

Roy, Lauren

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From: Nick Frech [mailto:[\[REDACTED\]](mailto:)]
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To whom it may concern,

I am writing in regard to the recent exclusive dealing notification lodged by eBay International AG (N93365). I am concerned that the changes that eBay are proposing (namely to only allow PayPal or cash on pickup as valid payment options for auctions listed on eBay), will have a detrimental effect on both buyers and sellers.

I have not seen a single shred of proof that Paypal has been safer or more secure, in fact, evidence points to the contrary. I fail to see how they can claim it is safer than, say, walking into a bank branch and making a deposit.

Paypal's own terms and conditions state that it is not a bank. It is merely a contractor that facilitates a transaction. It offers no warranty or guarantee for it's service. This is all written very clearly in it's terms of use. This means that users are being forced to use a contractor to make things safer, despite the fact they do not give a guarantee? They can say what they like with their buyer protection schemes, but there is no protection for sellers. NONE. In fact, all a buyer has to do is claim they were sent an old sock, file a dispute, and the seller is short their money and their goods. To use Paypal, one is required to add a bank account to Paypal. This means Paypal basically sits between the buyer's and seller's banks, charging a fee, for a service that works just fine without them there. Admittedly it is more convenient for doing international transactions, but for it to be used exclusively is ridiculous.

Of particular concern is the impact of forcing everyone to use it. Many people prefer the security of paying manually/online banking, and the Paypal process can be a bit mystifying, especially for older or less techno-savvy folks. I myself clicked the wrong button once and was charged a dishonour fee by my bank for it. The probability of mistakes being made, by people not confident using the technology, is quite high.

The most insidious element to all this is the fact that with all transactions going through Paypal, sellers' fees increase dramatically. Sellers are charged money to accept a Paypal payment, and then charged \$1 to withdraw under \$150. This means that many sellers with low value items will have to keep their money in Paypal's coffers - which Paypal earns interest on - will be keeping their money in the system longer. This means sellers are potentially disadvantaged as for a low value transaction, cannot use the money paid to them to cover postage, unless they wish to pay \$1 to access their funds.

To sum up - it is clear that the change has less to do with security, and is more about making money. When you get down to it, any online payment system is only as secure as the end-user's security. If a user has poor passwords, etc, then forcing them to use Paypal will not make any difference. In actual fact, it will make things easier for scammers and fraudsters, as there will only be one payment method to target:p

In conclusion, I would like to thank you for taking the time to read my submission. I hope there are quite a few to wade through :p

Cheers,

Nick Frech

2/05/2008