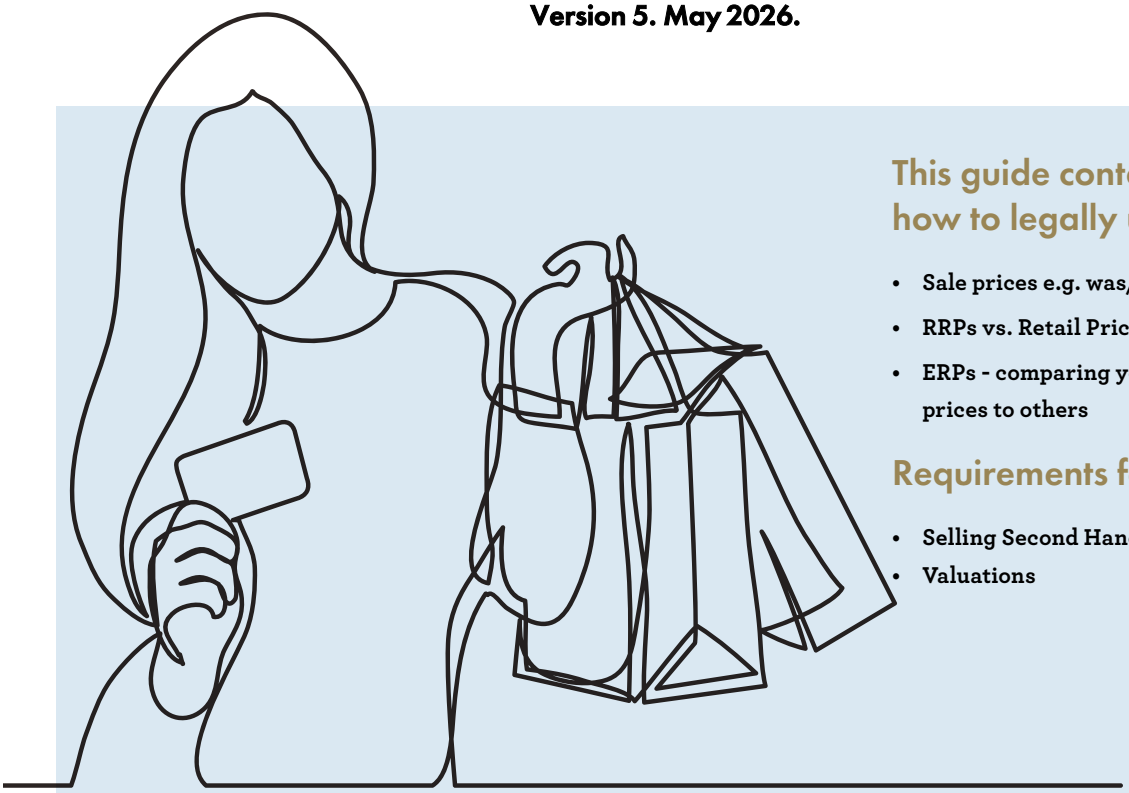
NAJ Code of Practice

PRICING

Version 5. May 2026.



This guide contains how to legally use...

- **Sale prices e.g. was/now**
- **RRPs vs. Retail Prices**
- **ERPs - comparing your prices to others**

Requirements for...

- **Selling Second Hand Goods**
- **Valuations**

This Code of Practice (CoP) outlines the criteria that all NAJ members selling jewellery, watches, silverware and associated products must abide by to demonstrate a professional business following pricing legislation.

It is a summary of the legal and professional practice requirements which NAJ members must observe and follow.

Were a member to act outside of the norms outlined in the CoP, they may be subject to disciplinary action or be in breach of legislation resulting in dismissal from the Association.

The Association's NAJ Resolve Service continues to deal with problems surrounding pricing especially now that the internet has established itself as an "accessible" selling platform. Common issues tend to be around, 'what is a genuine sale price?', or 'does this really have a credible RRP', every so often representing misinformation from a jewellery business.

An NAJ CoP is a set of written rules which explains how businesses in the jewellery sector should behave. It encompasses relevant legislation but is not law in itself.

The National Association of Jewellers

Shaping professional excellence in jewellery businesses and their people

The National Association of Jewellers

NAJ Code of Practice: Pricing

Professional Pricing

Digital Markets, Competition and Consumers Act 2024 (DMCCA) prohibits 'misleading actions' and 'misleading omissions' that cause, or are likely to cause, the average consumer to take a different transactional decision. In the case of pricing, this could mean that a consumer decides not to shop around for a better price. Consumers should be able to have confidence that they can rely on the information provided by a business when making their decision to purchase.

