

Roy, Lauren

From: Blanch, Belinda on behalf of Adjudication
Sent: Monday, 21 April 2008 10:48 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: Submission RE: Ebay/Paypal Immunity [SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

From: jacobus [mailto:
Sent: Saturday, 19 April 2008 6:38 PM
To: Adjudication
Subject: Submission RE: Ebay/Paypal Immunity

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Hello,

I write this submission in my capacity a long term ebay buyer and trusted powerseller. I have used and offered paypal, paymate, australia post money orders, private merchant account and direct deposit to accept payment from my buyers and to pay for items which I am buying. In my experience many people do not like Paypal for many reasons, not the least of which is amount of fraud associated with it and the inconsistent way in which Paypal applies its so called rules.

From conducting business online over the last 4 years, the only times I have had issues involving fraud have all involved paypal and all were resolved in an unsatisfactory and arbitrary manner. It is next to impossible to physically contact paypal by any means other than email (even then, often you have to sent several request only to receive an automated response which does not solve the problem). Paypal's haphazard response to chargebacks is bordering on criminal in my opinion. They appear to use it just as a means to extract more money from a seller who has already taken the loss, by charging them to initiate an investigation which only ever has a negative outcome for the seller.

Complaints about Paypal come from both buyers and sellers. In the alternative, paymate offer a far superior consumer experience with come competitive rates and a better system to resolve disputes. Paymate have a physical address in Australia and can be easily contacted by phone or email.

I am also able to offer my customers a cheaper and better service by using my own merchant facility. The fees are less than Paypal and the customer is protected from fraud by their bank.

Further this, Ebay are claiming that they are offering choice for consumers by allowing pick up. Many Ebay sellers like myself operate from home and do not want strangers coming into their houses. Allowing people into our homes is not a safe option for buyers or sellers and opens up many other public liability considerations. What's more, I reside in Adelaide yet over 95% of my customers are based interstate. A buyer from anywhere other then Adelaide will have no choice other than to use Paypal if Ebay are allowed to get away with this.

The effect of the ACCC granting Ebay's application for immunity will lessen competition and leave consumers worse off by:

Removing from buyers the right to pay via their preferred payment method. Buyers who prefer Paymate or an alternative payment method will be forced to use Paypal despite the fact that Paypal does not provide the best service.

23/04/2008

Increased prices for buyers. Sellers will have no choice but to pass the extra cost on to buyers and prices will rise. Consumers will be paying more, but receiving a lesser service (e.g. Paypal and their non existent customer service or Australian based address). Ebay and Paypal will benefit from this application at the expense of consumers and fair competition for other payment providers (e.g. Paymate).

Removing from sellers the right to offer cheaper prices for buyers by operating their own merchant facility.

Forcing some buyers who might not have a credit card (or just dislike Paypal) to pick up items from sellers homes. This places an extra burden on the consumer who has to travel to pick up the item as opposed to having it sent to them. There are a multitude of other reasons why forcing buyers to enter private residences to pay for their items is bad idea for all involved. What's more, this is likely to effect the less well off buyers who do not have a credit card. Such people might also be reliant on public transportation.

Ebay's application for immunity should be rejected as it will substantially lessen fair competition and lead to higher prices.

Yours Sincerely,

Jacobus Johannesen

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