

Roy, Lauren

From: Blanch, Belinda on behalf of Adjudication
Sent: Friday, 18 April 2008 3:15 PM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: eBay International AG [SEC=UNCLASSIFIED]

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-----Original Message-----
From: Geoffrey ROBERTS [redacted]
Sent: Friday, 18 April 2008 1:06 PM
To: Adjudication
Subject: eBay International AG

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I am seriously concerned about the proposed changes to Ebay's conditions of trading, specifically the mandating of the use of a wholly owned subsidiary, Paypal, to process virtually ALL payments.

I have no in principle objection to the first phase of the plan, from 12MAY2008, ie requiring sellers to offer Paypal as a payment option for all goods on offer. This is merely causing the seller to advertise the service as being available. Many do this already.

I have a very serious problem with the second phase, from 17JUN2008, mandating it for all transactions (with a few trivial exceptions).

This is an extremely transparent attempt to force their customers to further increase the overall profit by Ebay and Paypal by adding costs taken out by paypal from the sellers payment.

With the exception of a couple of overseas transactions where foreign currency was involved, I have always dealt with Ebay using Direct Debit from a bank account to the sellers bank account. I find this easy, trackable, and have not had a problem in some years of trading this way, mostly as a buyer, but occasionally as a seller.

I am particularly concerned that this will create issues for me using Ebay to purchase equipment on behalf of my employer.

In the past I have made an offer to purchase through ebay and my employer has forwarded payment (usually by cheque as our accounting process and auditors prefer this) or by direct payment to the seller's account.

Should this thinly veiled attempt to create a monopolistic payment system be permitted to go ahead, I will probably be unable to purchase items via ebay, as it is highly unlikely the auditors would approve of transferring funds to a 3rd party that is not a bank or other bona-fide Australian financial institution for payment. It complicates the entire process and frankly despite Ebays harping about 'increased safety' it seems unlikely this will make much difference. They will be in a situation where they have total control of virtually all payments made for goods on their system and can literally right their own rules with no option for anyone to make alternative arrangements.

Very few sellers permit Cash on Pickup and this is obviously unworkable unless the seller is local anyway.

In my opinion, this whole concept is a clear attempt to create a profit monopoly situation and it is difficult to imagine anything that contravenes the spirit of the Act more than this.

I notice that this is not being attempted in the United States, probably due to similar reasons and that Ebay Europe has limited the requirement to requiring seller to advertise Paypal as one payment option.

I have no problem with THAT approach. If I am a seller and I am required to offer my customers that option if they so choose, fine.

Mandating it as the ONLY option is clearly unacceptable.

I will be happy to elaborate on the impact this would have on me personally if you wish.

I understand that there are also issues with using credit cards through Paypal internationally and it seems unlikely this will be resolved in the near future.

I strongly object to Ebay's attempt to gain total control of payments with the clear intent of increasing their profitability over and above the listing fees by adding a several percent commission from Paypal to their bottom line.

I urge the Adjudicators to recommend that the immunity conferred by the exclusive dealing notification be withdrawn and Ebay be prohibited from implementing the 2nd phase of the change effective on 17 June 2008.

Regards

Geoff Roberts



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