

Buying Coins on the internet – *should* you? By S. O'Brien for Bob O'Brien

The internet is a wealth of information and opportunity for businesses, entrepreneurs and consumers including buying and selling coins. Unfortunately, it is also a path for mistakes, some very costly. With its ease of use, con artists also rapidly take advantage of trusting people, and numismatists can be their focused targets.

As an example, some people have the false idea that anything they find on a computer is right including what is found on the internet. In the early days, the internet had significant self-governance insuring good information and protected users. Today, internet usage is widespread where many people easily put information and sales sites on the World Wide Web. As a result, internet users can find almost anything – be it right or wrong - where no rules protect against misguided or bad information. With a perception that coin collectors and investors have a lot of money; unethical people and criminals provide web sites aimed at numismatic interests where they can easily profit from the unwary or the careless.

In brick and mortar shops, consumers are familiar with trade laws and will quickly challenge bad products or business practices. Old fashioned competition also keeps stores on their best behavior. However, if someone places a website selling coins with false claims or with poor business habits, problems with your buying experience will be more difficult to resolve. Certainly, a professional internet coin business that makes an inadvertent mistake will quickly address the coin buyers' concerns. But, those sites that are borderline unethical or downright criminal will be reluctant to respond, and finding someone to help you will be tough, if not impossible.

Trade laws and fair business practices do apply to internet sales, but unique issues still exist. When you encounter a problem, how do you get it solved if the online vendor is unresponsive? Sure, you could go to the Federal Trade Commission, but will they help and how long will that process take? Challenging the charges on your credit card is an alternative, but will you have enough proof of a problem – screen shots, receipts, emails, etc. – to satisfy the credit card company? By the way, did you know if you use PayPal or a similar intermediary payment service, your credit card company's arbitration process is voided? But, what if you discover the owner of the website is located in another country?

Even with those issues and without strict rules and regulations, the internet still provides vast opportunities for everyone. But, like all of life's interactions, you should remember that not everyone is honest and above board. Just because someone made information or a product available via a computer screen does not guarantee you a good experience.

To be safe you should always question what you find on the internet whether it is messages about numismatics, coin collecting articles or coins for sale. Not everything you find will be wrong; not everything will be right. The good news is you can use the internet to find other sources for comparison or comments to corroborate your results. And, be careful about trusting pictures – they can be misleading sometimes intentionally and at other times unintentionally.

Back to the initial question, should you buy coins on the internet? Well, it depends. There are many reputable coin dealers and numismatic hobbyists selling coins on the internet. Likewise, there are scoundrels who buy and sell coins on the web, and in their greed and laziness they take advantage of others.

If you want to buy coins on the internet, buy from a reputable dealer or from someone who has been recommended by a trusted source. You can also use the internet to research the credibility of the seller and their web site. If the site's reputation cannot be verified, but you still want to buy the coins, test the site's processes, products and responsiveness with a few inexpensive purchases at first. Of course, a devious criminal could generate positive user comments or insure initial product orders are filled promptly and accurately. By gaining your trust, the criminals could later provide counterfeit coins or no coins at all – at worst, they take your money then disappear into cyberspace.

A different story illustrated another example of why you should be wary buying coins on the internet. John Doe bought coins on the internet and took them to a coin dealer at his coin shop. John is familiar with coins and coin values and wanted to sell these coins to gain the profit from an increased market value. But, with his deeper experience, the coin dealer quickly recognized John's coins were counterfeit. When told, John replied, "That's OK, I'll just sell them on eBay." This is a classic example of where two wrongs do not make a right. As a coin buyer on the internet, you could become John's victim unless you are careful.

Even though it is easy for people to deceive for monetary gain either in laziness or in desperation, the internet is still wonderful. If you want to buy (or sell) coins on the internet, enjoy, but only buy (OR sell) an amount you are willing to gamble and potentially lose. Always, always, always proceed with caution; trust but verify.

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