

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Tuesday, 29 April 2008 10:21 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: eBay International AG exclusive dealing notification N93365,-interested party [SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

From: Andrew Lane [mailto:andrew.lane@adjudication.gov.au]
Sent: Monday, 28 April 2008 4:16 PM
To: Adjudication
Subject: eBay International AG exclusive dealing notification N93365,-interested party

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PUBLIC REGISTER**

I wish to register my objection in the strongest possible terms to the application by eBay dealing with their proposal to force PayPal payments only on the eBay marketplace. In my view, this provides absolutely no benefit to Australian consumers, it disadvantages eBay sellers significantly and only serves to increase the profits of an overseas-owned company.

We have been selling on Ebay and through our own website for some years now - we accept PayPal as one of our payment options but take pride in offering other options to our customers in the interests of choice. Coincidentally, PayPal accounts for less than half of our transactions so there is obviously no overwhelming demand for it when choice is provided.

We have our own merchant facility through an Australian bank which charges much more reasonable fees because of the competition with other banks. By forcing PayPal only, eBay is dodging this competition and forces sellers to pay significantly higher fees (through both transaction fees and foreign currency exchange rates - both are much higher than our Australian banks charge) - these higher costs must be passed on to buyers.

We have many customers who prefer not to use online methods of payment - despite eBay/PayPal's misleading propaganda about PayPal being the safest method of method, many of our customers do not believe this. They want to pay using cheques, money orders or bank deposit as they feel this is safer for them - we are happy to oblige by providing these alternative payment methods. However, eBay is shutting these types of buyers out of the market completely and will actively prevent sellers from offering this service - this can only disadvantage those buyers who do not want to use online methods of payment. Many of these buyers tend to be older and/or in rural/regional areas - both categories are already disadvantaged and this will only make it more difficult for them to access products and services in the way they are used to.

eBay is forcing this rule in the interests of safety - however, since their own seller protection scheme is not available to sellers outside the eBay network (even though accepting PayPal through their own websites) and the fine print makes it very difficult to comply with the requirements for protection, it is very clear that this is just a "double-dipping" money grab from a company with almost monopolistic market power. Buyers have similar protection through their credit card provider - yet eBay is disallowing these payments also. Clearly this is not about protecting consumers - only about making more money for themselves. By removing the ability of sellers to use payment methods that are cheaper (and arguably just as safe for buyers and sellers), eBay is taking away the competitive market forces which keep prices down for consumers.

29/04/2008

If the ACCC is serious about protecting the rights of consumers to effective market competition and choice, it will surely reject this application. In their own words, eBay only provides the venue or marketplace - the actual transactions take place between Australian sellers and buyers - not a foreign owned company who does not care about Australia. I believe the ACCC should take action to make sure that sellers and buyers can operate in a market where competition and choice work to benefit those people - not allow eBay to circumvent Australian laws and regulations just so they can squeeze yet more out of sellers who already pay too much. Australian buyers deserve choice and sellers want to provide this choice!

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cheers from Andrew and Leah Lane

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