

**Roy, Lauren**

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**From:** Blanch, Belinda on behalf of Adjudication  
**Sent:** Thursday, 17 April 2008 9:24 AM  
**To:** Chisholm, Shane; Roy, Lauren  
**Subject:** FW: eBay International AG exclusive dealing notification N93365  
 [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** Jill Walsh [mailto:[\[REDACTED\]](mailto:)]  
**Sent:** Wednesday, 16 April 2008 6:03 PM  
**To:** Adjudication  
**Subject:** eBay International AG exclusive dealing notification N93365

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 PUBLIC REGISTER**

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

To whom it may concern,

My husband and I frequently use the eBay online auction site to buy and sell a broad range of items. We are shocked and appalled by eBay's attempt to limit payment options to PayPal and cash on local pick up. We feel that there are a number of inherent dangers involved in this change of payment systems and, as a social worker (my husband is a medical practitioner) I am also concerned about the potential social implications.

I will start with the latter, our social concerns. I personally know a number of elderly and disabled people who like to use eBay, most of whom are on pensions and do not have access to credit cards or simply do not trust the online option when making financial transactions. These people within our community will no longer have access to an enjoyable pastime. Their payment preferences are usually post office money orders, personal cheques or bank deposits made through an actual bank branch (not just online bank deposits). To exclude these buyers amounts to financial discrimination to a considerable percentage of the current eBay membership.

In our time buying and selling on eBay we have never experienced any problems with transactions involving any payment method (including cash posted in the mail) however, on one occasion I sold an old coffee pot to an American buyer who then switched the item with one already in his possession. Despite my pleas to PayPal, they ignored my version of events and took more than \$90.00 from my account without my permission. The buyer returned the damaged pot to me and I was forced to accept the PayPal decision to refund the buyer.

PayPal advertises (aggressively) their buyer protection program which appears, on the surface to be a form of insurance. This is definitely not the case. Instead of PayPal covering buyer's losses they simply reverse the transaction straight from the seller's account. If there are insufficient funds in the seller's account (because the seller has absconded with the payment or whatever) the buyer is informed that PayPal cannot retrieve the funds and closes the case. I know of several cases where buyers have been refunded a few cents out of their large original payments because that was all that was left in the seller's account.

If you examine eBay's community posts you quickly learn how members feel about this change in payment systems contrary to eBay's assertion that consumers would feel safer using PayPal. Whilst PayPal has a very useful place in eBay overseas transactions, eBay should not be allowed to create a payment option monopoly. In doing so, they are then given free rein to increase fees at their leisure. Further, customers would have no alternative but to pay twice for items.

When you sell an item on eBay the following fees apply (if this payment change is authorised):

1. Pay a listing fee (with many fees optionally involved)
2. Pay a fee to eBay when the item sells
3. Pay a fee to PayPal when the buyers pay through PayPal

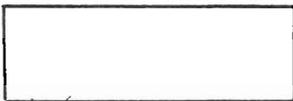
This involved a double dipping once an item sells. If the customer pays the seller through any other means the seller only pays eBay the fee at the close of the sale, not when the buyer pays as well. Thus, current alternative payment options offer consumers similar options to purchasing items as they would under any other mail order system.

eBay claims it is trying to reduce risks to consumers however, this is nonsense. We do not believe that PayPal is a safer alternative. As outlined above, we feel that it is an unsafe and very expensive option to consumers. At least banks (and other financial institutions) and post offices have physical locations in most communities throughout Australia where consumers can make face to face complaints. PayPal does not. Further, eBay fees are paid into an anonymous Swiss bank account. This does not offer the consumer any sense of security in terms of consumer protection.

Our plea is for the ACCC to reject eBay's request to change its payment options. In doing so the ACCC may set a precedent for other major monopolies to join forces with large financial institutions forcing consumers to pay twice for a single transaction through only being allowed to pay via a single payment option.

Thank you for considering this submission.  
Yours sincerely,

Jillian A Walsh & Dr Andrew S Dickie



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