounces by media It is normal to use grams, not troy ounces, to avoid confusion, for greater accuracy on small items and to make it easier for you to compare prices paid by different buyers. One troy ounce is the equivalent of 31.1045 grams.

- **What is the price per gram for each karat?**

- A reputable gold buyer will always tell you their price per gram for each karat. The price of gold is simple. White gold is worth exactly the same as yellow gold. Italian gold is worth exactly the same as Canadian gold. Only the karat and the daily market affect the price so there is no reason you should not get a straightforward answer to this question.

### **What happens to the gemstones when the jewellery is sold for scrap gold?**

Some companies will purchase your gemstones (usually diamonds) and some will not.

Coloured stones in general have little to no recovery value and they are frequently damaged from wear or in the process of removal, but a capable jeweller can often remove a coloured stone that is of particular interest to you and return it to you. Generally there is a fee for removal and it is at the consumer's risk.

Diamonds may have a recovery value; however remember that you will receive a wholesale price much lower than the retail price you originally paid. Finding a buyer for your particular stone may be difficult. The stone is used and may need to be re-cut or polished before it can be put into a new piece of jewellery. The best use of the diamond may be for you to keep it and use it in a new setting. A capable buyer should be able to remove stones for you.

### **WHO DO YOU TRUST?**

Companies who buy gold for scrap are in the business to make money. However with so many consumers wanting to sell their gold for scrap, this is a highly competitive market. So shop around.

The price per gram per karat purity is the number that you can compare from one company to another but there is much more to shopping around than just price.

Deal with a reputable company. They should be able to give trade references and they should have industry experience. Ask questions like: How long have you been in the gold business? Do you have a business license? Can I see your web site? How and where do I contact you?

In Canada the bylaws and regulations for businesses buying gold vary in each municipality. Check the requirements with your local municipality and be sure that the company you are dealing with complies with these requirements.

Call JVC at 1-800-636-9536 (416-368-4840) or email [info@jewellersvigilance.ca](mailto:info@jewellersvigilance.ca) to see if there are any complaints against a company. JVC cannot tell you the nature of the complaint but they can say whether it was resolved in a satisfactory manner and how many complaints we have received.

Check with the Better Business Bureau (BBB) where the company is based for any complaints or issues.

There are two things that you should never forget when deciding who you will sell your gold to- know who you are dealing with and if the deal looks too good to be true be very careful. Remember this is a highly competitive business so if some one is offering you an unbelievable offer maybe you shouldn't believe it!

If you are unsure of how a price is determined, ask. Remember, gold buyers are in the business to make money and so you should expect a discount to the market price. They should be willing to give you a price per gram. If a company won't you may only want to consider companies who will.

#### A SELLER'S CHECKLIST

1. Examine and weigh your own jewellery according to the guidelines in this document and develop your own estimate of its value according to the prices per gram you obtained
2. Compare the price per gram being offered by several buyers. It is important that you do this on the same day since prices change constantly.
3. Check the buyer's web site. Look for membership in the Canadian Jewellers Association and Jewellers Vigilance Canada.
4. Call Jewellers Vigilance Canada to determine if there are any complaints outstanding against the buyers you are considering
5. The buyer should examine and weigh the jewellery where you can see what is being done. There should be a clear explanation of what your jewellery is worth and why.
6. If you are uncomfortable in any way, ask for your jewellery back and walk away. You can always sell tomorrow!

## WHAT ARE THE CHOICES TO SELL GOLD JEWELLERY?

There are several types of businesses that buy gold jewellery for scrap.

- 1. Traditional jewellery retailers**
- 2. Internet gold buying businesses**
- 3. Gold Party businesses**
- 4. Agents for gold buyers**
- 5. Pawn shops**
- 6. Second hand goods retailers and coin dealers**
- 7. Retail Gold Buyers**

### A KARAT GOLD DECIMAL EQUIVALENT CHART

KARAT	DECIMAL
9K	.375
10K	.416
14K	.585
18K	.750
21K	.875
22K	.916
24K	.999

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