

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Thursday, 24 April 2008 7:59 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: application by Ebay to the ACCC (N93365) [SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
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From: Kathryn [mailto:
Sent: Wednesday, 23 April 2008 11:40 AM
To: Adjudication
Subject: application by Ebay to the ACCC (N93365)

**EXCLUDED FROM
PUBLIC REGISTER**

To the Australian Competition and Consumer Commission,

re:- Application by eBay to the ACCC (N93365)

I'm a registered eBay user in Australia. I am writing to let you know that I am against eBay forcing sellers and buyers to use PayPal exclusively.

I am a seller and buyer. As a seller I need to offer payment options to my customers. Many only want to use direct deposit, others want to use money orders or cheques - some even prefer to send cash. As a buyer I wish to be able to direct deposit or send a money order to pay for my purchase within Australia, rather than inflict unreasonable fees on the seller.

Every-one, both buyers and sellers will be forced to register with PayPal and disclose private banking and credit card information to PayPal this restricts freedom in the market place and must surely contravene such laws as are in place to protect said market place. I know many people do not want to put any private financial information on the internet because of the risk of losing money from their account/s or having it used without their authorisation.

I personally do not want to be forced to use PayPal, especially not as a seller as PayPal charge a fee for the total amount of the transaction including postage and handling. This is on top of the already inflated fees charged by eBay to list and sell.

PayPal greatly limits buyer's and seller's freedom of choice and forces sellers to incur greater fees than their products may warrant. I had a small business selling on line through eBay Australia, I had to close that business when eBay insisted that PayPal should be offered to all buyers and also increased store fees almost 2 years ago. The application by Ebay to the ACCC (N93365), like the changes to store fees, is designed to increase their profit margin and not to benefit the people who use the site.

I would like to voice my disgust at the application by eBay and therefore submit the following reasons requesting that the ACCC refuse this application.

From the 21st May 2008, eBay will require sellers to offer Paypal as one of their accepted payment methods . From the 17th of June 2008 eBay will require every eBay user (both buyers and sellers) to register AND use PayPal to the exclusion of all other methods except local pick up, regardless of personal preferences. Local pick-up only works if you live within a reasonable distance of the

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seller. In Australia this is a ridiculous premise as distances are so great across the country. If I sell something to someone outside the Geelong area, the cost of pick-up is greater than the postage costs and therefore not a viable option.

I have been trading on ebay for over 3 ½ years now and my pricing has to be competitive, while still allowing me to make a reasonable profit. eBay already charges high fees for listing items with separate fees charged for listing, photograph (called gallery - if displayed with listing), and sub-title, then they charge a final value fee (FVF). Listing and FVF are charged on a sliding scale so the higher the starting price the higher the listing fee and the higher the final price the higher the FVF.

I have offered Paypal to my overseas customers because this is a great way to receive fees from other countries, however I do so knowing that I will be penalized with higher fees as that occasionally I will sell at a loss because PayPal charge fees on postage. I have also used PayPal to purchase from overseas because it is an easy way to transfer money internationally. I used to add a little extra to cover the fees the seller was being charged but the system has been changed so that I can no longer alter the amount on the invoice, penalizing the seller for selling to me. I am not permitted by eBay to exclude Australian users from paying me through PayPal even though this could mean I sell items at a loss.

In all the time I have traded on ebay I have never had negative feedback and my clients have welcomed paying via direct deposit into my bank account, local pickup and Australian money order with the occasional personal cheque. As a seller I want buyers to return and buy further items from me so how I deal with my customer base is very important. Offering a choice for payment is critical to my clients as some people do not want to trade with PayPal and are very aware of problems associated with PayPal transactions, there are also some who simply do not wish to do electronic transfers as they do not trust the internet.

Once a product is sold and the transaction information details are exchanged with the parties, the obligation for ebay in reference to the sale is completed. How items are delivered to the buyer should not influence the amount Ebay or PayPal charge for a transaction. By forcing everyone to use PayPal, eBay are trying to channel all transactions through PayPal to maximise profits. The issue is NOT security as suggested by eBay, I have had no problems with any of alternate payment options and only now and then with buyers being less than honest in their dealings with me. That was my fault for posting items before payment was received and not the fault of the payment method used.

If I am forced to use PayPal then prices must be increased to cover the extra costs and this will adversely affect my turnover.

Some of the problems associated with the forced use of paypal are:

1. Lack of choice for buyer and seller to buy and/or sell.
2. Increased fees and charges if forced to use paypal
3. Increases in selling price due to having to pass on the associated fees.

Trading on line requires items to be posted/freighted to the consumer. Currently eBay does not charge a percentage for the postage/freight costs as this is dealt with between the buyer and seller. The seller has payed to list only the product - not the postage costs.

If I am forced to use PayPal, then I will be charged a percentage of the item sale costs and delivery costs, this on top of the fees already charge by eBay.

In summation-

I feel that Ebay is a good medium for people to trade on line but they already charge highly for the service they provide, sellers should not be charged twice for the same service. The increased fees will have a huge impact on private buyers, sellers and businesses, as each will be compelled to pay

or charge more in order to cover the higher charges.

The proposed application (if successful) will change the way trading on line occurs in Australia and creating market domination via unethical business methods.

Australians are proud of their freedom of choice therefore I ask that the ACCC reject the application (N93365).

Yours sincerely,
Kathryn Kerr
(eBay identity - caitmk)