Businesses need to document why a pricing practice or promotion is fair and not misleading so that if they are challenged under the Regulations, they will be able to demonstrate that it has a due diligence system in place to prevent misleading practices.

All prices must be displayed clearly and, for consumers, inclusive of VAT. Prices should be easily identifiable and clearly legible – so it is clear to the consumer which price relates to which product. Items displayed for sale in a shop window should display pricing information. Exceptions to this are jewellery, precious metal or watches where the individual selling price is more than £3,000. These goods need not bear pricing information in close proximity to the item. However, the pricing information must still be given elsewhere – for example, by means of a price list in-store.

If there are any non-optional extras which are required to be purchased with the primary goods, you should either include these as part of the total price or display these prices prominently along with an explanatory statement.

Problems often arise when businesses wish to have a price promotion. It is no longer acceptable to charge a higher price for 28 days and then reduce it claiming a price saving. The DMCCA requires a higher level of evidence from traders to demonstrate that the higher price was a genuine selling price.

Evidence to prove a higher selling price:

- Screenshots from website or social media (time and date stamped)
- Catalogues
- Photos from a store window
- Magazine advertisements
- Trading records

Reference Pricing

Reference pricing refers to price promotions which aim to demonstrate good value by comparing pricing to another, usually higher, price. The use of reference pricing is perfectly acceptable, however any specific price advantage claimed must not be misleading or unfair. If your proposed pricing practice explicitly, or by implication, indicates a saving against another price, it is your responsibility to demonstrate that the reference price you are using to demonstrate a saving has been reasonably established as the selling price for that product.

Where can I report an issue?

In your first instance, you should report a perceived breach of the Code to the NAJ's Compliance Officer.

visit **naj.co.uk/resolve**
email **compliance@naj.co.uk**
call **0121 237 1110**



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Examples of reference pricing

Was/Now Pricing

A 'was/now' price promotion will compare an advertised price to a price the trader has previously charged for the product.

This should be a genuine previous price and must not mislead. Businesses must consider pricing history, sales data, sales and distribution channels and how recently the higher price has been charged when deciding whether a higher price is sufficiently established as a usual selling price.

Where traders set their own price, they should be able to demonstrate that they have set a fair price that is within the industry standard, that is a genuine price at which they have sold the product. They should be able to provide evidence that a significant amount of sales have been made at this price. If they then wish to reduce the price, they can refer to the previously charged price and offer consumers a genuine saving.

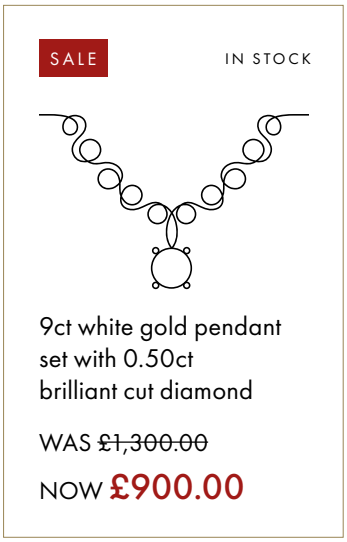
If the original price is set artificially high and no goods are sold at that price, the price cannot be used as a reference price. Any attempt to use such a price as a reference price would be deliberately misleading and unfair and would be an offence under the DMCCA.

Similarly, where the higher price was not charged in all stores or was only charged for a short amount of time, this would be deemed misleading.

> If the original price is set artificially high and no goods are sold at that price, the price cannot be used as a reference price.

Tips for using was/now pricing:

- Set an original asking price at a fair level that you expect the product to sell in significant quantities whilst providing a suitable mark-up to generate a sufficient profit
- Keep sales records, if no sales are made, it is likely that the price was set too high and as such is not an acceptable comparison
- Keep records of when and where prices were charged/changed
- The sale price should not be offered for longer than the higher price



BEST PRACTICE EXAMPLE:

Reference Pricing of popular stock items

In this image, a retailer has used £1,300 to present a reference price in order to demonstrate a saving to the customer.

The retailer Should be able to provide evidence of significant sales at the higher price as proof the original selling price was realistic.

The sale price must be offered for a period that is the same or shorter than the period the higher price was offered.

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NAJ Code of Practice: Pricing

Recommended Retail Prices (RRPs)

A Recommended Retail Price (RRPs) is a price recommended by the manufacturer or supplier.

