

**Don't Get
Ripped Off
When Buying
Diamonds!**



Written By Beyond4Cs.com

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Introduction

Just as it is important to learning how to select diamonds, it is just as crucial for you to understand what it takes to avoid getting ripped off.

Like any other form of business, there will always be a dodgy person in the corner waiting to take advantage of unsuspecting customers.

It's sad but true. Most people (*including sales persons in stores*) have poor knowledge about diamond buying. And it blows my mind to see people spending thousands of dollars without fully understanding their purchase.

Over the course of 2 years, I had received a number of emails from people who had been swindled into overpaying or made purchases that were misrepresented by jewelers.

The underlying reasons behind getting ripped off are always the same: greed and lack of education. Nothing is too good to be true in reality.

The best way to protect yourself is to educate yourself and do your prior diligence when gearing up for a huge purchase.

In this report, I'm not going to focus on the basics or advanced concepts of the 4Cs. I had already covered these topics extensively at Beyond4Cs.com and I encourage you to read about them on-site.

Instead, I am going to reveal shady tactics that jewelers use to trick and rip-off consumers in this report. Don't be the person who gets taken advantage by an unethical jeweler trying to make a quick profit at your expense.

So, let's get started!

Paul Gian

GIA Diamonds Graduate
<https://beyond4cs.com>



Deposit Schemes That Lock You In

Let me clarify that it is common practice for jewelers to insist on a deposit under the following scenarios:

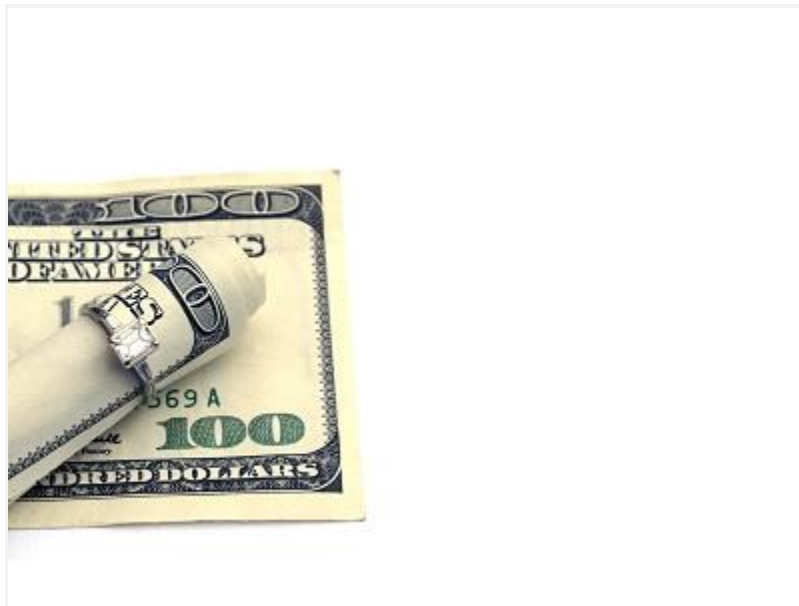
- 1) You want to take a diamond out of the store for an independent appraisal.
- 2) A diamond that isn't in the store's inventory is called-in on your behalf.

First, let's talk about scenario #1. Under most circumstances, you are required to pay the full amount for the diamond upfront. That's fine and it makes sense. After all, the jeweler will need some form of financial assurance when you leave the store with the diamond.

Who wouldn't?

The problem arises when this amount isn't fully refundable even if the diamond comes back with an unsatisfactory report from your appraiser. Most stores would only allow the same amount of credit towards another diamond when handling returns.

Hence, you will be "forced" to buy another stone from them. Now, why would you ever want to continue doing business with the same jeweler who had just misrepresented the first stone? *(It didn't come back with a satisfactory appraisal, remember?)*



In scenario #2, jewelers will often ask for a partial deposit if you request them to call in a diamond they don't own. *Note:* It does cost shipping/insurance fees to get the diamond transported to their location for your viewing.

It is common practice for most stores to use the deposit towards a new diamond that's in-store if things don't work out. That's the same problem I have with such policies here. Once you are locked in, you can no longer keep your options open.

What I would recommend in scenario #2 is that you work out a fair deal for both you and the jeweler. Negotiate a deal whereby the only deposit you place is for the shipping cost for the diamond.

