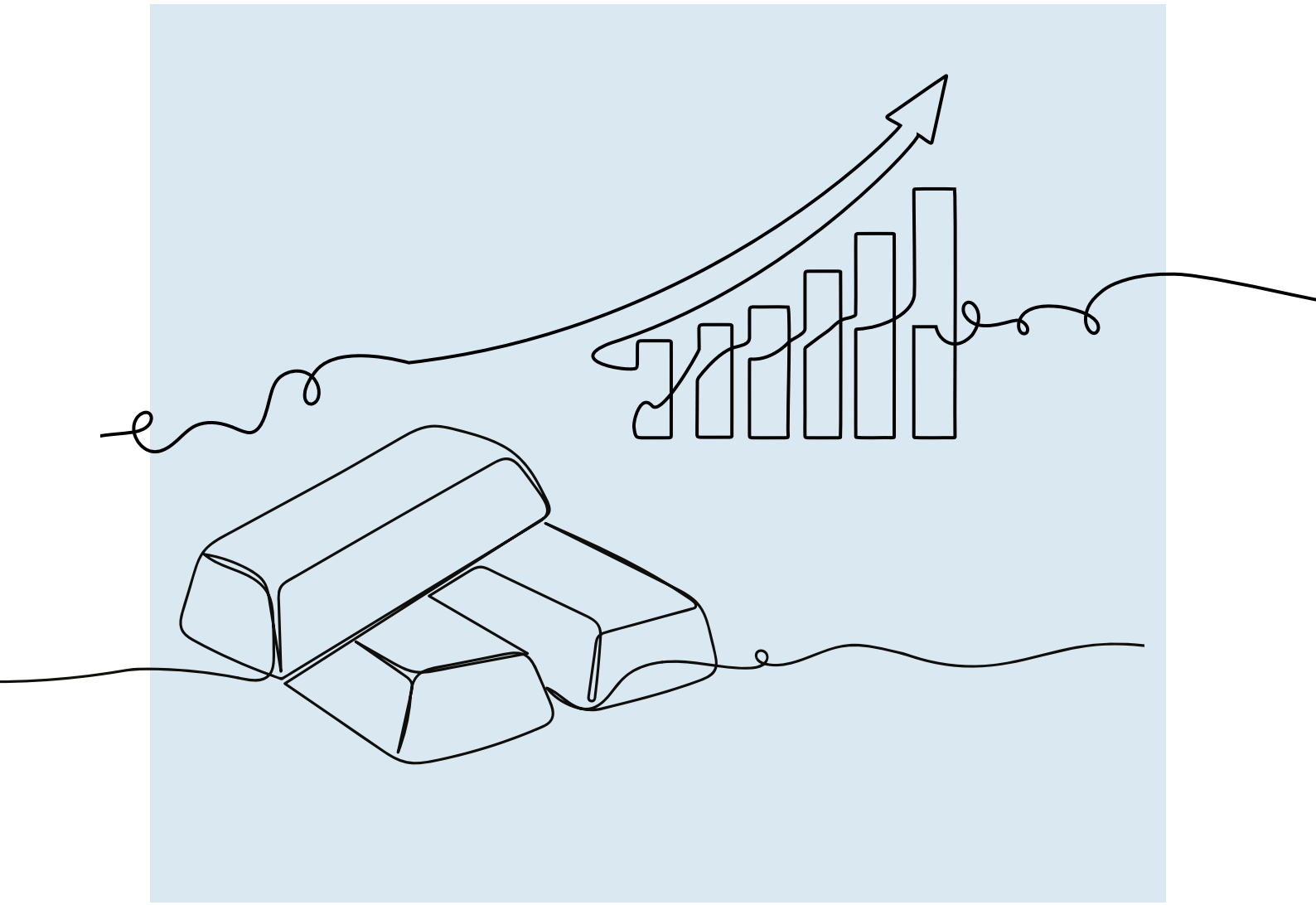
NAJ Guidance Note

PRECIOUS METAL PRICING AND MANAGING CUSTOMER EXPECTATIONS

Version 1. April 2026.



Purpose

This document serves as a supportive resource to help jewellers navigate uncertainty, protect margins, and operate confidently in rapidly changing market conditions due to volatile precious metal costs.

Supporting our members to grow their businesses profitably and responsibly.