Whilst the RRP is an acceptable reference price, this is not sufficient on its own to demonstrate that this is the price that consumers will generally have to pay. Businesses must monitor the market to check that this is the price that is generally being charged for that product. If a manufacturer supplies your business exclusively with a particular product, the RRP should not be used.

An RRP must not be false; it must not be created purely to present the appearance of a discount. You must not influence the price at which your third-party supplier or manufacturer sets the RRP, and you may not set your own RRP.

Traders using RRPs should consider obtaining substantiation from their suppliers or manufacturers that the RRP represents a genuine selling price. The use of RRPs as a reference price without such substantiation leaves the business open to the risk that the RRP is not genuine and may be considered misleading.

Tips for using using RRPS:

- Do not set your own RRP, even if you are manufacturing the goods
- An RRP must come from the manufacturer and must represent a genuine selling price
- RRPs must relate to the same product not similar products
- Check and keep records of prices the same goods are being sold at elsewhere on the market
- Review evidence regularly

RRP Decision Tree

Has the RRP for the product been set by the manufacturer or supplier?

Yes

Do you have evidence that the RRP is realistically being used by others as the price of the goods?

Yes

Have you documented your evidence of the RRP being used by others realistically (screenshots, catalogues, etc.)?

Yes

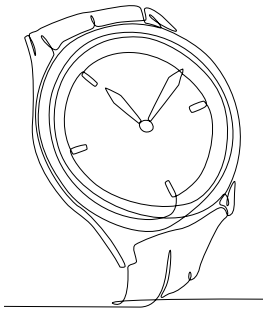
Use the RRP with caution. Review evidence regularly. Remember RRP cannot be used if you are the sole seller.

No – Don't use RRP

No – Don't use RRP

No – Don't use RRP

Remember – Accurate Reference Prices can be used at any time by anyone.



Seiko Watch 5 Sports

£189.00 ~~RRP £290.00~~

BEST PRACTICE EXAMPLE:

Recommended Retail Price

In this image, the retailer has used an RRP which was set by the manufacturer AND which they can prove is the price at which the watch is being sold by other businesses.

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External Reference Prices (ERPs)

External Reference Prices (ERPs) are used to compare an advertised price to a price charged by another trader for the same product.

If you're comparing your prices to those of competitors, you need to make sure the prices you quote are accurate and up-to-date. It's often a good idea to provide a date for the price comparison, especially in cases where pricing is likely to change quickly.

Tips for using using ERPS:

- Review evidence regularly
- Keeps records to demonstrate prices

In summary

If you wish to promote your products by making claims in relation to price you should spend time and effort ensuring that the claim is transparent and not unfair.

The DMCCA expects that businesses will deal with consumers honestly and in good faith. Businesses should not be pricing their products to be able to offer a larger discount at some point in the future. If they are doing this, they are admitting that the higher reference price is artificial and intended to mislead consumers.

When pricing products review the evidence and keep records of sales' data, pricing history, and pricing charged by other traders where relevant.

The promotion should not, in any way, mislead, deceive, or take advantage of consumers. Consumers should be able to have confidence they can rely on the information that you provide when making their decision to purchase. Consider customer perception: with all the facts to hand, would the customer feel they were getting a genuine saving?



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Selling second hand goods

When advertising second hand goods some businesses provide the consumer with a reference price which refers to what the item would cost to purchase new.

This is material information that can better arm the consumer when deciding to make their purchase.

The use of this reference price should follow guidelines so as not to be perceived as deceptive or misleading.

"New Replacement Value" should NOT be used.

The definition of VALUE is: **the regard that something is held to deserve; the importance, worth, or usefulness of something.**

Value is the use that a customer or client can get out of a product. Value can be subjective, in that one customer may perceive the value of an item to be higher than another customer, based on their situation and specific needs.

"New Replacement Price" should be used instead.

The definition of PRICE is: **the amount of money expected, required, or given in payment for something.**

Price is the amount set by the retailer, paid to seller, in order to gain a product or service and is (usually) expressed in economic / monetary terms. The price is most significant from a consumer perspective and is the same for all consumers. In its truest form price represents currency paid and given in exchange for an item. Price can change prior to the conclusion of a sale, through the negotiation process between retailer and customer. Moreover, a price is based on a pricing policy.

When using a "new replacement" reference price this must be able to be substantiated with facts. You must be able to provide evidence of where and how the new replacement price was obtained with full transparency to the consumer.

Valuations

Any indication which you may give, and which may be construed as being misleading including the price at which goods are offered to consumers is regulated under the DMCCA 2024. The DMCCA prohibit commercial practices which are misleading whether by action or omission and which cause or are likely to cause the average consumer to take a different decision.