If things go well and you decide to commit to a purchase, the shipping cost should then be offset from the final cost of the ring. If the diamond doesn't meet your expectations, then all you have to bear is the shipping expense (*typically \$100-\$300 depending on the diamond's quality*).

If the jeweler insists on requiring a larger deposit, walk away and look for another vendor. The moral of the story here is that you need to maintain leverage with your cash.

Appraisals And “Perceived” Paper Value

An appraisal usually contains similar information found in a grading report. What's different is that it also contains a “worth” value of the piece of jewelry.



Appraisals are a huge part of the diamond industry and they are often abused in the selling process. Why? This is because many customers simply take the appraisal at face value and never give more thoughts about it.

Overly-inflated appraisals make everyone feel good about a purchase and the sales people often use this as a tool to market their products. If the appraisal states the value of the ring to be at \$10,000 and you only paid \$4,000 for the ring, wouldn't that be an awesome deal? After all, you seemingly made a purchase with a huge 60% discount.

WRONG!

Let me put it bluntly. To a consumer, an appraisal is usually used for insurance purposes and their usefulness ends there. The overly inflated “worth” value you see on the appraisal do not reflect the actual value of the jewelry.

Don't believe me? Try walking into any store and sell your diamond ring with your appraisal report in hand. I guarantee that nobody will pay you the full value it was appraised for.

If the diamond was worth more any more than what the jeweler had sold it for, they wouldn't be selling it for any less.

Bonus tip: For whatever reason that you need to use an appraiser's service for a jewelry piece, find your own appraiser. Don't use the dealer themselves or a jeweler's referral to appraise your jewelry. It leaves a lot of room for them to abuse and manipulate the end results.

Don't take the chance. Find your own appraiser who has no affiliations with who you are doing business with. This way, you will be able to have a fairer assessment of the jewelry.

The Price is Too Good to Be True



Jewelers are not dumb. You need to understand that in any type of businesses, profits need to be made. Just because you saw a cheaper diamond ring being sold a couple of stores down the block, it doesn't mean it is a better deal.

Contrary to popular public belief, jewelers do know their diamond prices in real time. In fact, the price and value of a diamond can be determined with good accuracy. Almost all jewelers have access to a paid subscription database called [Rapnet](#) where they can instantly see prices of wholesale diamonds around the globe.

That brings me to the next point. No jeweler in the right mind will sell you a diamond below the current market rate or for less than what it costs them.

The real reasons why prices are ridiculously low would be reflected in the diamond's real quality. This is especially true if the diamond doesn't come with a proper grading certificate.

The “70% Off” Fire Sale And Overly Inflated Price Tags

High quality diamonds are NEVER on sale. They are constantly in demand and move out of inventory listings fast. If you see an advertisement hawking massive discounts on diamonds, don't fall for it.

Stores who employ these marketing strategies usually use it as method of luring shoppers into the store.



The truth is, if a dealer can afford to mark down their products to “ridiculously low prices”, the dealer had probably marked their prices too high to start with.

Another common sales tactic that jewelers employ is to place a high price tag on their products. Whenever a customer makes an enquiry about the jewelry piece, the price will be miraculously slashed by 60-80% if you buy it now. Flash sales and price reductions are all part of an elaborate marketing ploy to make you believe that you are getting a great deal when you are actually not.

And this begs the next question, how do you know the price for a diamond is fair and right? We live in a world with mobile Internet technology. Getting access to diamond prices using your phone only takes a few minutes of your time. You can easily cross check prices against [online vendors](#) and use them as a benchmark to estimate prices.

That said, I believe in fair practices and prices. It goes without saying that prices in a physical store will be higher due to different overheads and operation costs.

In my opinion, a fair estimation when buying in a local store would be a 10-15% increase in mark-up compared to online prices. Anything higher than that, you are significantly overpaying. Is it worth it? Well, that's a question that only you can answer.

If you have spare money to throw around, why not? However, if you are like me and don't have unlimited cash in the bank, doing your due diligence means potentially saving yourself hundreds, if not thousands of dollars.

Beware of Carat Total Weight (ctw)

You will often come across the term, carat total weight (ctw), in jewelry advertisements or product descriptions. Carat total weight simply refers to the combined weight of all the diamonds found in a piece of jewelry.

The problem with such listings arises when the weight of the center stone isn't disclosed. Size matters because the carat weight of a diamond has the most significant impact on pricing. Without information on the center stone, there is no way for you to determine whether the pricing is fair.



