## Submission to ACCC regarding eBay International A.G. notification N93365

On 17<sup>th</sup> June 2008 all users of eBay will be forced into using Paypal exclusively as a payment method. As both a buyer and a seller I feel I this policy would only be to my detriment and that of other eBay users. This policy restricts consumer choice, is anti-competitive and is in breach of the Trade Practices Act and should therefore not be permitted approval.

## **Breaches of Trade Practices Act (1974)**

- 1. 51AB (Unconscionable conduct)
- 2. Part IV (Restrictive Practices)

Negative impact as a seller: As a result of this restriction of consumer choice coming into effect I would have to charge higher postage to cover compulsory registered post costs as well as raising my prices to cover increased selling costs. Other than the increased fees this would be detrimental because buyers would not always want to use Paypal, (all my buyers have been happy to use either direct deposit or money order previously, I have had no requests for Paypal), be unwilling to wait longer for items, pay higher bid prices and pay additional postage. This policy would therefore drive many buyers away from eBay and reduce my sales. Additionally I would be forced into using Paypal as a "bank substitute" which I do not wish to do due to their poor performance and high level of complaints from users.

Negative impact as a buyer: I have used Paypal once on an overseas order (no other choice was available). I was unsatisfied with this payment method and should not wish to be forced to use it again. This would be detrimental to sellers on eBay as they would no longer have my custom. Additionally bringing in the forced use of Paypal would also disadvantage smaller and home sellers due partly to the additional fees, and partly due to the withdrawal fee to remove money from their Paypal account, these sellers often offer lower priced, and unique items, which I would no longer be able to purchase if they ceased online trading. All remaining sellers would have to increase prices and postage to cover the increased costs due to 100% of sales attracting Paypal fees, which would also be to my disadvantage in not being able to buy items on eBay at cheaper than "bricks and mortar" shop prices. The reason for using eBay therefore (unique items, lower prices, fast turnaround, ability to use rapid payment methods) would therefore be diminished significantly.

<u>eBay claims that this policy is for safety reasons</u>: I am dubious of this claim as they have not permitted Paymate to be used as a payment method, a similar method of payment and with a better record of customer service and lower dispute rate, which is an anti-competitive action against an Australian company. The desire to increase profits from its fully owned subsidiary Paypal is therefore the obvious reason behind this policy. Paypal is *already* an option to those who wish to use it, it should however not be an enforced policy restricting choice.

<u>Unsatisfactory performance by an inferior "bank substitute"</u>: In addition to my own experience of poor performance from Paypal, I have heard countless bad reports of Paypal abuse and scams and very unsatisfactory customer service from Paypal, some of which I have heard first hand from sellers I know – the dissatisfaction level within this group is at 75%. It is no small reflection upon its standard of operations that there are a great many websites dedicated to warning customers to stay away from Paypal (eg. <a href="www.nopaypal.com">www.nopaypal.com</a>, <a href="www.paypalsucks.org">www.paypalsucks.org</a>, <a href="www.paypalsucks.org">www.paypalsucks.org</a

<u>Conclusion:</u> This policy could only serve to severely disadvantage my own and countless others use of eBay as a service and I feel is an unfair and illegal action. I call upon the ACCC to finally take action against eBay's continual casual breaches of Australian legislation and consumer rights and not permit them to put this policy into effect.