

**Roy, Lauren**

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**Subject:** FW: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED  
**Security Classification:** IN-CONFIDENCE

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**From:** Fisher, Ben [mailto: ]  
**Sent:** Monday, 21 April 2008 1:49 PM  
**To:** Registers, Public  
**Subject:** eBay International AG - Notification - N93365

**EXCLUDED FROM  
PUBLIC REGISTER**

Dear ACCC

I wish to lodge an objection to eBay International AG - Notification - N93365 that is aimed at restricting consumers choice of payment options by forcing consumers to using only two payment options;

1. PayPal (an eBay Company or wholly owned subsidiary); and
2. Cash on Delivery (COD).

My grounds for objection to this action are based on past experience using the PayPal system and it is for these experiences I am no longer actively using eBay' services. The primary reason for my lodging this submission is an attempt to raise awareness of the issues I faced and prevent other consumers from experiencing the same.

In 2006 I purchased a product from an eBay seller and used PayPal as the payment method. In short, the purchased item never arrived.

After being forced to wait a minimum waiting period as defined by eBay & PayPal, I was eventually eligible to submit a complaint to eBay and PayPal which then resulted in dispute case being opened against the seller. Unfortunately these delays did nothing to help resolve the situation, if anything these delays assisted the fraudulent seller. The delays proved to crucial as there is only a specific allocated time-frame for submitting Credit Card chargeback applications to banking institutions.

As part of my decision process to purchase the item from the seller, I noted that PayPal offered a 'protection feature' called 'SquareTrade'. SquareTrade is represented as a mediation "service" aimed at providing assurance to buyers that a particular seller is of high standing nature. The seller I was dealing with displayed the SquareTrade 'seal'. In the first instance, eBay and PayPal referred me to open a SquareTrade dispute, this is where it all became a complete scam.

There are two types of services available from SquareTrade for buyers with disputes - the free version which costs nothing and the \$20.00 version where buyers pay \$20.00 for 'advanced remediation'. Upon further investigation, I selected to utilise the free verison. The reason for my decision was; whilst SquareTrade is represented to consumers to be a mediation service, it is not binding and has no jurisdiction either from a legal standpoint or from an eBay user standpoint. Regardless if consumers utilise the free version or pay the \$20.00, as soon as the seller requests SquareTrade to back off, they must. If SquareTrade advises the seller to take a course of action, they can (and often) ignore that advice. Once the seller instructed SquareTrade to back off, I was informed there was nothing left they could do. Essentially SquareTrade doesn't provide any assurty whatsoever. I believe this could be a breach of the Trade Practices Act also.

Once the SquareTrade dispute ran it's course and was closed, PayPal attempted to recuperate some of the \$800.00+. Unfortunately PayPal were only able to recuperate \$70.00 because that is all the amount the seller had remaining in their account. I was under the impression PayPal offered insurance under PayPal Buyer Protection, however this is dependant on funds being available to draw upon. PayPal credited my account with the \$70.00 and the case was closed. Not to mention there were more fees involved for this also so it came to a bit less.

Following all of this, no form of punishment was applied to the seller. The seller still maintained their

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'SquareTrade seal' - the only form of negative awareness I could bring to the next unsuspecting victim was to place negative feedback on the sellers eBay account. Unfortunately the eBay feedback system has been badly abused over time and it is becoming a lot less effective. It's difficult to decipher when there is genuine cause for negative feedback and when to ignore. Furthermore, it only takes 2 minutes to close an eBay account and start a fresh account with out the negative history.

Following the attempts to recover the funds using eBay and PayPal, I attempted to process a chargeback via my banking institution. This was unsuccessful on a number of grounds including the fact that PayPal was involved and the time delays between the transaction and the chargeback submission. At this stage my options had drawn to a close. In my opinion, eBay, PayPal and their misrepresented SquareTrade 'seal' had aided the fraudulent seller.

Had I used my Credit Card directly with the seller, my chances of successfully processing a chargeback would have been significantly greater. Had I submitted payment using my banking institution, there would have been additional avenues I could have pursued directly with my banking institution. In this case, all I knew about the seller was an eBay and PayPal user ID. Other details I had been able to gather included an email address, street address, mailing address and phone number - all provided by the seller had proved to be fake. I believe it is much more difficult for an Bank Account to be opened using fake identification.

In my opinion, whilst eBay may claim their decision to force consumers into using the PayPal system is for Security reasons sounds all community focused and well intentioned, I would argue this is about as accurate as the Japanese whaling program is for scientific research purposes. The protection offered by PayPal is less than that of sellers if using their own banking institutions directly, much like the whale meat is heading straight to restaurants.

If you would like access to any of the documentation relating to the above events, please do not hesitate to contact me.

Kind Regards,

Ben Fisher