

## ***File a Complaint***

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If you have a complaint about an internet auction purchase, contact the Tennessee Department of Commerce and Insurance's Division of Consumer Affairs.

To check out a company before you do business with them or to file a complaint against a company, an individual, or a business entity, contact Consumer Affairs by calling 1-800-342-8385 (toll free inside Tennessee) or (615) 741-4737 or going online to <http://tn.gov/consumer/>.



## ***Tennessee Attorney General's Office***

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The Attorney General's Office protects consumers and businesses from those who engage in unfair or deceptive business practices. The office is charged with enforcing the Tennessee Consumer Protection Act. These enforcement actions are brought on behalf of the Division of Consumer Affairs and in the name of the State of Tennessee. Although the Attorney General may seek restitution for consumers who have suffered ascertainable losses, the office cannot represent individual consumers.

**Going,  
Going,  
Gone.**

**Internet  
Auction  
Fraud**

Office of the Tennessee  
Attorney General

# Internet Auction Fraud



Many people hunt for bargains in the virtual markets of Internet auction sites. However, you should be aware of the potential risks when

bidding in online auctions.

## *Buyers—Do Your Research*

These tips may keep you from becoming a victim of online auction fraud:

- **Become familiar with the auction site.** Some auction sites and most credit card issuers offer fraud protection.
- **Learn about the product before bidding.** Closely examine photographs. Read the description including all fine print looking for words like discontinued, refurbished, off-brand, or closeout. Be skeptical if the price seems too low.
- **Investigate a seller before bidding.** Verify information by contacting the seller by e-mail or telephone. Check the seller's feedback to see what other buyers experiences have been. Be wary of sellers with poor or no feedback and sellers you cannot identify.

- **Check shipping and handling costs.** Generally, sellers specify the cost of shipping with an additional charge for optional express delivery. Sometimes though a seller might try to recoup the value of an item sold at a low price through high, undisclosed shipping and handling costs.
- **Find out if the purchase can be returned.** Ask whether the item is refundable and if restocking fees or shipping will be charged. Be careful not to damage the original packaging if returning the item, and do not open an item if it is not what was expected.
- **Use caution with sellers insisting on one particular type of payment.** Check out any unfamiliar escrow service by visiting its website and calling the consumer service line.
- **Always protect your privacy.** Never provide financial information until you are comfortable with the seller and the method of payment.
- **Save all transaction information.** If there is a problem, try to work it out with the seller. If that does not work, use the site's dispute resolution service

or its community message boards, if available. Some escrow services and shipping companies also offer dispute resolution services. It is important to save information like the seller's identification; the time, date and price bid on an item; and correspondence with the seller and auction company.

## *Sellers Beware*

Sellers may also be the victims of online auction fraud. Fraudulent buyers may target individuals selling high-end or big-ticket items through internet auctions.

A seller receiving a cashier's check for payment may believe it's as safe as cash—unaware they may lose the money deposited into their account if the cashier's check is found to be counterfeit.

Sellers should be particularly wary if instructed to cash or deposit a cashier's check for an amount greater than the purchase price. The buyer may instruct the seller to send the difference back via cashier's check or wire transfer. If the cashier's check is counterfeit, the seller will not only have lost the auctioned item but also the additional money returned.