

Roy, Lauren

From: Blanch, Belinda on behalf of Adjudication
Sent: Monday, 21 April 2008 10:14 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: eBay + PayPal Monopoly Abuse. [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

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

From: Steven Haigh [redacted]
Sent: Monday, 21 April 2008 12:59 AM
To: Adjudication
Subject: eBay + PayPal Monopoly Abuse.

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To whom it may concern,

I wish to lodge a submission for the consideration of the ACCC regarding the recent decision of eBay International to force Australian subscribers to use PayPal for receiving payments for auctions and banning other methods of payments.

This decision is against the spirit of Section 47 of the Trade Practices Act and forces eBay customers to lose more of their profit margin (if any) due to the increased fees associated with PayPal transactions.

Under the current structure, sellers have had the option to offer alternate methods of payment. The buyer can then choose which method of payment is preferred. These include (but are not limited to):

- * Direct Deposit
- * Cash
- * Cheque

These methods of payment do not incur any additional fees and are usually the preferred method of payment by most buyers and sellers due to the very low cost involved. This freedom is under threat by eBay's proposal to force all users to abandon the above methods of payment.

Under the proposed structure by eBay, there will be the following mandatory fees involved with every auction.

- * Insertation (Listing) fee
- * Final Value Fee
- * PayPal fee

The PayPal fees can range from 3.4% to 4.4% of the transaction cost (before taking into account the eBay fees). This does not include the fees involved with transferring money from a users PayPal account to their nominated bank account.

As eBay owns PayPal outright, the new fee structure proposal forces users to hand over as much as 12% of the final value of their transaction to eBay International as fees. This effectively means that eBay International is abusing its monopoly to gouge an extra 3-5% from their customers for every transaction.

This is exactly what the Trade Practices Act is supposed to prevent. It is therefore my request that the ACCC take steps within its legal powers to prevent eBay International from implementing these changes, violating Australian law and profiteering on the every day Australian.

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Steven Haigh

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