

**EXCLUDED FROM
PUBLIC REGISTER**

20th April 2008.

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra
ACT 2601

Fax 02 6243 1211

Dear Sir,

Re: eBay exclusive dealing notification N93365.

I am both a buyer and seller through eBay and wish to submit my objection to eBay's proposal to force all sellers to accept only PayPal as the payment method for all transactions other than pick-up. I believe this action is anti-competitive and has no perceivable public benefits. The reasons for my objection are:

1. eBay is a market which brings buyers and sellers together, who should then be free to determine the conditions of the contract they establish for the sale and purchase of goods. These conditions include the price payable, method of payment, means of delivery and any other matters either party may require to complete the transaction. eBay's listing structure enables a seller to specify some or all of these in the listing so that they are known to potential buyers. However, a buyer may suggest and negotiate changes to these conditions before making an offer for the goods. I have done this successfully on a number of occasions, usually in relation to method of payment or delivery. Imposing a single method of payment would restrict the freedom of buyers and sellers to set their own terms for a transaction.
2. If sellers are no longer free to specify methods of payment and are forced to use PayPal exclusively, they will be disadvantaged by incurring substantial fees which are not payable when using other payment methods, such as bank deposit, personal or bank cheque, money order, cash, or credit card direct between buyer and seller.
3. I do not accept eBay's contention that PayPal is necessary to improve security of transactions. While PayPal does offer buyer protection, my own experience is that prudent precautions taken by buyers and sellers will normally provide adequate protection. These include carefully checking the other party's feedback history and questioning sellers on any details which are not clear from the listing before making an offer. On many occasions I have refrained from bidding on an item because the seller's feedback profile has indicated that problems may be encountered. Consequently, I do not accept that buying and selling through eBay poses any greater risk than any other on-line or mail order transaction; in fact eBay's feedback system enhances security when compared with other on-line or mail order markets.
4. From a seller's point of view the proposal will lessen competition by excluding potential buyers who are unable or unwilling to embrace the PayPal method of payment. Becoming a PayPal user entails entrusting PayPal with personal banking and credit card details, and having PayPal hold funds on behalf of the user, which entails a degree of risk which would not be acceptable to everyone. I suspect many casual eBay users would not wish to become involved with PayPal and would therefore drop out of the market if PayPal was a prerequisite to using eBay.
5. eBay has proposed that the only exception to the use of PayPal will be when goods are picked up by the buyer from the seller. In my experience this is probably a very small proportion of eBay transactions, as it requires the buyer and seller to be in close proximity and may inconvenience both parties. I have never picked up an item or had a buyer collect an item I have sold.

I have been an eBay user since May 2001 and have completed over 280 successful transactions as both a buyer and seller. I have never experienced any problems in making or receiving payment and have never

received goods which have not been substantially as described. The only problems I have experienced using eBay have been in relation to poor communication by a small number of sellers and slow dispatch of goods. These problems are unassociated with the method of payment and would not be overcome by imposing PayPal.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Peter John Cornell'. The signature is stylized with a large loop at the end.

Peter John Cornell