

Roy, Lauren

From: Blanch, Belinda on behalf of Adjudication
Sent: Monday, 21 April 2008 10:53 AM
To: Chisholm, Shane; Roy, Lauren
Subject: FW: Ebay's attempted Paypal monopoly [SEC=UNCLASSIFIED]

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-----Original Message-----

From: Bruce Lindsay [mailto:]
Sent: Saturday, 19 April 2008 4:55 PM
To: Adjudication
Subject: Ebay's attempted Paypal monopoly

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Gentlemen

I warmly applaud the ACCC's investigation into the practices of Ebay and Paypal.

I suggest to you that Ebay's stated reason for instituting a Paypal-only payment regime for all buyers and sellers of items on Ebay is nothing more than a grab for a monopoly over its established competitors.

Ebay has long denied access for its traders to Western Union transactions, with which I have had not problems. Likewise I have used Paymate, direct bank deposits, international money orders, direct Post Office transfers, and on rare occasions cash in registered envelopes; NOT ONE of these payments has gone astray in 7 years and almost 1000 transactions, which must surely indicate the spurious nature of Ebay's claim. I have no doubt that there are ratbag or rogue traders, but nothing more than normal caution has in my case meant a 100% satisfaction rate with all payment methods.

The appeal of Ebay for privateers like myself is access to worldwide markets (my main reason for being a member of Ebay is to buy spare parts, manuals and publications dealing with elderly Lancia vehicles, on which I am preparing a book). However it is my experience that there are many parts of the world - notably Middle and Eastern Europe, and South America - where the use of credit facilities is nowhere near as widespread as it is in Australia, meaning that many vendors in those areas insist on (and can only offer) payment via direct bank transfers, international money orders, or cash. Ebay's new policy effectively denies access to such vendors' items to Australian buyers.

Were Paypal a perfect system, Ebay may have some justification in its stated confidence that its use will increase security on the Ebay site, but this is simply not the case. May I please refer you to the website www.paypalsucks.com for many instances of the system's failire.

In my case, I did use Paypal for a couple of years, then when on holiday to England I used it to pay for a book purchased on Ebay. As always there were funds in my account, the transaction proceeded smoothly, and I received the book. On my return to Australia I was stunned to receive advice that my Paypal account had been suspended, and to reactivate it, I was required to lodge with Paypal evidence of my identity via the cover page of my passport, copy of a utility bill, and copy of a photographic identity such as a driver's licence.

I hasten to add that I had already been through Paypal's security checking system, whereby they make a small debit to one's credit card account and supply a code which then enables commencement of the account. Since I was given no reason whatever for the suspension of my account, I queried why this was necessary, and received the typically nonsensical Paypal computer-generated reply, which did not answer my question. Since by Ebay's own warnings I was being required to risk identity fraud by submitting the type and amount of identity documents demanded by Paypal, I refused until such time as I could be given the reasons why my account had been suspended, and until I could be assured that my identity data would be secure (I was asked to send the documents by fax to a Sydney fax number).

