

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Monday, 28 April 2008 10:02 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: Ebay and Paypal [SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
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From: Bruce Duckett [mailto:bruce.duckett@acc.gov.au]
Sent: Sunday, 27 April 2008 11:44 AM
To: Adjudication
Subject: Ebay and Paypal

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I wish to lodge an objection to the Ebay proposal for an "exclusive dealing". (I have unsuccessfully tried several times to access the www.accc.gov.au website. It is unavailable through this link on my comouter. this means that i have been unable to read the Ebay submission, and will base my objection on information that they have provided and from information in the newspapers).

My objections:

I believe that this is no more than an attempt by Ebay to prevent competition for profit reasons. This is unfair to other financial institutions and also unfair to dealers on the Ebay site (both buyers and sellers).

Ebay claims that the reason for this exclusive dealing is to make the dealings safer. The risk of safety is the buyers and sellers perogative, not the agents. If I wish to make payment by any means that is acceptable to a buyer then that is a risk matter between me and the buyer.

I believe that Ebay as the agent, is being responsible by giving advice. Indeed, their payment structures already favour Paypal. They already provide a warning (whether this is warranted is questionable) for other methods of payment. To go further and force buyers and sellers into ONE method of payment is not warranted.

Safeguards already exist for both buyers and sellers. The feedback procedure gives both an indication of the risks of each-other. If either wish to continue it is accepted that they act with honesty and integrity. Therefore the so-called further protection is not needed, and is nothing more than a money-grabbing exercise.

Ebay is trying to also disguise their excusive dealings in the argument that by eliminating competition they make the trading safer and therefore buyers and sellers are more confidant. I do not believe that this argument is valid, given the enormous number of both buyers and sellers who already use the site. If there was lack of confidence then surely this number would be dwindling.

If the exclusive dealer situation is allowed to happen, it will unfairly affect future competition in the payment methods. All financial and otherwise organisations, present and future should have a fair access to markets. This proposal eliminates competition from the site and is therefore unfair.

Further, such elimination of competition acts as a barrier to future developments of better systems of payment other than that by their exclusive Paypal institution. Indeed, there would be no incentive for either Ebay or Paypal to develop better systems, because in the area of payments they would have a monopoly.

An exclusive dealership is a monopoly in this closed market. There would be nothing to stop Paypal or Ebay from further raising fees at anytime if this eclusive dealing is allowed to happen.

I asked a seller only last week who stated that he has closed his Ebay shop because of the change. He said that with Ebay fees and Paypal fees he loses 60% of his earnings on his small scale. Obviously an exclusive

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dealership would discourage the continuation of small scale traders and discourage entry of new small scale traders. This is effectively a restrictive trade practice.

Over recent years I have been carefully buying (from many sources) to build up a collection. My plan was to engage in both buying and selling in the future. If this exclusive dealing is allowed to happen then my future options are very much unfairly restricted.

When the options for business activity are restricted, employment is restricted. There is now very little incentive for me to continue to try to supplement my future retirement funds in this manner.

Bruce Duckett



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