

Roy, Lauren

From: Blanch, Belinda on behalf of Adjudication
Sent: Monday, 21 April 2008 11:07 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: ebay accepting Paypal only. [SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

From: Richard clive teece [mailto:[\[REDACTED\]](#)]
Sent: Saturday, 19 April 2008 10:21 AM
To: Adjudication
Subject: ebay accepting Paypal only.

**EXCLUDED FROM
PUBLIC REGISTER**

Dear sir/ms,

Re ebay change to paypal or COD only payment methods.

WHY the proposed conduct will result in a substantial lessening of competition.

I as a buyer and seller on ebay do use paypal but usually on small value items . Otherwise it is expensive and on dear items not safe.

I live in a rural location Cash on pickup (only method apart from paypal ebay wants to enforce) is not a practical option for 99.999% of my Australian and international buyers. About 80% of my buyers prefer to use bank deposits many deposits are not Internet or telephone banking but over the counter deposits. Many of my customers do not trust phone or Internet banking. They do not trust Paypal, or they would use it, ebay heavily promotes paypal , on site, during ebay checkout and in all emails to users. Paypal is not even an Australian bank and not subject to the strict laws Australian banks are. Paypal has many severe clauses relating to holding money and not paying money. Banks have been regulated for 100s of years and laws are in place to protect the public, and people do trust using banks as secure, safe and reliable. Paypal has had no limits placed on it, has massive amounts on deposit at any one time. In my experience with paypal it is insecure, unsafe and unreliable.

I also get a few Post office money Orders, exactly the same argument the system is known, tried and trusted. Paypal in my usage is not any where near as trustable.

I also send some items using Australian post COD service; this again is popular with many customers and is in my experience safest of all and fastest. It is expensive but still cheaper than paypal.

Paymate, google money, Western express, Thomas cook, bidpay many other forms of money brokers I have used have been better than paypal in most cases, while offering identical service are also being excluded by ebay with this change.

All the known safe methods in my experience are being replaced by a single UNsafe method.

Paypal because of its signed and Internet tracking required on parcels in a charge back situation policy(this is rubbery with paypal sometimes Australian registered mail is accepted as proof of post other times not). Severely limits choice of couriers or postal methods available. And greatly increases transport costs. And time to get to Transport as Couriers do not pick up or deliver to about 90% of Australia's land mass, they cherry pick which centre's are profitable.

- *the public benefit that may result from the proposed conduct would not outweigh the detriment to the public caused by the lessening of competition.*

All bank accounts are subject to 100 point identity check and all payments vetted by banks and reports made to relevant authority if any suspicious activity noticed by banks. This protects the public, Paypal has no identity check. No reporting requirements. Paypal is a money transfer method many scammers use as easily bypassed ID checks and no details given to purchaser, usually just a free email address, untraceable.

The other methods I use regularly Money order or COD all require identification.

I can see no benefit to the public in this change only ebays OWN DATA not audited or viewable is supposedly showing a supposed tiny reduction in disputes with paypal. Ebay asks what questions it wants, to who it wants, decides which answers become its data, and allows no independent audit of that DATA. That Data is useless to anyone.

The public will also end up paying more, and paypal getting much of the money. While paypal claims it is 2.4% and 30 cents per transaction or less, the fact is all small turnover users are at the 2.4% level. But this cost is only the tip of the iceberg. Paypal charges another 2.5% on currency conversions its currency conversion rate has always been about 5% worse than my banks rates. That alone is now a 10% paypal fee. Paypal can also raise its fees any time it likes.

I at the moment get only 1% of my items paid for by paypal on ebay. I currently pay 10% of my gross turnover in ebay fees, if last years sales were all paypal I would have to charge 10% more as not only do paypal /ebay get about 5% more of my gross turnover, there is extra transport and wages costs. That paypal rules require in case of charge back.

I let my customers chose transport and payment method that suits them. They are the people to judge what is safe, fast and reliable in their situation. Not me and definitely not a Swiss money broker avoiding Australian company tax, Australian laws, and whose only intrest is ebay's net profit.