

## Roy, Lauren

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**From:** Petreski, Sonya on behalf of Adjudication  
**Sent:** Thursday, 24 April 2008 8:03 AM  
**To:** Chisholm, Shane; Roy, Lauren  
**Subject:** FW: re: EBAY/PAYPAL ISSUE [SEC=UNCLASSIFIED]

**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

**EXCLUDED FROM  
PUBLIC REGISTER**

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

**From:** Peter Eggenhuizen [mailto:[\[REDACTED\]](#)]  
**Sent:** Wednesday, 23 April 2008 3:53 PM  
**To:** Adjudication; [\[REDACTED\]](#)  
**Subject:** re: EBAY/PAYPAL ISSUE

I have been asked by the ACCC to forward my concerns initially raised with them about the imminent change of eBay policy. As you are aware eBay have decided to change the way that payments are made on their website. The changes they intend to introduce are very unfair to both sellers and buyers on eBay because it decreases the choice buyers and sellers have when it comes to payment of the item.

If eBay gets their way there will be no choice at all in the matter as they want all payments to go through their own company, Paypal, which takes the cream off the top of every payment from the seller. This will clearly mean an enormous increase in profits for the company at the detriment of its buyers and sellers who are left with no choice in payment.

There are a number of issues raised here regarding lack of choice. If somebody wants to buy something on eBay and they do not have a credit card they are unable to purchase the item on eBay. This is in opposition to the current method where customers can pay by a variety of options offered by the seller and the particular payment method is chosen by the buyer. These could be via Paypal, a merchant credit card service, bank deposit, cheque or money order. All of these current payment methods have functioned perfectly fine for the entire worldwide eBay community and as a seller the only problems I have faced regarding payment only has involved Paypal.

I, like many buyers and sellers, regard cheque, money order, bank deposit or the like to be acceptable forms of payment and as a seller I should not have to force myself and my customers to go through only one payment method. The choice should be up the buyer and seller which payment methods they choose and accept. It should not be up to eBay to decide for their customers which payment methods would be best for them. eBay mentions the question of online security and only their Paypal method of payment is secure and acceptable for them. It is indeed true that Paypal is secure and the protection it offers is attractive to buyers and sellers. However, Paypal is not for everyone and eBay taking a 'Big Brother' approach on the payments through their site is not the way they should be promoting their safe online payment monolith, Paypal. They should not be impinging upon customers in this way because it decreases the sellers and buyers choice in method of payment. This detriment to the buyers and sellers freedoms does not outweigh at all the self proclaimed safety and security of the Paypal website.

There are many customers on eBay who do not have a credit card or do not believe in devouging their credit card details to an online organisation and would rather pay via an alternative method- cheques, money orders, bank deposits, etc. These people should not be forced by eBay to give over their credit card details or apply for a credit card just to buy or sell on eBay. The only other option they have is not to be a part of eBay and since eBay holds the dominant place in the online marketplace this really

isn't an alternative if you want to purchase goods online. As a seller this decrease in choice of method of payment will mean forcing their customers to pay via a payment method they may not really wish to use and since eBay is a worldwide marketplace and the new policy affects only Australian eBay listings, any Australian worldwide listings will be unfairly un-included in the global eBay internet site. This will ultimately lead to a massive customer base being lost overnight as not all customers will be able to pay for their items on eBay under the proposed policy change. Since many people's livelihoods depend on eBay as a platform for their businesses, the decrease in customers will lead to a decrease in profits and an increase in seller fees, as all items will have an additional Paypal fee.

Paypal has also set up a bank deposit mechanism where its customers can choose pay for their eBay items via their bank account via Paypal. As a seller and buyer, this method is extremely inconveniencing, slow and expensive and the more direct form of bank deposit using internet banking or over the counter depositing is much faster and cheaper than the Paypal Bank Deposit method. Thus, by removing bank deposit using internet banking or over the counter deposits, eBay is creating a more detrimental service for its buyers and sellers who would have to pay more (as sellers) and wait longer (as buyers) to receive the item they paid for. This detriment easily outweighs the glorified safety and security of Paypal.

Furthermore, if eBay decides to remove all other forms of payment, then there will be a substantial lessening of competition involving the companies that offer payment services other than Paypal such as Australian banks and Australia Post. I, like many sellers have set up at my own expense a separate bank account to clearly maintain my eBay transactions. If eBay removes bank deposit as an option, then the banks will loose customers as eBay has eroded any competition they may face with them. Also, some buyers of expensive items on eBay may wish to pay via a bank cheque or personal cheque. If eBay removes cheques as a payment method, then banks will loose competition with eBay due to their monopoly on accepting only Paypal payments. I, like many sellers have set up at my own expense an Australia Post PO box to receive money orders and cheques and to receive items bought on eBay without disclosing my residential address. Also, many buyers who do not wish to pay via Paypal pay using an Australia Post money order, which they pay a fee to Australia Post for, plus postage. If eBay removed money orders and cheques as a payment method, they would be decreasing competition from Australia Post in sellers and buyers receiving and sending their eBay payments.

All the points raised above highlight that the potential benefit from disallowing all methods of payment except Paypal on eBay does not outweigh the potential detriments from offering a variety of payment methods. It hopefully has been shown that in fact there is great benefit to offering a variety of payment methods and there should be freedom of choice in what methods are accepted and chosen. Additionally, there will also be a decrease in competition involving other payment methods not being able to be offered. The ACCC must act upon this as it is a serious matter affecting anybody who purchases items online in Australia and indeed worldwide. The ACCC must not allow eBay to change its payment method policy and I trust that the ACCC will be stern in their decision. eBay Australia is the first eBay website for these unjust changes to take place and the decision the ACCC makes on this will be a precedent for other countries and their eBay websites. I thank you for the opportunity to express my concerns and I await your conclusions regarding the matter.

Peter Eggenhuizen.

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