

## Roy, Lauren

---

**From:** Blanch, Belinda on behalf of Adjudication  
**Sent:** Friday, 18 April 2008 3:14 PM  
**To:** Chisholm, Shane; Roy, Lauren  
**Subject:** FW: exclusive dealing arrangement proposed by eBay International.  
[SEC=UNCLASSIFIED]

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

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

**From:** [REDACTED]  
**Sent:** Friday, 18 April 2008 1:28 PM  
**To:** Adjudication  
**Subject:** Re: exclusive dealing arrangement proposed by eBay International.

**EXCLUDED FROM  
PUBLIC REGISTER**

To Whom it may concern. Re: exclusive dealing arrangement proposed by eBay International. ( third line forcing?)

I wish to voice my concerns regarding Ebay's (Australia) proposed exclusive dealing arrangement. My concerns will be voiced in two parts.

Part 1: Sellers  
Part 2: Buyers

The proposal to make Paypal the one and only method of payment for items purchased on their auction site I believe will have a detrimental effect on both buyers and sellers that use this site.

Part 1: Sellers:

I bring my concerns to you as I am firstly: a hobby seller of books on this site and secondly: an occasional buyer.

As a seller I currently accept payments from buyers in the form of  
1: PAYPAL 2: Bank Deposit 3: Australia Post Money Orders 4: Cash payment on personal pick-up from my home.

When accepting payments via all methods except Paypal ... there is no charge to me to do so. When accepting payments via Paypal I have to pay a fee to Paypal of up to 3% of the total transaction price.

The cost of the total transaction includes the final selling price of the item as well as the postage amount.

On top of this, Paypal also charge me an amount of \$1.00 to transfer any Paypal funds (up to \$150) in my account into my Bank Account.

Amounts above \$150 (transferred into my bank account) do not incur the \$1.00 transaction fee.

Ebay, (which own Paypal) already receive a commission of 5.25% of the final selling price of the item sold on ebay

To summarise this section... if I sell an item on ebay for \$50.00 and accept payment from a buyer by either of the following methods :Bank deposit, money order, or cash on pick-up, the total cost to me to sell this item (this includes ebay's listing fee and Final Value Fee) would be \$2.12 If I was to accept this very same payment from a buyer via Paypal the total cost to me would be \$4.92.

I see this as Ebay double dipping into my funds, which, at the present time I have a say in and I have the freedom of choice to accept a payment method of my choosing and at a lower cost to me.

Under ebay's proposed changes, should they make Paypal compulsory for all buyers and sellers, then fees for all sellers will increase across the board which will have to be absorbed into the cost of all items sold on the ebay site.

Ebay's policies forbid sellers from advertising that an extra charge is payable to accept Paypal payments and have suggested that sellers increase the starting price of

an item in order to recoup the extra costs involved.

I not only see this as inflationary but also be a turn-off for buyers looking for a bargain on a site which has built its reputation on buyers finding bargains.

Also to add to this is the fact that once ebay have set Paypal as the only method of payment acceptable on their site, they will then have the power to set and raise their Paypal fees as they see fit as all other competition in the field of receiving payments will have been removed.

Sellers will no longer have the right or the power to find alternative methods of receiving payments from buyers as ebay's Terms of Service (which every ebay user has to agree to when joining this site) states that if you disagree with any of the terms and do not wish to accept them then you must de-register from the site and no longer use it.

#### Part 2: Buyers:

In order for a buyer to purchase items on ebay under the new proposal they will need to open a Paypal account which will require them to supply Paypal/Ebay with either their Bank Account or Credit Card details online.

For many users of ebay this is not a problem and it is becoming a normal way of life these days for many Australians.

However, not all people have Credit Cards and many do not wish to have one either as they see it as a credit trap. Many elderly people do not, and have never had, a credit card, and will probably never have one.

The elderly are also more likely to be very reluctant to place their bank details on any online internet site...even ebay.

Many older buyers that I have encountered on my 4 years of selling on ebay have preferred to pay me either by the tried and true good old fashioned Australia Post Money Order ... or by making a cash deposit over the counter into my bank account (held at the Commonwealth Bank) at a Commonwealth Bank branch nearest to them.

It is these buyers that are internet savvy enough to be able to use the find their way around ebay, for buying nic-nacs, birthday presents, items of interest to themselves etc etc , that will be placed at a great disadvantage should ebay's proposed changes be allowed to proceed.

They will either have to bite the bullet and place their private banking details online( this in itself could cause some people quite a bit of anxiety) or just plain give ebay away altogether.

For those that do decide to place their details online, they may decide to open a separate bank account(advisable) for use only with ebay. This of course will entail a yearly fee( most banks charge a monthly fee of around \$5.00) or if the are brave enough, open up a credit card( with a yearly fee of between \$50 and \$100). Either of these methods will incur extra fees for them where currently none are payable( except where a buyer pays by Money Order) .

To summarise my concerns:

I'd like to say that I believe that ebay's proposed changes are not so much about safety and security as they would lead us to believe but are driven by greed and a chance for them to double dip into each and every transaction that goes through on ebay and also remove any competition they they have at present from other financial sites such as Banks, Credit Unions, Paymate(a company similar in composition to Paypal) and Australia Post Money Orders.

Ebay have stated that protection for items purchased by buyers will increase from \$3,000- to \$20,000. ..but how many items sell for that price anyway??. It would be only a small percentage of the total amount of items that flow through ebay that attract anywhere near the lower figure never mind the higher quoted figure.

Cars, Real estate, holidays and the like may well reach or go above these prices but are not covered by Paypals protection policies anyway so this is a moot point.

Let us have a Freedom of Choice. A Freedom of choice to decide who gets our money and how much they get.

The freedom of choice to walk into a bank to make a payment, or pop into the

nearest Post office to mail off a money order.

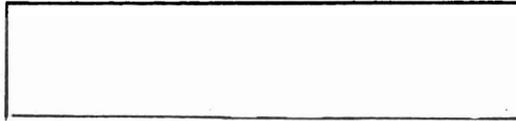
The freedom to decide whether or not we want our banking details placed online or not.

Sellers and buyers alike should not be forced to accept Paypal as the only form of acceptable payment at increased cost to both parties. The only winner here is ebay and their bottom line profits.

This is an unfavourable scenario and once put into place will leave anyone that uses the ebay site at ebay's mercy to charge what they like when they like and could set a precedent for other businesses throughout the country.

Thanking you in advance for your time reading and taking into consideration my concerns regarding this proposal of ebays. I am against ebay's proposal as I do sincerely it will be to the detriment of the majority of ebay users.

Yours Sincerely( Mr.) Chris Middleton



**EXCLUDED FROM  
PUBLIC REGISTER**