

Roy, Lauren

Subject: FW: eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]

**EXCLUDED FROM
PUBLIC REGISTER**

From: Henry [REDACTED]
Sent: Friday, 25 April 2008 2:11 PM
To: Roy, Lauren
Subject: Re: eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]

Hi Roy my reponse is below:

Dear Sir/Madame

eBay International AG - Exclusive Dealing Notification - N93365

Please accept this submission in response to the above eBay notification.

I am strongly m opposed to eBay's proposal on the grounds that :

1. the proposed conduct will result in a substantial lessening of competition;
2. the public benefit that may result from the proposed conduct would not outweigh the detriment to the public caused by the lessening of competition.

I have been a very active seller on eBay for 8 years and a PayPal member for 4 years. In this period I have transacted over 900 times on eBay and thus I am well versed in the operation of the eBay and PayPal websites, and the terms, conditions, features and shortcomings of both services.

On eBay I market a range of products for guitar players – mainly guitars source from overseas and provide a competitive alternative to the high prices seen in australia. . My several hundred regular customers are located across Australia . In terms of profiling, my buyers also tend to be young and the reasons for this, I believe, is because many of my products appeal to people learning guitar and also because younger people are more comfortable purchasing products on-line.

To provide my buyers with maximum convenience and choice for the past 3 years I have offered PayPal only becasue ebay have been pushing sellers and buyers to do so so I am forced to offer paypal, typcally an ebay sale costs me \$90 and \$30 in paypal charges, if the buyer pays by bank transfer or cod or pickup there are no additional charges. , bank deposit and money order/bank cheque as acceptable payment options on all of my eBay listings. For a short period I also offered a PayPal competitor's product,

. Contrary to the general statistics which eBay quotes on its website, in the media, and in its proposal to the ACCC in asserting that PayPal is safer than bank deposit, not once in over ,900 transactions of mine has a buyer been defrauded of his/her money. My exemplary feedback profile is irrefutable proof of this and serves as a reminder to the ACCC that eBay has used and will continue to use statistics in a misleading way.

Turning to the specifics of eBay's proposal I am not opposed to the requirement, as of 21 May 2008, that all items listed for sale on eBay must offer PayPal as one of the payment methods. After all, I have offered this method for the past 3 years alongside other methods and I support consumer

choice.

However I am very much opposed to eBay's proposal that, as of 17 June 2008, all items listed for sale must only offer payment via PayPal (or credit card transactions processed by PayPal) or cash on delivery.

I am opposed on the following grounds :

Substantial Lessening of Competition, paypal is the sae set on infrastrure used by ebay servers so thre is n extra safelyy, a hijackd account ca n easily access a paypal account etc.

My competitors are sellers with an established presence in the form of :

- o an eBay site presence,
- o other online auction websites,
- o proprietary online "store" websites, and/or
- o bricks and mortar retail stores.

By and large these competitors (eBay competitor's excluded) can and do offer a very full suite of payment methods, drawn from PayPal, PayMate, Visa, MasterCard, Amex Card, Diners Card, cash, cheque, money order, postal order, lay-by etc.

If eBay's proposal is supported and I (and other sellers like me) are forced to accept PayPal as the only payment method then I (and others) will be placed at a significant competitive disadvantage – due to being unable to transact with a very large number of existing and prospective buyers who do not want or worse still, cannot qualify, for PayPal membership (note : cash on delivery is not a viable alternative given the dispersed buyer pool).

In summary, eBay's proposal will detrimentally impact a significant number of younger (and older) buyers as their inability to access PayPal as a payment method will deny them the ability to purchase on eBay. Further, forcing PayPal as the only acceptable payment method does not, of itself, enhance security for eBay members. There are many options/tools available to eBay to more successfully achieve this admirable objective and it is grossly misleading of eBay to assert that PayPal is the only and/or best means for this.

Thank you for allowing me to submit my views on eBay's proposal. The issues raised here are complex and difficult to convey in writing. Should the ACCC think it beneficial I would welcome the opportunity to meet with ACCC officers to further explain my submission and to substantiate my claims with evidence.

Please note : my eBay user name is guitaristsfriend,

Yours sincerely,
henry benjamin

end of submission