A cluster of small diamonds offers an optical illusion of a big stone without hefty prices.

Here's an example using two 1.50 ctw diamond rings that appear to be similar on paper. The differences become clear when you start scrutinizing details:

Ring #1:

1.25 carat F VS2 center stone x 1

0.01 carat size meleees x 25

Cost: **\$14,000**

Ring #2:

0.90 carat F VS2 center stone x 1

0.02 carat size meleees x 30

Cost: **\$7,500**

Can you see the huge differences in price? One large diamond costs significantly more than many diamonds that make up its equivalent weight. If a salesperson tells you that you can get a special deal for a 1.50 ctw diamond ring at a price only \$10,000, you know you are overpaying if the main stone is less than 1 carat.

Always ask the jeweler for details on the center stone. If they can't provide you with the information or are vague about specifics, this means that they have something to hide.

As Long As a Diamond Is “Certified”, It’s Ok?

Wrong!

Firstly, you need to understand that calling a grading report a certificate is technically incorrect. The reason the diamond trade adopts the term “certificate” is because it is a better marketing lingo. Neither [GIA](#) nor any other major labs “certify” anything.

Secondly, grading reports (“*certificates*”) aren’t made equal. Just because a diamond is “graded” doesn’t mean it is being represented correctly. I am going to talk about one of the dirtiest tricks used by jewelers to scam unsuspecting customers.

When a jeweler offers you a seemingly cheaper diamond without a grading report from GIA or AGS, you are going to get ripped off and end up paying more than you should.

They will say stuff like “Why pay so much more for a piece of paper from GIA?” or “You are buying a diamond and NOT a piece of paper”. This sure sounds convincing to unsuspecting consumers and many actually fall for it.

Let me show you an example and you’ll see why this is a sham:

A 1.00 carat F VS2 diamond from GIA would cost you around: \$8,000
A 1.00 carat F VS2 diamond from EGL would cost you around: \$6,000

Since both diamonds look alike on paper, the EGL diamond sounds like a great deal right? It is about 20% cheaper than the GIA stone. However, EGL is well known for its lax grading system and it isn’t uncommon for diamonds to be 3-4 grades off.

What happens when you send the diamond to GIA and it comes back to be an H color SI2 diamond? Well, you had just been screwed.

A 1.00 carat H SI2 diamond from GIA would only cost you around: \$5,300

Congratulations, you had just paid \$6,000 for a stone with only a value of \$5,300. That’s an additional \$700 more for the jeweler who is laughing his way to the bank at your expense!

On this note, I want to highlight that in-house grading reports are the worst and you should shun them like the plague. Don’t expect an impartial report from the company who is trying to sell you their own diamonds.

If you don't already know, labs like EGL or IGI are well known for their soft grading standards too and should be avoided.

Be smart. Buy only GIA or AGS graded diamonds. Contrary to what unethical jewelers tell you, you aren't paying more for just a piece of paper. That GIA or AGS paper gives you assurance that you get what is stated on it.

Setting A Budget And Sticking To It



Having a predetermined budget in mind helps you stay focused on what's available within your price range. If you intend to buy locally, you don't want to be sweet talked or coerced into spending more than you should.

The reason I am saying this is that I had seen it happened on several occasions where someone steps into the store and ended up overspending when they didn't intend to.

Let's Wrap It Up

As you might have guessed, many of the scams and tricks in the jewelry industry can actually be avoided when you do your due diligence.

Remember, the first and foremost thing to do when shopping for a diamond is to get educated. Once you are armed with sufficient knowledge, look for a reliable vendor and buy only GIA or AGS graded diamonds.

So, there you have it! I hope you found this information useful regardless of whether you intend to shop in a local store or online. Should you have any specific questions regarding to your diamond purchase, feel free to contact me. I love hearing from readers and I will be more than happy to offer my advice!

Have fun shopping for your diamond!

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Recommended Online Retailers:

If you are buying fancy shaped diamonds, I recommend [James Allen](#). Their video technology enables you to inspect the diamond in far greater details than anywhere else.

For ideal cut round diamonds, I recommend [Whiteflash](#) if you want the best of the best. Their signature "A Cut Above" diamonds are stunning and reasonably priced. Each ACA diamond also comes with supporting technical data for your reference.