

Roy, Lauren

Subject: Submission Regarding Ebay's Paypal Only Policy [SEC=UNCLASSIFIED]
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From: ARB Games [mailto:arbgames@bigpond.net.au]
Sent: Sunday, 4 May 2008 2:31 AM
To: Adjudication
Cc: ARB Games
Subject: Submission Regarding Ebay's Paypal Only Policy

I would like to forward a submission in regard to Ebay Australia's proposal that only Paypal payments will be accepted for sales on their site from 17th June.

I realise that this submission was due in yesterday but I was ill and unable to respond during the past few days.

My Ebay business

I commenced trading on Ebay about 5 years ago, having only \$20.00 in my bank account and being on unemployment benefits, I wanted to show some initiative and help myself, instead of receiving government handouts.

My current feedback rating is well above 31,000 with over 50,000 positive feedbacks being received from just over 30,900 customers. In total, I have sold approximately 65,000 items through Ebay, and hence, I can be considered an extremely experienced user. All these sales have been completed solely by myself as I am a sole trader. Ebay still accounts for approximately 75% of my total sales. My account representative, Rowe Ladrillo admits that Ebay considers me the most reputable computer game seller on Ebay Australia.

Why this new policy should be considered a detriment to the public.

I closed my Paypal account about 3 months ago as 4 successive claims went against me for various issues such as non-receipt claims, and a bad credit card used for a transaction that Paypal is supposed to check before accepting payments.

When I did accept Paypal, approximately 75% of my customers still preferred to pay for their purchases via the other means available to them, namely direct deposit, internet transfer into my bank account, cheque or money order, or by VISA / Mastercard credit card - I have an electronic credit card facility that links directly to my bank account thus enabling me to accept credit card payments immediately.

After sending your letter to my customer base, approximately 500 customers have advised that they will not use Paypal as they feel unsafe using this system, and about 200 of these customers have also sent submissions to the ACCC in regard to this matter. Most of my older-aged customers have advised that they prefer to either pay by money order or bank deposit, something that will not be available should the new policy be introduced.

Freedom Of Choice

Although Ebay is a private company, they operate in the public domain (the internet) and hold the market share of online auction sales carried out in Australia. They are using this dominate market position to force their wishes on the Australian public. However, they should show some accountability and responsibility in dealing with Australians in a morally correct manner. Their situation can be compared to other large private companies such as Telstra etc.

The Australian market place has been successful as it has been built up with no unfair trading practices - the new Ebay policy is clearly in breach of the Unfair Trading Practice laws, if not, they would not have applied for immunity from the Trade Practices Act. 100% of respondents have protested against Ebay advising that they should not, and will not be told how they are allowed to pay for their purchases. And sellers should not be told how to run their businesses by another private company.

This new policy will deter many smaller sellers from selling miscellaneous items that they just want to get rid of, and many potential customers will not bother to buy on Ebay as the restrictive payment policy will be too

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much trouble for them as they would have to open up a Paypal account, and then have that account linked to either their credit card or bank account - most small time users do not feel safe with this arrangement. This will mean that every business on Ebay will lose sales to these part-time customers.

At the end of the day, Paypal offers barely any security for sellers, and sellers will also be forced into raising their prices to help offset the extra fees that will be incurred because of Paypal, meaning that customers will be forced into a position of paying more for all their Ebay purchases.

Every single Australian in the market place realise that the new Ebay policy has nothing at all to do with added security for its members. Rather, this new policy reaks of Ebay attempting to double-dip into seller's already slim profit margins.

The ACCC needs to show some courage in this matter and not issue Ebay with immunity against the Trade Practices Act in this matter, as this new policy will clearly be a major detriment to all Australians that use Ebay for their online purchases.

Thank you for your time.

Regards

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