The National Association of Jewellers

NAJ Guidance Note:

Precious Metal Pricing - Managing Customer Expectations

The National Association of Jewellers

A message from The NAJ

Over recent months, a growing number of NAJ members have reached out to the Association seeking support, clarity, and guidance as the cost of precious metals has risen at an unprecedented pace. These increases, driven by a combination of global economic pressures and wider market forces, have created a trading environment that many jewellers understandably find challenging. Current indications suggest that this volatility may continue for some time, making it all the more important that businesses feel informed and equipped to respond with confidence.

This document has been created to provide reassurance, practical guidance, and steady direction during a period of uncertainty. Its purpose is to support members in navigating the complexities of pricing precious-metal items responsibly and communicating any necessary changes to customers in a clear and professional manner. Whether you are managing stock, creating bespoke pieces, buying over the counter, or working within a supply-chain environment, the aim is to offer sensible approaches that can be adapted to suit your business model and appetite for risk.

I would like to express my sincere thanks to the many member community groups, including independent retailers, suppliers, manufacturers, designers, and valuers, who have shared their experiences, insight, and best-practice recommendations as part of developing this guidance. Your openness and collaboration embody the strength of the NAJ community.

While price volatility presents challenges, it is also important to recognise the opportunities that change can create. Some members have experienced a significant increase in demand for precious metals, particularly yellow gold, driven by its perceived value. In this context, what may initially appear as a challenge can also present a valuable sales opportunity.

As always, the NAJ team remains on hand to provide further advice and support. If you have questions or require more specific guidance tailored to your circumstances, please do not hesitate to contact us. We are here to help you navigate these conditions with confidence and to ensure that our industry continues to thrive, even in times of change.



Ben Massey
NAJ chief executive

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Precious metals market context and outlook

Market analysis from Metals Focus, a leading, independent precious metals research consultancy.

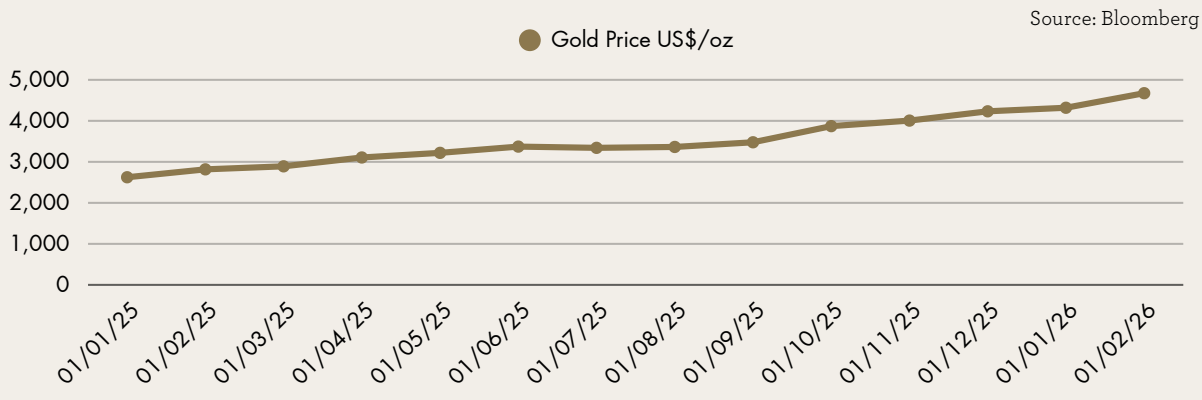
The first few weeks of 2026 have witnessed exceptional price movements across the precious metals complex. Gold, silver, and platinum all achieved new all-time highs in January 2026 before giving up some of these gains. The earlier strength reflected a volatile geopolitical backdrop and ongoing concerns regarding the Federal Reserve's independence, which continued to favour defensive assets, such as gold. That said, with such hefty gains in prices within such a short period, it was clear that the rally had become overstretched. While the appointment of the new Fed Chair appeared to trigger the late January sell off, the correction was to be expected.

Despite the recent correction, Metals Focus maintains a positive view towards gold prices. Policy uncertainty under the Trump administration is likely to persist for the foreseeable future, especially ahead of the upcoming US mid-term elections. Elsewhere, tail risks are expected to abound, including growing worries about fiscal sustainability in key economies, overstretched AI-tech stock valuations, and heightened geopolitical tensions. All these factors should form a strong investment case for gold. Likewise, demand for gold among central banks is also likely to remain historically high, as a deteriorating US fiscal outlook and elevated geopolitical risks continue to encourage diversification away from dollar-denominated assets. Against this backdrop, Metals Focus expects gold to set a new high of around $6,000 later this year.

