

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Wednesday, 23 April 2008 9:22 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: Public Submission - eBay International Exclusive Dealing & PayPal
[SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

**EXCLUDED FROM
PUBLIC REGISTER**

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

From: Kool & Unusual
Sent: Tuesday, 22 April 2008 5:01 PM
To: Adjudication
Subject: Public Submission - eBay International Exclusive Dealing & PayPal

Dear Sir/Madam,

I am writing to voice my sincere concern and dismay at the proposed changes to the payment policies of eBay Australia which would see PayPal being made the only accepted payment method on www.ebay.com.au from 17 June, 2008, with the exception of cash payments upon pick up/delivery. For all practical purposes, this will mean that the vast majority of buyers and sellers on eBay will be required to use PayPal to conclude their eBay transactions. Only a small number of buyers will be able to take advantage of the cash on pick up/delivery option: those within a close geographical proximity to their seller (and only if their seller accepts pick ups or will deliver goods). For the purposes of this submission then, I will leave aside this small minority and focus upon how the proposed change will affect the majority of people who buy and sell on eBay: those who rely on the internet or the mail to conclude eBay transactions.

I have been buying and selling on eBay Australia since June 2000 and my main user ID is "koolandunusual". I have been operating a full-time online retail business since 2002 for which eBay remains a primary - and vital - sales channel. As a small business owner, I have transacted with well over 10,000 satisfied customers since commencing trading, the majority of these being via eBay. Indeed, until the middle of last year when I launched my own commercial website, eBay Australia was the sole outlet for my sales. Through eBay, and now on my website, I provide my customers with a number of payment options: PayPal, PayMate, Direct Bank Deposit, Australia Post Money Order, Personal/Bank Cheques and also Cash Payments on pick up for local customers.

Although PayPal is a quick, easy and popular online payment method, I would estimate that almost half of my customers choose another method of payment - the second most popular being Direct Bank Deposit (either via internet banking or using an over the counter deposit at a bank branch). I was also in the middle of applying for merchant facilities to process credit card payments directly, as a number of my customers have expressed concern about using their credit cards over the internet with either PayPal or PayMate, and would rather give them to me directly over the phone. Because of the proposed changes eBay has announced, I have put this application on hold as having my own merchant account might not be financially viable should my eBay customers be prevented from using direct credit card payments as an option.

eBay has stated that the reason for making PayPal the only accepted payment method is to increase the security of trading on their site. While this measure might indeed increase security, I strongly believe that any public benefit which may arise from the proposed change would be outweighed by the detriment to the public as a result of the lessening of competition in the online payment arena.

Currently the Australian-owned online payment gateway, PayMate, as well as sellers' own Merchant accounts, provide as much as security for buyers as PayPal. If there is a problem with any purchase, customers may seek redress through either PayMate or their Credit Card Provider in much the same way as they can through PayPal. (Indeed, some evidence suggests that PayPal may be less safe for buyers than either PayMate or direct credit card transactions.) For eBay to remove these two payment options in favour of PayPal and only PayPal, is an absolute lessening of competition. Without competition in the marketplace, there would be little to stop PayPal from raising

PO Box 3023, Murrumbeena VIC 3163, Australia
web: www.koolandunusual.com.au