

**Roy, Lauren**

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**From:** Blanch, Belinda on behalf of Adjudication  
**Sent:** Monday, 21 April 2008 10:23 AM  
**To:** Chisholm, Shane; Roy, Lauren  
**Subject:** FW: EBay International AG exclusive dealing notification N93365,-interested Party consultation [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**EXCLUDED FROM**

**From:** James [mailto:] **PUBLIC REGISTER**  
**Sent:** Sunday, 20 April 2008 3:46 PM  
**To:** Adjudication; Adjudication; Adjudication; Adjudication; Adjudication; Adjudication; Adjudication  
**Subject:** EBay International AG exclusive dealing notification N93365,-interested Party consultation

Dear Sir/Madam

I had been a user of ebay since 2000. I was a full time seller between 2005-2007 but have since stopped selling on ebay. This is because of rule changes that ebay have made in the last year, while none of these rule changes were illegal they made life harder for ebay sellers and hence my decision to quit.

But this latest rule change of ebay (exclusive dealing with Paypal) I find illegal for the following reasons -

- A) Paypal can suspend an account for no reason, and without warning, at their own discretion. This could mean the sudden freezing of thousands of dollars. Note that all accounts at the same residential address may be frozen because of one infringement; this could possibly mean that a unethical flat mate could mean that your own account is suddenly suspended. (There has been anecdotal evidence that this happened).
- B) Paypal will refund money to a buyer without any proof; it has been shown that registered post signatures are not acceptable in order to prove that an item has been delivered. Paypal will accept no responsibility for illegal activities by buyers and simply refund the money, no questions asked.
- C) If a credit card has been stolen and used for a Paypal transaction then the money will simply be refunded to the credit card; this means that the seller will lose all money. Please note that the seller has NO way of verifying if a credit card is valid or not while Paypal makes no attempt too. The irony of this is that ebay claims that Paypal is '100% safe' and stipulate that items bought with Paypal are to be sent straight away. With a cheque a seller has 5 days to verify the funds, with Paypal there is no opportunity.
- D) Ebay have claimed (since day one) that they are simply a 'market facilitator' and refuse to get directly involved with any transaction. This is the same as a council setting up a Sunday market, if a dispute arises from a stall holder the council does not get involved.

If ebay is allowed to force users to use Paypal then they are no longer a 'facilitator'; this is the same as if a council forced all transactions to be done via VISA (at the expense of Mastercard, cash e.t.c) at a Sunday market.

E) While Internet security has improved and secure sites are secure there are hundreds of thousands of 'phishing' attempts each day ('Phishing' is the act of a scammer trying to trick people in order to gather their username and passwords via various methods). I run a web site at [www.thebestscams.com](http://www.thebestscams.com) which covers this in more detail.

Because of this a lot of people, who are not Internet experts, are reluctant to give their credit card details to any company on the Internet; for these people the best way to pay is via direct debit. I realise the irony here in that a person won't give their credit card number, on the Internet, but uses Internet banking.

Buyers who neither use Internet banking or credit cards will pay for their purchase via cheques or money orders. As a seller of toys between 2005-2006 on ebay I had a lot of buyers aged under 18 who did not have a bank account or credit card, these people paid via money order.

F) According to Australian law a seller can add a surcharge to a transaction to cover credit card costs (usually 2.5% that I have personally seen). Ebay rules forbid a seller from adding a surcharge in order to cover Paypal costs; I thought this was illegal but the rule has never changed.

G) If I have a dispute with my credit card company I can ring them up and discuss this, and usually get the problem resolved with one phone call. Disputes with Paypal are harder as their is no phone number to contact, the only method of contact is via email.

My personal gripe with Paypal is they attempt to reply to disputes with a computer program. The first paragraph of this reply email states Paypal's stance on the subject (it has been known to get that wrong) and explains that you should try to resolve the problem with the other party first - this I find highly offensive as it is only after negotiations with the other party break down that there is a need to contact Paypal in the first place.

H) Paypal claim that you are 'protected' if you are defrauded. Reading the fine print it explains that your funds will only be refunded if there is enough money in the other parties account to refund, if a scammer has pulled all the funds out of their own account then you will in fact receive nothing.

For example, if I buy a laptop computer from a scammer and do not receive the item then I am (according to Paypal rules)eligible for a full refund via Paypal; but if the scammer has taken the money out of their Paypal account (and usually they shut the account down) then I will not receive any money.

James Clifton

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