

Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

INTERNET AUCTIONS: SECRETS OF SUCCESS

Whether you're looking for a collectible or thinking about selling that treasure you discovered in the attic, an Internet auction may be just the thing for you. Since their first appearance in 1995, Internet auctions have become one of the hottest phenomena of the web.

Yet despite their growing popularity among buyers as well as sellers, many people don't understand fully how Internet auctions work, the different kinds of auctions available and — perhaps most importantly — how to take part in them without being ripped off.

Internet auction fraud is on the rise, with an increasing number of consumers complaining about sellers who deliver their advertised goods late or not at all, or deliver something far less valuable than promised. To help make Internet auction transactions as smooth and successful as possible for everyone involved, the Federal Trade Commission offers these tips:

FOR BUYERS

- Identify the seller and check the seller's feedback rating.
- Do your homework. Be sure you understand what you're bidding on, its relative value and all terms and conditions of the sale. This includes the seller's return policies and who pays for shipping.
- Establish your top price and stick to it.
- Evaluate your payment options. If possible, pay with a credit card to ensure the most protections if something goes wrong. If the seller doesn't accept credit cards, consider using an escrow service.

FOR SELLERS

- Provide an accurate description of the item you're selling, including all terms of the sale and who will pay shipping costs.
- Respond quickly to any questions bidders may raise during the auction.
- Contact the high bidder as soon as possible after the auction closes to confirm details of the sale.
- Ship the merchandise as soon as you receive payment.

A new Federal Trade Commission publication, *"Internet Auctions: A Guide for Buyers and Sellers,"* offers more information about Internet auctions. You can order a copy of the guide or file a complaint about Internet auction fraud online at www.ftc.gov or by calling the FTC toll-free at 1-877-FTC-HELP (382-4357).

FEDERAL TRADE COMMISSION FOR THE CONSUMER