Given its close relationship with gold, silver should also benefit from most of the macroeconomic factors that support gold. That said, two concerns remain: the recent spike in volatility in silver prices, and thrifting and substitution in some areas of industrial demand. The latter may take time to resonate with investors, but this is one reason silver may gradually start to underperform gold as we progress through 2026.

In terms of platinum, the market is expected to remain in a structural deficit for the fourth year in a row. This, coupled with ongoing US tariff concerns, will continue to keep physical supplies tight, offering solid price support. Investor activity will be another key driver of prices this year. For instance, the launch of new investment products in China in November 2025 has been crucial to the price breaking seen since late 2025, as this has broadened market access and accelerated investor participation. All these favourable factors, along with positive spillovers from higher gold prices, should amplify price gains, with a forecast peak of $2,900 this year.

Source: Bloomberg



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Managing volatility in precious metal prices

The following guidance has been gathered from the Association's various member networks, including independent retailers, suppliers, manufacturers, designers and valuers.

There are many considerations when dealing with rising material costs. The jeweller's situation, cash flow, and business model will strongly influence the right advice for each member's specific needs.

The jeweller's appetite for risk will also shape how to approach this discipline. Our guidance at the NAJ is to act with due care for your business.

Please note: The following guidance is general in nature. It does not set or recommend prices, margins, or commercial strategies. All members must make their own independent business decisions based on their individual circumstances.

Pricing stock

- Most jewellers hold far too many SKUs (stock keeping units) to feasibly reprice every item on a frequent basis. It is therefore essential to focus attention where it is most needed. Priority should be given to older stock purchased when gold prices were significantly lower, as well as items that are regularly re-ordered or resized, such as wedding rings and eternity rings, where price accuracy is particularly important.
- Before placing longstanding items back into the display or continuing to discount them, their current value should be manually reviewed. In some cases, pieces originally bought at historic metal prices may now have a scrap value that exceeds the intended selling price. Failing to reassess could result in avoidable losses.
- For high-turnover items such as wedding and eternity rings, it is advisable to utilise suppliers' sample sets alongside live pricing systems linked to current metal markets. This ensures quotations remain accurate and responsive to market fluctuations without tying up unnecessary capital in finished stock.
- If a customer order triggers a review and an item is found to be underpriced due to market movement, the displayed stock version of that ring should be repriced immediately. This prevents further sales at outdated and potentially loss-making prices.
- Some jewellers opt to use older stock as value-added or incentive items rather than discount them heavily. While this can be an effective marketing approach, any pricing decisions must still be made independently and with full consideration of current metal values and margins.
- Where practical, ordering smaller quantities more frequently helps minimise exposure to volatile metal prices. This approach keeps stock fresher, reduces the impact of market spikes, and supports healthier cash flow.
- Always take into account any premiums related to minimum order quantities (MOQs) or delivery and shipping costs, as this change may result in a false economy.
- When holding multiples of the same product, it is often best practice to price only the display model. Each time this display piece is sold and replaced, its price should be reassessed to ensure it reflects the most up-to-date retail value.
- Some jewellers have shifted towards selling pieces "by the gram," adjusting prices regularly in line with material costs. Anyone adopting this method must comply fully with the relevant legal requirements, including those set out in the Weighing Scales Code of Practice. Familiarity with these rules is essential before implementing this approach.
- Rising metal values can present a useful opportunity to streamline old or slow-moving stock. Scrapping

outdated pieces may allow a jeweller to recover costs, or even realise a profit, while freeing up cash flow for more relevant or contemporary lines.

- Thinking creatively, some retailers choose not to hold precious metal wedding and eternity rings in stock at all. Instead, they keep sample sets and price individual orders on the day. This significantly reduces financial exposure to price fluctuations and supports more agile stock management.
- However, be mindful that sentimental and occasion jewellery is highly tactile, and quality is paramount; you may wish to supplement base-metal samples with a small number of live samples. This will help demonstrate the look, feel, and quality customers can expect, reducing the risk of any surprises on delivery.
- When providing quotations, whether for purchasing or selling, it is important to make clear that the price is valid for that day only. If a customer returns at a later date, the figure may need to be recalculated in line with current metal prices. This helps manage expectations and reduces the risk of dispute.

