

**Roy, Lauren**

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**From:** Blanch, Belinda on behalf of Adjudication  
**Sent:** Monday, 21 April 2008 11:00 AM  
**To:** Chisholm, Shane; Roy, Lauren  
**Subject:** FW: EBAY / PAYPAL EXCLUSIVE DEALING [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** David Belham [mailto:  
**Sent:** Saturday, 19 April 2008 11:18 AM  
**To:** Adjudication  
**Subject:** EBAY / PAYPAL EXCLUSIVE DEALING

**EXCLUDED FROM  
PUBLIC REGISTER**

Dear ACCC,

As an EBay / Paypal user I would like to express my concern at the EBay proposal to restrict payment methods to only PayPal on their website. PayPal is not a registered financial institution and at the moment they and EBay make their own rules with regard to costs and there is no overview by any regulating authority. Their rules cover costs for advertising, selling, costs for transfers and costs for currency exchange. With the latter PayPal has a policy of charging for incoming and outgoing currency trade and they use their own international rates which are usually 2 cents lower than the accepted international rate. Based on this the proposed changes make it more expensive for both users and sellers. Sellers are usually small businesses that cannot absorb the sole trader costs being proposed by EBay and therefore as a customer these costs are going to be passed on to me. I have never had a problem using direct deposits as a means for payment in Australia. I find it a secure method and in my opinion this is a cash payment. However, with direct deposit PayPal does not receive any percentage of the payment fee where if I had used PayPal they would. This indicates that their proposal is more about profit margin retention than security to their customers.

With regard to PayPal, you should note that since being purchased by EBay this is a difficult company to deal with as they only respond to email and their responses are usually vague and go out of their way to not answer your question. They are unspecific and do not provide you with confidence. As a customer I feel that they are there to extort me at any opportunity and I simply do not trust them. PayPal has a bad name internationally and I would recommend you view some of the following indicative websites:

[http://groups.ebay.co.uk/clubforum.jspa;jsessionid=abc4CtPU\\_oZEMhyJOkKlr?forumID=300007026](http://groups.ebay.co.uk/clubforum.jspa;jsessionid=abc4CtPU_oZEMhyJOkKlr?forumID=300007026),  
[www.screw-paypal.com](http://www.screw-paypal.com),  
[www.aboutpaypal.org](http://www.aboutpaypal.org),  
[www.paypalsucks.com](http://www.paypalsucks.com) etc.

In summary as a customer, the opportunity for EBay to monopolise on the PayPal payment engine for its website is a restriction of trade. A customer should be free to use any legal payment system to pay for goods and services that they choose. The proposal seems to be more about EBay retaining declining revenue rather than providing any other service to the customer.

Thank you for the opportunity to respond to this important consumer case.

David Belham

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