

Client: Hillgrove PR
Source: Newbury Weekly News (Main)
Date: 17 February 2011
Page: 14
Reach: 20095
Size: 210cm2
Value: 480.9

HILLGROVE PR



Cash-for-gold firm ceases to trade

Year-long investigation reveals concern over company practices

A 'CASH for gold' business in Newbury that had been under investigation by the Office of Fair Trading (OFT) for more than a year has ceased trading.

On Monday, the OFT revealed that out of five companies that offered to buy gold from consumers through the post, which had all been under investigation, three had signed undertakings and agreed to make a number of changes to their business practices and two had ceased trading.

Last January the OFT announced that it had requested information from five companies over concerns that people were being locked into accepting the offer that had been made for their gold – one of these companies was CashYourGoldNow, a trading name of the Vertex Watch Company Limited, based in Bone Lane, Newbury.

In particular, the OFT was concerned by the companies' business practice to send consumers a payment, which, if it was not rejected and returned quickly, meant their 'silence' was taken as consent to the payment and their gold was melted down.

Last year, an adjudication from

Report by Robert Warlow

the Advertising Standards Authority also ruled that an advertisement by the Newbury-based company was misleading and CashYourGoldNow was told to remove the various challenged claims from their advert, unless they had evidence to substantiate them.

West Berkshire Council spokesman Phil Spray said this week that the council understood that CashYourGoldNow, which was incorporated in January 2009, had not been forcibly shut down, but that the Vertex Watch Company had ceased trading under that particular name since the culmination of the investigation.

One former staff member of CashYourGoldNow, who asked not to be named, said yesterday (Wednesday) that she and five other members of staff had in recent months been forced to leave the company, partly owing to the volume of complaints from customers. No-one from the company could be contacted for a response before the *NWN* went to press.

Senior director of the OFT's consumer group, Heather Clayton, said: "These days we see more and more business models which involve consumers distance selling goods to firms. These options are good for consumers, providing business practices are fair.

"Where we see problems, however, we are keen to intervene early so that these markets develop with an appropriate level of consumer protection."

She warned that any companies operating similar business models must make sure they treat consumers properly and provide clear information on how the service operates so that people make informed decisions about whether they wish to part with their possessions.

Krista Waddell, the chief executive of London-based gold party organisers Ounces-2Pounds, described the review by the OFT as a "triumph for the legitimate gold trading industry", while the head of the UK operations, Mark Nicholson, said people should deal face-to-face with a real person if they want a good service.