Buying precious metals over-the-counter

- Fluctuating precious metal prices create both risks and advantages for jewellers. One notable advantage is the near-unique ability to acquire gold below full market value by purchasing it as scrap. The margin between the price paid for scrap and the prevailing bullion price provides a natural buffer, helping to offset market swings and protect overall profitability.
- During periods of heightened volatility, some jewellers may choose the security of selling accumulated scrap to their refiner more frequently, safeguarding against potential price drops. Others may adopt a more speculative approach, holding metal for longer in the hope of capitalising on a favourable price rise. The appropriate strategy depends on each jeweller's individual cash-flow needs, appetite for risk, and confidence in market direction.
- Jewellers are free to determine the margin they apply when purchasing scrap from customers. In turbulent market conditions, businesses may adjust these margins to match their risk exposure, ensuring that buying practices remain sustainable and aligned with financial priorities.
- High volumes of scrap entering the market have led some refiners to temporarily limit their purchasing capacity or to modify their processing and payment policies. Maintaining regular contact with your refiner is essential to ensure your buying prices, scrap intake, and customer offers reflect the most accurate and up-to-date information.
- When purchasing jewellery for resale rather than for scrap, it is vital to be fully familiar with both the Global Accounting Scheme and the Margin Scheme. These schemes can significantly reduce the VAT payable on second-hand items, but they also require the jeweller to retain detailed purchase records and closely track associated sales to remain compliant.
- Investment-grade gold, such as recognised gold coins and fine gold bars, is exempt from VAT, but such items must be tracked separately for audit and compliance purposes. In contrast, silver and platinum bullion do not benefit from the same exemption, and standard VAT rules apply. Accurate record-keeping is therefore essential, particularly for businesses dealing in multiple precious metals.

View the **NAJ Gold Standard Guidance Notice** for further information

Considerations for Designer-makers

- Pricing models should be by weight, not unit amount. Charging by weight ensures your prices accurately reflect the real-time cost of precious metals, which may fluctuate significantly day to day. This protects your margins and makes it easier to justify price changes to customers when market shifts occur.
- Offering remodelling is the way to keep the lights on.

Remodelling leverages materials customers already own, reducing your exposure to volatile metal prices while still generating labour revenue. It additionally strengthens customer loyalty, as people appreciate transforming sentimental pieces into something new.

- Make sure that you cost at replacement price, not the price that you paid. Always base your calculations on what it would cost to replace the metal today, not the historical price you paid. This ensures you don't undercharge during periods of rising market value and that you don't erode your profit margins.
- Make it clear to customers that quotes are only fixed for a short amount of time. Your quotes should clearly state a validity period, typically between 24 hours and one week, so customers understand that metal prices may change quickly. Setting this expectation early prevents difficult conversations later and protects your pricing from volatility.
- Some designer-makers independently choose to include a buffer to protect against fluctuations, but the level and method are entirely at the discretion of each business. Including a modest buffer allows you to absorb sudden spikes in metal costs that occur between quoting, sourcing, and completing the job. This cushion keeps projects profitable even when the market moves unpredictably.

Considerations for valuations

- Increasing prices for precious metals directly raise the cost of replacing jewellery that contains significant metal weight. As a result, retail insurance valuations naturally rise in line with these market movements.
- Higher valuation figures may lead to increased insurance premiums. It is important to explain to clients that these changes are driven by current metal market conditions rather than any additional intrinsic enhancement of their item. As such, if metal prices dropped, so too would the value of the item.
- When precious metal prices experience sustained or sharp fluctuations, the risk of underinsurance grows, especially for pieces with a high metal content. Without timely valuation reviews, a client may unknowingly be insured for less than the true replacement cost.
- During periods of notable or prolonged price increases, it may be sensible to bring forward scheduled revaluations, particularly where an existing valuation is more than two years old. This ensures that the insurance cover remains accurate and reflective of current replacement costs.
- Maintaining open and proactive communication with clients is essential. Clear discussions about market trends, how valuations are calculated, the recommended frequency of reviews, and the potential effect on premiums help set realistic expectations. This approach also reinforces transparency, strengthens trust, and supports long-term client relationships.

