

Roy, Lauren

From: Petreski, Sonya on behalf of Adjudication
Sent: Wednesday, 23 April 2008 9:09 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: Submission eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

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

From: [REDACTED]
Sent: Tuesday, 22 April 2008 4:53 PM
To: Adjudication
Cc: [REDACTED]
Subject: Re: Submission eBay International AG - Notification - N93365

to whom it may concern

if this is posted on your web site please remove my address and phone number and secondary email address [REDACTED]

thanks in advance

[REDACTED] wrote:

- > To whom it may concern
- >
- > I have been an ebayer user from a number of years (since 2003),
- > initially as a Buyer and then later as a seller over the years i have
- > tried a number of different payment systems, which ebay has allowed at
- > the time and have found the fastest and safest payment method is bank
- > deposit.

- > Speed
- > Bank deposit will be available to a seller, the same day when the
- > person deposits it directly to the bank account.
- > When the money is transferred online from one bank account to another
- > (the sellers account) then the money is available in 2, max 3 days.
- > After the money is transferred then it becomes available for use by
- > the mum and dad trying to make an extra dollar to help pay the bills
- > or use in the business which many people now have, having turned their
- > ebay hobby into a business.

- >
- > Should I be forced to use paypal as the only method of payment, it
- > will take in excess of 5 business days and in most cases it will take
- > 7+ days for an echeque to clear. Note paypals own information on their
- > website indicates echeques take 7-9 days.
- > This delay is not due to a safety requirement as the money is going
- > from one persons bank account into the paypal account. To transfer
- > money from a bank account it only takes 2-3 days max, this money is
- > being held by paypal in order to generate additional monies/revenue
- > for them.

- >
- > Fees
- > When a buyer transfers money from their bank account to my bank
- > account then I do not incur any fees and neither does the buyer.
- > However when I am forced to just use paypal for an ebay transaction
- > then I will be charged a fee not just on the cost of the item but on
- > the cost of the item plus postage. Many proponents of paypal will say
- > that it is just 2.4 % of the final price plus postage..

- >
- > Volume
- > However the fee charged by paypal changes dependant upon the Sales
- > volume which is going through paypal the volume though is based upon
- > thousands of dollars passing through paypal and paypal term this as
- > performance based system and helping you grow your business. However a

> check of the fee structure shows that the fees up to 4.4% are charge
> for a personal account (which most people will have) see
> https://www.paypal.com/au/cgi-bin/webscr?cmd=_display-fees
>
> However that is not half of the story, take the case of a single mum
> trying to recoup some money by selling her childrens old toys on
> ebay.. the fees imposed by both ebay and paypal (as they are the same
> company) ebay fees are on <http://pages.ebay.com.au/help/sell/fees.html>
>
> up to \$75 ebay charge a fee of 5.25%
>
> Old TOY ---- Start Price \$1.10 ---- Fee \$0.50
> Use of Gallery to get higher interest ----- Fee
> \$0.59
> Final Sale Price \$2.00 -----
> Fee \$0.105
> postage \$5 Paypal fee on
> \$7 ----- Fee = \$0.30 + \$0.238
> total fees = \$1.73
>
> ==> ebay/paypal received 59.75% of your money before postage is taken
> into account from the total money including postage ebay/paypal
> receive \$1.73 it is assumed you are not making any profit from the
> postage and if your postage charges have not included paypal fees then
> you are losing
>
> Should I now decide to transfer this money to my bank account I will
> be charged a further \$1 meaning they have now received \$2.73 reducing
> my profit margain further... this \$1 charge is not recouping the fees
> to transfer the money.

