

Roy, Lauren

Subject: FW: Objection to: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED

ACCC Classification: SEC=UNCLASSIFIED

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

From: Australian Images Photography [mailto:info@australianimages.com.au]

Sent: Monday, 21 April 2008 2:00 PM

To: Adjudication

Subject: Objection to: eBay International AG - Notification - N93365

Dear Sir/Madam,

I wish to lodge a strong objection to eBay's proposed restriction of online purchases to their own Paypal system on the tenuous suggestion that it is in the consumer's best interests. This has the effect of reducing competition in the marketplace, as customers would be unable to use competing online payment services (such as Paymate), or alternatives such as merchant facilities that do not provide a commission to eBay. The result of this attempt would be to give eBay an effective monopoly of online trading and payment in Australia.

I have been trading on eBay for over 6 years, and have purchased and sold thousands of items over this time. Currently approximately 60% of my sales are processed through Paypal, and 50% of my purchases. I have never experienced any problems using alternate payment methods.

eBay's proposal is clearly designed to increase their income by funnelling unwilling customers into their own Paypal system, thereby increasing their own profits while excluding any current or future online-payment competitors from Australia's largest online trading community.

eBay's claim that they will still allow sellers to offer COD is a meaningless gesture, as COD is totally impractical in a majority of cases. As a seller, eBay's move would force me to accept only Paypal. This would have the effect of increasing my selling costs by 40%, when comparing eBay w/bank deposit payment to eBay w/ Paypal payment. I will be forced to pass this charge on to my customers.

eBay's claim of increased safety is laughable, considering the large and regular online scams that target Paypal users. While the eBay transaction part of the system is often safe, the regular ongoing attempts to hijack one's Paypal accounts is extremely common. By forcing consumers to open Paypal accounts that they do not want, the instance of account hijack and fraud on those accounts will increase. Forcing the use of Paypal will also hurt consumers, in that Paypal accounts do not accrue interest, have minimum balances to transfer out to bank accounts, and take 4-5 days to do so. A seller who accepts a bank deposit payment will receive immediate payment into an interest-bearing account. A seller accepting Paypal will receive a transfer into their Paypal account, then take 4-5 days to transfer into their bank account, thus depriving them of 4-5 days interest when compared to bank deposit payments. Ebay/ Paypal of course, is earning interest on this money at all times.

I strongly believe this monopolistic move by eBay is not in the public interest, and I urge you to reject the application and allow Australian consumers to decide on their own what payment method they would prefer to use.

Best Regards,

Jamie Benaud

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