

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Wednesday, 23 April 2008 9:07 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

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

From: Damien Hingston [redacted]
Sent: Tuesday, 22 April 2008 7:36 PM
To: Adjudication
Subject: Re: eBay International AG - Notification - N93365

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PUBLIC REGISTER**

To whom it may concern,

I am writing in regard to the recent exclusive dealing notification lodged by eBay International AG (N93365). I am concerned that the changes that eBay are proposing (namely to only allow PayPal or cash on pickup as valid payment options for auctions listed on eBay), will have a detrimental affect on both buyers and sellers.

Currently buyers are able to pay via a number of methods which do not require them to have a credit card, or supply their credit card/bank account details to a third party. Should these changes go through, most buyers will be forced to register with PayPal, and at the very least provide a credit card number to allow payments to be made. A significant number of buyers would also balk at the idea of supplying their bank account details for the purposes of direct debits made by a third party (namely PayPal).

Sellers will also be impacted by these changes if they list items for sale that are available for local pick up. Currently, PayPal offers seller protection to sellers, on the following conditions:

"Under the PayPal Buyer Complaint Policy and the Buyer Protection Policy, sellers must provide proof of shipment when a buyer claims the item was not received. Currently, acceptable proof of shipment includes:

1. A faxed copy of the shipping receipt that includes the buyer's delivery address. You can get this from Australia Post's Registered Post and Australia Post's Registered Post International, or 2. A shipping code that PayPal can use online to view the shipping status and the buyer's delivery address. You can get this from TNT, DHL, FedEx, and other carriers, or 3. A receipt issued by the carrier that is signed by the recipient acknowledging delivery. "

Obviously, if the item being sold was collected by the buyer, then the seller will be unable to provide proof of delivery acceptable to PayPal, allowing an unscrupulous buyer to take delivery of an item, and then claim that they have not received it. I do not see this as being an improvement in security for the seller. Unfortunately, due to eBay's terms and conditions, should a buyer wish to pay via PayPal, the seller must accept the PayPal payment, or eBay may terminate the seller's account for breaching their terms and conditions.

Another consequence of these changes is that sellers will now have to absorb extra fees for items they sell, as PayPal deduct a fee of between 1.1% to 4.4% of all funds received. PayPal also charge users a fee of A\$1.00 should they wish to transfer funds from their PayPal account to a bank account, for sums of \$150 or less. This will have a negative impact on sellers, particularly sellers who sell low value items, as their profits decrease. This will also have a negative impact on buyers, if sellers increase their selling prices to cover the cost of the increased fees.

I am also concerned that this change will have the effect of stifling competition, as currently other payment systems, such as PayMate, direct bank transfer or cheque/money order, are allowed under eBay's payment policy, and would no longer be permitted after June 16th.

Regards,

Damien Hingston

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Damien Hingston

In the beginning the Universe was created. This has made a lot of people very angry and is widely regarded as a bad move.