

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Tuesday, 29 April 2008 10:16 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: E-Bay Australia clearly in breach of the trade practices act in compelling Australian e-Bay members to use Paypal as the only form of payment on their on-line auctions. [SEC=UNCLASSIFIED]
Importance: High
Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

From: Bill McLennan [mailto:]
Sent: Monday, 28 April 2008 10:53 PM
To: Adjudication
Subject: E-Bay Australia clearly in breach of the trade practices act in compelling Australian e-Bay members to use Paypal as the only form of payment on their on-line auctions.
Importance: High

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PUBLIC REGISTER**

Dear Sirs,

I wish to submit that E-Bay Australia are clearly in breach of the trade practices act in compelling Australian e-Bay members to use Paypal as the only form of payment on their on-line auctions.

I believe that E-Bay will make much of the fact that cash can be paid for pick-ups. The numbers of pick-ups that take place are miniscule. Hardly any items are picked up and paid for in cash so I would draw the attention of the ACCC to this as being of no consequence whatsoever. It is the same with E-bay stating that Visa and MasterCard will be accepted. This too is deceptive. All Visa and MasterCard transactions will be processed by Paypal so this is not an alternative to Paypal at all but an extension of the new Paypal only policy. E-Bay is just trying to pretend that there are alternatives to Paypal under their new policy when this is simply not the case.

Next I believe that E-Bay will point to the existence of other on-line auction houses and say that these provide a clear choice to those who are unhappy with the new Paypal directive. The reality is that many hundreds of thousands of e-Bay sellers have built up their business on e-Bay and would see their investment in time and finances lost if forced to make the change to another on-line auction site.

Currently the wording on e-Bay listings still invites e-bay sellers to choose the form of payment they wish buyers to use, when paying them for the goods they have bought on e-bay. As e-Bay are still signing up new members this is deceitful as no mention is made that very shortly all forms of payment except for Paypal will be outlawed.

I would implore the ACCC to rule against e-Bay Aust. and uphold the trade practices act. I have carefully read the act and I believe E-Bay/ Paypal is not acting within the law.

Over the years many of the investigations carried out by the ACCC have been driven by the need to see the average man in the street get "a fair go". There is no greater opportunity for the ACCC to show that it has the real concerns of the average Australian citizen in their sights than with this blatant and unwarranted grab for extra profits by E-Bay Aust that affects so many Mums and Dads and youngsters who currently buy and sell on E-Bay.

The new Paypal only policy is unfair and discriminatory and infringes on the trade practices act.

If e-Bay is allowed to do this then many hundreds of thousands of Australian e-Bay seller's having been forced by e-Bay to accept Paypal as the only payment option, will see their fees increase and the overall cost

of doing business on e-bay increase quite significantly.

At the same time hundreds of thousands of Australian e-Bay buyers will be denied access to goods listed on e-Bay because they do not wish to pay on-line by credit card but would rather exercise their right to use their bank accounts. They are being denied a fundamental right, to exercise their own judgement as to what means of payment they use when purchasing goods of their choosing.

I both sell and buy on e-Bay. I know from the many hundreds of transactions over the last six years that I have completed on e-Bay Aust. that many buyers not only prefer to pay by direct deposit but if their right to do so is taken away from them will choose not to buy goods on e-Bay at all. Thus they will be denied access to buying goods that would otherwise have been available to them.

Paypal is being promoted as being safe – it is the considered view of Australian banks that payment by direct deposit is just as safe and vast numbers of people currently buying and selling on e-Bay Aust. would prefer to pay in that way. Currently when offered both options a very large proportion of buyers choose to pay by direct deposit of their own free will.

On Sydney radio station 2GB a spokesperson for E-Bay Aust. was invited onto the programme last week and claimed that Paypal fees will only be collected on the final amount of the item bought. This is 100% wrong. Paypal fees include postage/freight costs. The fee is applied to the WHOLE amount of the transaction. It is deceitful and misleading comments of this kind in the public arena that demonstrate the lengths E-Bay Aust. are prepared to go to silence public criticism.

E-bay has a massive amount at stake here. Quite clearly E-bay in other countries is watching how this unfolds.

“The global eBay community is worried that Australia is just a test market for a worldwide rollout of the PayPal policy and is watching the Australian Competition and Consumer Commission examination of the competition implications of the eBay action closely.”

There is much conjecture that Paypal will soon introduce their own brand of credit card, once they have secured the right to impose this new policy of Paypal as the only form of payment on e-Bay Aust. This will complete the circle for a company that is driven by greed and avarice. We would then have a company registered for taxation purposes in Bern, Switzerland collecting fees derived from introducing a monopoly form of payment and imposing it upon Australians.

The ACCC simply must not let this happen. If the trade practices act means anything at all then the ACCC needs to revoke E-Bay Australia's application and discipline them so as to ensure that the area of on-line auctions in Australia remains fair and not restrictive and discriminatory.

Yours sincerely,

Bill McLennan

[Redacted signature]

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