

## **Consumer Reports WebWatch Cybercrime Prevention Project Fact Sheet #5: The Endgame: Improving Your Chances of a Good Auction**

This is the fifth consumer fact sheet in the Consumer Reports WebWatch “Look Before You Click” campaign, supported by a grant from the New York State Attorney General’s office, to help educate New York consumers about Internet fraud. This is also the third fact sheet in our series on auction fraud.

Now that you’ve read our tips to consider before you bid in an online auction, as well as the basic types of auction fraud, let’s assume you’ve completed an auction, and focus on what happens after you’ve successfully bid on an item and won.

### **Before you pay any money:**

- Contact the seller with any special concerns you have, i.e., verifying authenticity of a valuable piece of art, jewelry, stamp, coin, or collector’s memorabilia.
- Consider using an escrow service if your auction prize is pricey. One solid option is [www.escrow.com](http://www.escrow.com).
- Consider the terms of the auction one more time for anything you may have missed, such as a disclaimer that the seller accepts only cash, checks or money orders. (eBay, the largest auction site, soon will eliminate those options). That could be a warning sign the transaction may not turn out the way you want it. If you want to back out of the auction, it may be easier now than at any time later. Check each individual auction site’s policies on bid retraction.
- Consider an online payment service such as PayPal. They have their pluses and minuses, but most were created with auctions in mind and provide some provisions for fraud protection. Consider setting up a credit card account you plan to use solely for auctions. Some banks offer credit cards designed for Internet use. Compare and contrast at [www.bankrate.com](http://www.bankrate.com).
- Check the seller’s shipping policy or proposed charges stated on the auction page. Make note of them. You may want to make sure they match up with what you are actually charged.

### **When you pay:**

- Don’t use a debit card. Most debit cards offer less fraud protection than credit cards.
- Be wary of any strange behavior on the seller’s part, such as sending a personal e-mail asking that the transaction be fulfilled in cash, or offering a discount if you pay in cash.
- Take note of any e-mail contact from strangers that makes a reference to your purchase and offers, for instance, to beat the price if you deal with them directly.

### **After you pay:**

- Examine the merchandise carefully and make sure it’s what you paid for. Look for factory seals if buying a new item. Return any merchandise with broken seals.
- Leave accurate feedback. This is important guidance for other buyers. If leaving negative feedback, be brief and factual; avoid personal insults or inflammatory language. Some sellers have attempted to sue buyers whose feedback exceeded factual accounts of transactions.