> however one further example on the exhorbitant fees is that the same
> toy only receives one bid and sells for \$1.10
>
> meaning that before you receive any money then ebay have taken \$1.25
> meaning you have lost on the transaction and this is before any paypal
> fees have been taken..and should your item not sell then you have
> unincurred fees and still have to relist possibly reducing the start
> price to attract more buyers and only in some circumstances will ebay
> offer a free insertion for a second listing.
>
> should you not be familiar with HTML and making nice ads for ebay then
> you may decide to use the listing designer which will incurr an
> additional 10 cent fee and should you have multiple listings and need
> to schedule at a specific time then there will be a further cost of 20
> cents per listing to schedule your listing, thereby adding further
> costs to the mum and dad sellers
>
> for an item reselling up to \$20 (with one picture gallery) then the
> fees which ebay and paypal will be charging will be approx 12.4% of
> the final value. The move to paypal as the only payment method is not
> a safety/security issue but a mere grab for additional revenue which
> will help ebay keep their stock prices going up. The fact that other
> payment methods offer a higher security model and better risk
> management is ignored by ebay/paypal and no eveidence has been offered
> to show how these other payment methods are less secure.
>
> the fact remains that the new fees and imposition of paypal on
> everyone will mean a lessening of competition The fact that ebay has a
> monopoly and has built a large following over the years means that
> even if people move across to other auction sites, there will not
> buyers at the other site to make their business a success consequently
> people will still have to use ebay and be forced to use the methoids
> dictated by ebay/paypal meaning consumers do not have any choice in
> the matter.
>
> Security/Safety
> The introduction of paypal as the only payment method is not based
> upon security measures as suggested by ebay, firstly there is an
> alternative in paymate as an electronic payment method offering the
> security of electronic payment without revealing your credit card

> details, secondly someone knowing your bank details does not pose any
> security measure as it is not possible to withdraw money with just the
> bank account details, all banks either require a pin or signature with
> your debit card and neither is obtainable by giving a buyer your
> details for paying for a transaction.

>
> Most people and businesses are honest and deal with the public in a
> trusted and transparent manner, the question is why does ebay have so
> many fraudsters. One of the reasons there is so many fraudsters on
> ebay; is due to their system of verifying whether a user is the true
> person who is registering. In an effort for ebay to reduce operating
> expenses then they have implemented a system which does not require
> human intervention and is an automated system of verification meaning
> any person who wants to register multiple identities can do so by simply
> having a phone number where they can receive the verification code.
> Other auction sites (oztion included) have multiple verification
> methods including snail mail.
> where a verification code is sent to the registered address and the
> registered user then has to log in and enter the verification code in
> the letter. this would severely limit the potential of fake user ids.

>
> Further security checks could be done to matchup multiple people at
> the same address, multiple phone numbers which are identical even
> going as far to match up the registered person with the registered
> information within the white pages, however this is not done as it
> would mean an additional cost to ebay/paypal without any additional
> revenue being generated.

>
> as pointed out by Dilip Rao in the article by stan beer
> (<http://www.itwire.com/content/view/full/17742/1023/1/1/>)
> Paymate is regulated by ASIC (Australian Securities and Investments
> Commission) under our Australian
> Financial Services License, with ebay not offering any evidence how
> paymate is less safe or less reliable way to pay for transactions

>
> Dispute resolution
> The dispute resolution at paypal means that the for a seller, then
> accepting paypal is less safe than any other method the reason that
> the dispute method is flawed is due to the fact that Paypal remove the
> whole of the funds for the transaction, then put those funds on hold,
> so should the seller have withdrawn the money prior to the dispute
> being raised then your papal account will go into negative and no
> further action will happen until the paypal balance is brought back
> into the black. Then you have have to respond to the dispute and the
> buyer then hase 20 days to responde and then you have to responde
> again, meaning that you could be without the money for up to 90
> days...

>
> Should a buyer decide that the item is significantly different or they
> have changed their mind and simply stated that the item is
> significantly different to what was on offer then the buyer can get to
> keep/ use the item for the entire duration of the dispute resolution
> and then when paypal finally step in to resolve the issue. and not
> only that should the item been a digital item, then you can return the
> origianal digital item (even a
> CD) and get your moneyback whilst still keeping a copy of the item
> which you have bought...

>
> This means that the whole process is fundamentally flawed and there is
> no security / safety to protect sellers from unscrupulous buyers in
> the paypal process. Ebay has a monopoly and is abusing its market
> place dominance in the online auction market and should not be
> allowed to continue with the forced imposition of paypal onto sellers

>
>
> Sincerley Anthony Curran

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