

Roy, Lauren

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From: Cathy Mitchell [REDACTED]  
Sent: Monday, 21 April 2008 1:05 PM  
To: Adjudication  
Cc: Roy, Lauren  
Subject: Public submission on notification N93365 - EBAY / Paypal

**EXCLUDED FROM  
PUBLIC REGISTER**

Dear Sir/ Madam,

I would like to make a public submission on notification N93365 & be informed of its progress.

I wish to make a submission in the ACCC investigation into Ebay Australia's request for an exemption to the third party forcing rules on the grounds of public safety and prevention of fraud.

I am against allowing ebay to force all sellers into using the Paypal system that they own. I know that their stated position is that it will reduce fraud and therefore be good for the public, but I think it is all about the market dominance that they would achieve by forcing all payments to be transacted through a company that they own.

I am small hobby seller on ebay and have been using the site since 2004. I use direct deposit, personal cheque or money order for payments. I used to use Papal for overseas transactions but stopped because the fees were exorbitant for a small seller - around another 2% on each transaction.

The methods I use for payment have been successful and I have a 100% feedback rating from buyers. Direct deposit is convenient and secure. I understand that Paypal in the USA is more popular because their banks don't offer a free direct deposit service either on line or by walking into a branch.

Since Ebay became the owners of Paypal they have been encouraging more Australian sellers to use it. At first by making listing free on certain days if you offer Paypal. Then their methods became more coercive. They stated it was a rule that if you offered Paypal for overseas transactions you must also offer Paypal to Australian buyers. I stopped doing overseas transactions as the fees were too high for me to offer Paypal to Australian customers.

Then a few months ago there was a "glitch" in their checkout system and it no longer shows direct deposit details for each transaction. The seller has to manual type them into the invoices. After many complaints, ebay said it was fixed but direct deposit details still do not show up automatically like they used to.

I believe ebay has been doing all they can to get sellers to use Paypal and stop using direct deposit.

I believe in choice. If Paypal lowers fees and offers enhanced safety than buyers/sellers will use it and it will grow. But they should not be allowed to channel all payments through it and be given a monopoly.

In fact in some circumstances I believe that Paypal system facilitates fraud. I have had a couple of incidents (before I stopped using it) where I posted an item and the buyer claimed they did not receive it and Paypal refunded the money out of my account. This was unfair and a few weeks later another seller contacted me to say the same person had made a similar claim through paypal and also received a refund.

To avoid people abusing the Paypal system like this, we would have to use registered mail for all transactions which is another added cost and makes selling smaller items unviable.

Anyhow that is my perspective. I have never written a public submission before but it frustrates me that Ebay claims that this is all about preventing fraud. I think it is mainly about the 2% per transaction that they will get if they are allowed to channel all the business through their Paypal system.

I think Paypal should (like anything else) prove itself in the market place. If fees are made reasonable more buyers/sellers will avail themselves of its protection. But the choice should remain. We have a safe banking deposit system here in Australia and a money order system which is also safe.

Regards

Catherine Mitchell