

GOLD FEVER



Dealers are clamouring to pay cash for bling at Tupperware-style parties and even by post – but do sellers get a fair price?

By **STEPHEN WOMACK**

FIRST came Tupperware, then cosmetics and most recently sexy undies from Ann Summers. Now suburban sitting rooms are hosting 'gold parties' – billed as a fashionable way to get rid of unwanted gold jewellery. But the innocent fun is being exploited by some opportunistic buyers who, one dealer says, are leafleting households, offering as little as £1 per gram for 9ct gold, compared with a scrap rate of about £6 per gram.

The idea behind the gold parties is to give friends the chance to meet a gold assessor, who will weigh and test the jewellery, offering a cheque on the spot.

When Mary Winstone celebrated her 34th birthday last week, the interior designer decided to host a gold party at her 16th Century cottage in Wicken Bonhunt, Essex. Guest Sue Harvey, 47, an office manager, arrived with a selection of chains and earrings that she no longer wore. 'I thought it was better to sell it than to leave it at the back of the jewellery box unloved,' she said.

Aura Iacob, of party company ounces2pounds.co.uk, tests

for quality and offers £262 for 50 grams. Sue is delighted. 'I had no idea it might be worth that much,' she said. 'I will reserve this money for a treat for me.'

Gold is trading at about £18.30 a gram. Jewellery is worth a proportion of this, depending on the gold content. Gold hallmarked 9ct, for example, is 37.5 per cent pure.

However, a survey by Financial Mail revealed huge differences in prices being offered by dealers.

The company Got Gold Get Cash, for instance, pays a meagre £4 for one gram of 9ct gold, while best-priceforgold.co.uk was prepared to pay £6.70.

The jewellery parties are just part of a wider gold rush going on across Britain. Buoyant prices, the recession and new ways to sell have helped

spark a summer gold fever.

The market has been accelerated by the arrival of uk.cash4gold.com, an American business that buys through the post. It has already spent £61 million buying in the US and boosted its profile by advertising during the Super Bowl American football final.

The company set up a processing centre in Sheffield in July and is spending heavily on TV advertising here. Founder Jeff Aronson said: 'Within the first month in the UK, we've had 4,000 customers send gold into us.'

Most of his customers are women, who do not like the idea of selling gold through a pawn shop or High Street dealer, he says.

There is further evidence of the

High Street gold rush at the Howard Shopping Centre, in Bedford, where even on a weekday morning, the Hatton Goldsmiths concession is busy.

Assessor Nik Hallam has a stream of customers offering him their unwanted gold. His purchases range from a single 9ct earring at £10, to a package of chains and coins worth £1,000.

Property administrator Debbie Taylor, 44, is selling a selection of unwanted rings, chains and a bangle. 'I have just moved house and have had a bit of a clear-out,' she said, expressing pleasant surprise at the £195 she is offered by Hallam for the selection. 'I had looked on the internet and had an idea of prices,'



she said. 'Then I went to one jeweller in town but they offered me less than this.'

Hallam hands back one diamond eternity ring to Debbie. Too much of the weight is made up of gemstones and the scrap value is only a fraction of its intrinsic worth.

'If you really want to sell this, try eBay,' he suggested.

BROTHERS Tony and Will Nolan, who own Hatton Goldsmiths, have seen the market for buying gold explode in the past few months. As well as two jewellery shops in Northampton, they run gold-buying concessions in other towns, including Leicester, Norwich and Aylesbury. Another in Lincoln will open soon.

They pay sellers an average of 80 per cent of bullion market prices. But there are fears that other dealers are not so generous.

Lawrence Chard, who runs a bullion dealership in Blackpool and the website taxfreegold.co.uk, said: 'The prices paid by some people in this market are nothing short of a rip-off. They rely on people's ignorance of the true worth of what they own.'

Geoff Field, chief executive of the British Jewellers' Association, said: 'Anyone buying gold is selling it at a fixed price on the wholesale market. The more they spend on advertising and marketing to get the gold in, the less they can afford to pay.'

And there can also be pitfalls in trading gold through the post. While many websites offer buyers free Royal Mail packs for special delivery, the insurance for contents is usually limited to £500.

There may be charges if you cancel a sale and want your gold back. There have been cases where dealers dispute the quality of the gold.

Sellers may also find that when jewellery is evaluated, the weight is reduced to allow for gems, wax, solder and other metals used in mountings and clasps.

Field said: 'You need to shop around and understand what you have. It really is a case of seller beware.'

Gordon Brown broke with tradition ten years ago as Chancellor, selling bullion not when times were bad but during an economic boom.

His sales programme, between

1999 and 2002, was mis-timed because the gold price was close to 20-year lows and has since rallied strongly.

The public coffers would be £4.7 billion better off had the sales never happened. Or perhaps he should have taken it to a jewellery party.

»» For a full report on selling your gold and to find the latest price, visit thisismoney.co.uk/selling-gold.

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PARTY PIECES: Aura Iacob, right, of ounces2pounds with Mary Winstone, left

Picture: CHRISTOPHER COX





Picture: GEORGE JAWORSKI

WEIGH IN: Nik Hallam, of Hatton Goldsmiths, values Debbie Taylor's jewellery

