

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Wednesday, 23 April 2008 9:01 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: eBay Exclusive Dealing Notification N93365 [SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

From: Viv [REDACTED]
Sent: Wednesday, 23 April 2008 4:01 AM
To: Adjudication
Subject: eBay Exclusive Dealing Notification N93365

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Dear ACCC,

I wish to make a submission with regard to eBay International AG exclusive dealing notification N93365. I am interested party inasmuch as I am a frequent buyer on eBay Australia.

I believe that the exclusive dealing arrangement requiring sellers on eBay to offer payment only via PayPal, Pay on Pickup or third party checkout will be to the detriment of sellers, buyers and the Australian financial community. I believe that such an arrangement, *forcing* sellers to use an ancillary company of eBay, *exclusively*, would remove freedom of choice from this marketplace, creating a monopolistic environment and leaving traders, both buyers and sellers, open to exploitation by the eBay/PayPal organisation.

As a buyer on eBay, I can attest that the much-vaunted trading security advertised by PayPal is illusory, and that other means of payment offer better security for buyers. Despite PayPal's advertising, they can offer no guaranteed avenue of redress in cases of fraud, unlike banks, credit/debit card companies and other financial institutions. I know this because I have fallen victim to such a scenario, as follows:

I had purchased an item on eBay and made my payment through PayPal, but I never received the goods. As directed by eBay, I followed the PayPal procedure for non-receipt of goods in order to recover my payment. Although PayPal's investigation of the dispute found in my favour, I was unable to recover my payment because *refunds can only be effected if the offending seller has maintained a balance of funds in his/her PayPal account*. Obviously, fraudulent sellers will not do this, as was the case in my transaction. Therefore, I lost my money.

As a buyer, I also object to the mandatory use of PayPal as the sole means of payment because I believe that both eBay and PayPal disregard the interests of buyers, in favour of sellers and, above all, themselves. The PayPal organisation is very difficult to contact, uncommunicative and, in my experience, obstructive when dealing with transactional problems.

23/04/2008

For example, when a buyer pays via PayPal using a credit or debit card, PayPal actively discourages the buyer from pursuing a refund for goods not received through their card provider, as is the right of the card holder. The reason for this is that, in cases of fraud on the part of sellers, when a refund is claimed through the card provider, it is PayPal that must effect the refund from its own funds, whereas a dispute initiated through the PayPal resolution system absolves PayPal from all responsibility.

This situation was explained to me by my bank, following a claim I made through my bank and Visa for goods paid for with my Visa Debit Card via PayPal, but not received. The claim and counter-claim process continued between my bank and PayPal for several months and caused my PayPal account to be suspended for some time, as PayPal fought to recover money refunded by them on behalf of a fraudulent seller. PayPal sought to recover the funds, not from the fraudulent seller, but from the innocent buyer - me.

My fear is that, having once obtained an exclusive dealing arrangement between eBay and PayPal, the rights of traders on eBay will not only be diminished, but will be further eroded in future, in the interests of fully insulating these organisations from the fraudulent use of their services, leaving buyers vulnerable to a greater degree of fraud and loss than at present.

Finally, in a broader context, I object to the fact that Australian financial organisations (banks, building societies etc) would be denied the right to compete on a fair and equal basis for processing the financial transactions between buyers and sellers on eBay. And, on a point of principle, I do not believe that an organisation claiming to be a mere 'platform' for buying and selling, and which actively dissociates itself from the ethical conduct of those transactions, should be permitted to dictate the means of payment between a seller and buyer in order to increase its own profits.

I hope this proposed exclusive dealing arrangement will not be allowed to proceed, and I would like to be kept informed of the progress of the ACCC's assessment of this notification by email to

Thank you.

Yours sincerely,

Vivien Feeger

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