

**Roy, Lauren**

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**From:** Blanch, Belinda on behalf of Adjudication  
**Sent:** Friday, 18 April 2008 11:44 AM  
**To:** Chisholm, Shane; Roy, Lauren  
**Subject:** FW: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

**Follow Up Flag:** Follow up  
**Flag Status:** Green

**Categories:** SEC=UNCLASSIFIED  
**Attachments:** eBay exclusive dealing notification.doc  
**ACCC Classification:** SEC=UNCLASSIFIED



eBay exclusive  
dealing notific...

## EXCLUDED FROM PUBLIC REGISTER

-----Original Message-----

**From:** [redacted] [mailto:[redacted]]  
**Sent:** Friday, 18 April 2008 11:28 AM  
**To:** Adjudication  
**Subject:** Re: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

Hello,

Further to my complaint and the response below, I'd like to lodge a public submission as suggested to the ACCC regarding the immunity currently given to ebay from the TPA.

In response to the criteria required to overturn this notification -

the proposed conduct will result in a substantial lessening of competition;

eBay already has a monopoly of the online auction market. In addition, in smaller markets such as Australia, it is very difficult for competitors to gain the "critical mass" of customers necessary for an auction business to be successful. The online auction space is unique that it requires a minimum of sellers to attract buyers, and a large number of buyers to attract sellers - a "catch 22" scenario that makes the market a difficult one to compete in. eBay has already established itself as the single biggest online auction site world-wide by a huge margin. There are few people that would not agree that ebay has a monopoly on online auction trading.

The "lessening of competition" in this case is not about eBay -it's about PayPal. eBay is making a decision which is very unpopular amongst its customers. However given that there are no good alternatives to eBay due to their monopoly of the market, most customers will be forced to fall into line and just accept the changes that eBay has mandated. This will represent a huge increase in market share of PayPal in the online payment space. In the longer term, due to the large percentage of internet users who use ebay, it is likely that PayPal will become the single most common form of person-to-person or person-to-business payment service simply because of the large user base. This is despite that fact, that currently most customers of eBay avoid PayPal, due to it's poor reputation, lack of customer care and additional fees.

Customers will not have the option to choose alternative and well-established payment methods such as bank deposit, bank cheque, personal cheque, money order, or any other payment type that sellers wish to offer their customers. In the longer term, if ebay is allowed to continue their current plan, this trend is likely to spread beyond eBay to other commercial internet sites.

If that's not lessening competition, what is?

the public benefit that may result from the proposed conduct would not outweigh the detriment to the public caused by the lessening of competition.

The public benefit under the mandated changes is negligible, and providing PayPal as the only choice available to customers is not necessary to providing the benefits proposed. eBay is selling the changes as a way for users to improve the security and safety of their online transactions. These improvements are arguable, but in any case, there is no reason that eBay can not simply continue to offer customers the choice to use PayPal as one of several alternatives, should customers wish to take advantage of the alleged "security" that PayPal offers.

In short the benefits being provided do not require a reduction of choice. The reduction of choice and competition is solely of benefit to eBay and PayPal and has nothing to do with customer care.

thank you,  
Richard.

Richard Nichols .

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"Infocentre"  
<info.centre@acc  
c.gov.au>  
Sent by:  
"Infocentre"  
<info.centre@acc  
c.gov.au>
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18/04/2008 10:56
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To: undisclosed-recipients;

cc:

Subject: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

Please find attached a response to your recent inquiry to the ACCC concerning eBay / PayPal.

<<eBay exclusive dealing notification.doc>>

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