Items of jewellery are valued differently for different purposes. Consumers often wonder about the gap between the insurance value of an item and the amount they would get, as a private individual, if they chose to sell their item.

Definitions to assist you in explaining **"why values vary"** to your customer;

Insurance Valuation; This type of appraisal will show the full retail replacement value, "as new" or "as second- hand/ antique" of the jewellery, VAT inclusive, taking into account the nature, quality and design of the pieces and the sort of shop likely to be able to provide comparable replacements in the event of loss. It is, therefore, a representation of the highest value of the goods.

Probate or Confirmation of Will; Unlike an insurance valuation which indicates the full retail replacement value, probate value/s are required to comply with Section 160 of The Inheritance Act 1984. As such, values reflect the condition the property was in at the date of death and represent the likely hypothetical 'auction hammer prices' and do not take into account any commissions and/or charges payable to the auction house.

Making an offer to buy second hand jewellery over the counter; This is the lowest "value".

If a person is trying to sell a piece of used jewellery, then its "worth" would be its *liquidation* value. Generally, a *liquidation* value is based on the immediate cash value of the item and is its lowest valuation.

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For items likely to be recycled, such as low quality, less desirable items, or broken jewellery, their value may be only as scrap metal. In today's market, many buyers will not pay anything for small diamonds and coloured gemstones unless they are very high quality, concentrating only on the value of the gold.

Sale Between Parties; Such an appraisal is made with due regard to two persons, the buyer and the seller. The prospective buyer is seen as entitled to a "bargain" since he is not being offered the customary guarantees of a reputable jeweller. The seller is seen as reasonably expecting a better price than he would get from selling to the trade because the jewellery will not subsequently be required to produce a profit for the jeweller.

Valuations must never be used as an inducement to sell, nor should they be used in pre-sale promotional material or marketing in any form or medium.

The act of preparing a valuation document should be totally impartial and should be made with no thought of influencing the sale of the item being valued. By providing a valuation document before the sale has been made you are linking the sale and the valuation together and either directly or indirectly influencing the customer, therefore this is an illegal practice that is not allowed.

By waiting until after the sale to provide a valuation document you have not unduly influenced your customer and have remained impartial.

Get Professional Support

As an NAJ member you benefit from access to the Better Business helpline service, resource library and online toolbox, giving you information, ideas and support to make sure you are working legally, profitably and sustainably.

visit **naj.co.uk/bb**
email **membership@naj.co.uk**
call **0121 237 1110**

Useful Links and Further Reading

Guidance for Traders on Pricing Practices
(businesscompanion.info)
Other relevant legislation;
Price Marking Order 2004 **Providing price information | Business Companion**
Prices: Recommended retail prices (RRPs) - ASA | CAP

The Regulatory Framework
Trading standards services in England, Wales and Scotland and the Northern Ireland enforce the Regulations.
The Competition and Markets Authority also enforces the Regulations.
The Advertising Standards Authority – UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code) and the UK Code of Broadcast Advertising (BCAP Code) are advertising codes for advertisers, agencies and media which are designed to address misleading, harmful or offensive advertising. The Codes must be followed by all advertisers, agencies and media. The Codes are enforced by the Advertising Standards Authority, considered an established means for gaining compliance with the Regulations, who can take steps to remove or have amended any advertisements that breach these rules.

PRIMARY AUTHORITY PARTNERSHIP WITH
Buckinghamshire&Surrey trading standards

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NAJ Disciplinary Procedure Tree

Where can I report an issue?
In your first instance, you should report a perceived breach of the Code to the NAJ's Compliance Officer.
visit **naj.co.uk/resolve**
email **compliance@naj.co.uk**
call **0121 237 1110**

Official complaint raised against NAJ member

1 Preliminary investigation (by NAJ Compliance Officer)
- Complaint not upheld → No further action
- Upheld (ie: potential breach of the Code of Conduct)

2 Further investigation (recommendations made to member)
- Member adheres to recommendations → No further action
- Member fails to act in given timeframe

3 Formal Investigation (by NAJ Disciplinary Panel)
- Allegation dismissed → No further action
- Allegation upheld

4 Member instructed to take remedial action and/or membership suspended or terminated
- Member complies → No further action
- Member fails to comply → Membership suspension or termination
- Right of appeal

5 Appeals panel review
- Decision overruled → No further action

Decision confirmed. Penalty imposed or voided

To view all Codes of Practice and the full disciplinary procedure
visit **naj.co.uk/member-documents**
email **membership@naj.co.uk**