

**Roy, Lauren**

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**From:** Petreski, Sonya on behalf of Adjudication  
**Sent:** Wednesday, 23 April 2008 9:09 AM  
**To:** Chisholm, Shane; Roy, Lauren  
**Subject:** FW: Ebay Third line forcing [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** Patricia KERSLAKE [mailto: ]  
**Sent:** Tuesday, 22 April 2008 5:14 PM  
**To:** Adjudication  
**Subject:** Ebay Third line forcing

**EXCLUDED FROM  
PUBLIC REGISTER**

Dear Sir or Madam ~ with regards to the current Ebay changes:

I would like to put forward the following points in opposition to the exclusive dealing notification from ebay.

1. the proposed changes are in breach of the trade practices act, specifically Third line forcing/exclusive dealing which is in breach of the Trade Practices Act. part IV restrictive trade practices
  2. ebay dominates the online marketplace in australia, effectively holding a monopoly over it. They are using this dominant market position to reduce or eliminate competition, namely Paymate Pty Ltd ABN 91 093 528 002 for one of their own businesses namely PayPal Australia Pty Limited ABN 93 111 195 389.
  3. other competition affected with the elimination of bank deposit, cheques and money orders as payment methods, includes australian banks and australia post. This shifts the revenue generated from these companies to paypal, to an offshore company, rather than keeping it within australia. I don't think this is in the best interest of australia.
- eBay International AG provide services in australia, by ebay.com.au and eBay Australia Pty Ltd but do not charge any GST on the services that their Australian subsidiary provides to sellers running a business on ebay. Therefore they avoid tax obligations within australia, whereas the other competitors named above in points 2 and 3 do not.
4. the exclusive use of paypal on ebay, disadvantages the large portion of australian consumers who do not wish to use online payment methods for purchases. it also lengthens the transaction time considerably when funded with a bank account only, the payment can take up to 8 days in some cases to go through, whereas bank deposit is 1-2 days. this would reduce consumer satisfaction with regards to speed of transactions.

The increased fees associated with paypal will be passed onto buyers, ultimately increasing the prices buyers will have to pay in the online market place.

5. ebay has been using the idea of safety to promote paypal, when in reality it is about increasing profit and revenue for ebay AG international, as they own paypal.

they began the campaign when they bought paypal, with the removal of buyer protection from payment methods other than paypal, and introducing the online advertising pushing safe buying

this has resulted in a fear campaign pushing buyers toward paypal.

I believe this has affected research results used to back up their submission. All research and study methods used and presented by ebay should be carefully examined to assess their viability and accuracy.

prior to ebay owning paypal, paymate was a viable payment option offering a comparable level of security to buyers.

6. using only paypal and cash on pickup, means the system becomes totally unworkable in the event of technical/computer problems with the ebay/paypal site. There should be backup methods available to use in the event of this occurring. Having only one payment option apart from cash on pickup is not in the interest of consumers who have the right to choose the payment method they are most comfortable with, based on a sellers individual proven track record and feedback.

In conclusion, I believe the points I have raised here support the following 2 points

1. the proposed conduct will result in a substantial lessening of competition;
2. the public benefit that may result from the proposed conduct would not outweigh the detriment to the public caused by the lessening of competition.

Sincerely.

P.A. Kerslake