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Subject: eBay International AG - Notification - N93365 submission [SEC=UNCLASSIFIED]

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As an Ebay buyer and not a seller I have resisted all attempts by Ebay to persuade me to open an Paypal account, The reasons for this are clear when you investigate online, the problems associated with Paypal. First of all Paypal is independant of any formal banking regulation and protections and thus in effect you are placing funds into a company and not a merchant bank.

There are many horror stories of sellers not being able to recover funds from theri paypal accounts and this is purly driven by profit motivation and investment of funds by Ebay on the short term money market.

Ebay as the owner of Paypal now chooses to use it's market dominance to force buyers and sellers alike to participate in a funds management scheme under the guise of increased security however they themselves have been exposed as the major security risk to vendors by introducing delays in the payment withdrawal process and the arbitrary freezing of accounts forcing vendors into a cycle of invalid transactions that spiral out of control.

If there were other online auction options available then people would choose to vote with their feet or continue with Ebay however given the market dominance of Ebay other options are minimal.

I agree with vendors on this issue as I for one will remove all Ebay references on my PC and refuse to participate in any further Ebay transactions as a purchaser.

I have always dealt with direct deposit or cash on pickup and have never had any security related problems with these payment methods. Ebay's feedback system is designed to provide sufficient information regarding online account holders and thus Ebay would be better served to firm up the feedback process if security were really the issue here.

The fact that Ebay has applied for an exemption against the trade practices act should serve as enough warning and I emplore the ACCC to act against this push by Ebay to force Paypal onto its members with urgency, as this is in effect a test case for Ebay prior to an antipated global rollout of a very unfair and flawed policy.

regards Brent