

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Tuesday, 22 April 2008 2:48 PM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

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

From: [REDACTED]
Sent: Tuesday, 22 April 2008 2:25 PM
To: Adjudication
Subject: eBay International AG - Notification - N93365

**EXCLUDED FROM
PUBLIC REGISTER**

Dear Sir

Re: eBay International AG exclusive dealing notification N93365

I wish to register an objection to eBay's intention to reduce competition and enhance PayPal's profitability by forcing all eBay customers to use a single form of payment.

eBay has not produced any statistics to either prove or disprove whether any particular form of payment is inherently unsafe. Neither have they demonstrated whether the safety or otherwise of transactions has a higher correlation to the method of the transaction as opposed to the particular identities involved.

In my personal experience, however, I have discovered that PayPal payments can be relatively unsafe. On several occasions where I have needed to open a dispute I have found that PayPal is almost impossible to contact. Moreover, I have had occasion where PayPal refuses to enter into discussions, and I have had to get my bank to reverse transactions (something they are quite willing to do).

I would suggest that the banking industry be consulted and they might advise whether the number of problematic PayPal transactions are either more, less, or similar to other transactions. This information should be made public at some stage of the enquiry, provided PayPal and eBay are happy with that prospect.

It would also be useful for eBay to supply statistics regarding the breakdown of disputes vs customers, the method of transaction, and the eventual outcome.

But even if eBay could show that there was a higher number of non-PayPal problematic transactions, that should not in itself be a sufficient reason to forbid non-PayPal transactions. The customers and vendors must be free to exercise their own decision as to what level of risk is acceptable to them, and to utilise the payment method which is most convenient for them both. Failed transactions should be predominantly an issue between the vendor and the customer. Natural market forces would tend to steer customers and vendors towards a safer system, if there is such a thing, without the unnecessary manipulation of the market by eBay.

Moreover PayPal is not a bank. To enable a company to force all ordinary commercial transactions through a company which is not required to abide by Australian banking laws, and whose principal place of business is outside of Australia would not be a good idea.

Regards
John Witford