Consideration for suppliers and manufacturers

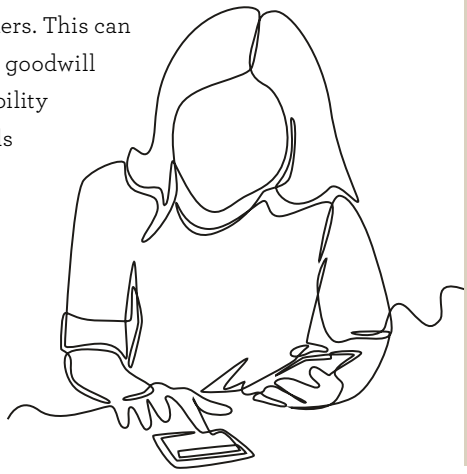
- Be transparent with customers about rising precious-metal prices. Open communication builds trust, and most customers are already aware of rising metal prices. Explaining the link between market conditions and jewellery pricing helps customers understand why adjustments are essential.
- Explain the production impact of volatile metal costs. Let customers know how fluctuating metal prices directly influence the cost of creating each piece. This context helps justify changes and reassures them that price decisions are not arbitrary.
- Explore ways to reduce or remove precious-metal content in designs. Consider design adaptations such as plating, switching to alternative metals, or reducing gold and silver content. Using larger gemstones or mixed-material aesthetics can maintain visual impact while reducing material-cost exposure.

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- However, when reducing precious metal content, it is important to fully consider wearability and long-term durability. Customers and end consumers should be educated on how reduced precious metal content can affect the longevity of jewellery. For example, a lower-carat wedding ring should not be worn alongside a higher-carat engagement ring, as this can accelerate wear. In some cases, offering a slimmer wedding ring by reducing the width, rather than the weight, may be a more suitable option. View the NAJ's Managing Customer Expectations guidance for further support.
- Add value for sale-or-return stockists to reduce the risk of returns. Because stockists on SOR (sale or return) agreements become riskier when prices rise, offering added value can help maintain orders and prevent excessive returns. This could include branded marketing assets, upgraded packaging, or bundling items that rely less on precious metals.
- Understand that stockists will react differently to price increases. Some partners will immediately understand the need for increases, while others may resist or struggle with the change. Tailoring your approach to each relationship keeps communication smoother and decisions more strategic.
- Consider selectively shielding key customers from the full impact of price rises. If keeping certain long-term relationships is essential, you may choose to delay or soften price increases for specific partners. This can help preserve goodwill as well as stability during periods of market uncertainty.



Further Information

Pricing Code of Practice

This Code of Practice explains the legal requirements for displaying and communicating prices, including correct use of comparative pricing, RRPs/ERPs, and pricing second-hand items. It helps jewellers follow pricing legislation and provides Assured Advice for NAJ members.

Gold Standard - Guidance Note

The Gold Standard is a voluntary code designed for those buying second-hand precious metals and jewellery. It focuses on maintaining ethical practices, with guidelines on customer ID, data protection and transaction records. By following these steps, jewellers help prevent the trade of stolen items. With clear protocols, it's a practical way to protect your business and customers alike.

Weighing Scales – Code of Practice

This Code of Practice sets out the legal requirements for using Class II weighing scales when trading in precious metals, gemstones, and pearls, explaining the accuracy standards, calibration rules, and approval markings that jewellers must follow to remain compliant with the Non-Automatic Weighing Instruments Regulations 2016.

Valuation – Guidance Note

This Guidance Note is intended to assist all businesses who conduct jewellery valuations to understand their legal obligations when providing a valuation to a customer.

Metals Focus

Metals Focus is a leading, independent precious metals research consultancy. With a team spread across eight countries it is dedicated to providing world-class statistics, analysis and forecasts to the global precious metals market.

NAJ Professional Standards Definitions

The National Association of Jewellers

Code of Conduct

The NAJ Code of Conduct is a set of rules and standards based on honesty, integrity and professionalism that members MUST abide by. The honouring of this commitment to the Code of Conduct sets members businesses apart from others.

Code of Practice

An NAJ Code of Practice is a set of rules regarding a particular subject. Most often, these Codes of Practice are translations of existing UK law. A Code of Practice provides explanations of how to uphold the law. Members MUST follow these codes in order to remain legally compliant.

Guidance Notes

An NAJ Guidance Note is a document produced to help members better understand their obligations in various areas. Guidance Notes can be on various subjects and are not always based on a specific UK Law. Members are expected to follow these instructions as best practice, although there is no statutory requirement. Guidance notes will be considered by The NAJ Professional Technical Standards Group for elevation to a Code of Practice after a period of two years has elapsed since their publication.

Disciplinary Procedure

The NAJ Disciplinary process is a series of steps that the NAJ can take to address member behaviour that falls short of the expectations as set out in the Code of Conduct.

These documents are live documents and subject to continued review; they can all be accessed on the NAJ website here; Codes of Practice (naj.co.uk)