

Roy, Lauren

Subject: Objection to eBay PayPal-only policy - N93365 [SEC=UNCLASSIFIED]
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ACCC Classification: SEC=UNCLASSIFIED

EXCLUDED FROM

From: K . Hill **PUBLIC REGISTER**
Sent: Tuesday, 6 May 2008 5:37 PM
To: Adjudication
Subject: Objection to eBay PayPal-only policy - N93365

Dear Sir/Madam,

I wish to voice my objection to eBay Australia's attempt to limit payment options for items purchased online.

My family has used eBay several times over the last 3 years purchasing products such as CD's, clothing and collectible items from overseas markets such as America, Taiwan and Japan. We have a 100% positive feedback acquired across our 2 accounts totalling over 30 transactions each. We have successfully paid for items with a variety of payment methods including PayPal, Credit Card and Bank Deposit.

PayPal.com.au is a company owned and operated by eBay Australia. It has NO office in Australia (just a PO BOX in the Eastern States), calls and emails to their Customer Service line are often unanswered for 2-3 days and their service is often taken offline for maintenance and repair.

I have had numerous problems with PayPal.com.au when paying for overseas items, including payments being taken from my bank account despite there being sufficient funds in my PayPal funds (leaving me often struggling to make ends meet until next payday due to withdrawal fees for amounts under \$150.00), funds being withdrawn from the wrong account (charging me approximately \$17.50 for having 'insufficient funds') and e-cheques taking longer than 8 working days to clear when the limit stated by PayPal is 5-7 days. I have used PayPal for only 8 transactions and have had more problems than I care to think about.

I object to eBay Australia's plans on limiting payment methods for items to either PayPal or Cash on Delivery/Pickup only. While Paypal is a very simple tool to use for overseas transactions if you don't have a Credit Card, PayPal's currency exchange function is horribly underestimated. Today (May 6, 2008) \$1USD=\$1.09AUD according to PayPal, however the official current exchange rate is \$1USD=\$1.06AUD (<http://currencies.news.com.au/converter.asp>). One can only assume that this extra \$0.03 per dollar lines the pockets of PayPal's owners and related shareholders.

PayPal charges you to receive funds into an account at a rate of approximately \$0.30 + 5% of the total monies sent. This is documented on the Encyclopedia Dramatica website, where sending funds of \$1AUD results in a charge of \$0.32AUD to receive the funds (see <http://encyclopediadramatica.com/Paypal>).

Technically, a buyer could collect an item via Cash on Delivery, pay via. PayPal and then claim the item was not recieved. As the seller cannot provide proof of delivery (PayPal doesn't accept signed documents as proof of collection) they will be left out of pocket, and the scamming buyer will keep the item and get their money back. As eBay.com.au no longer allows sellers to leave negative feedback how will future sellers be warned?!

13/05/2008

PayPal is not a bank and is therefore able to close accounts at will, keeping any remaining money from the account holder.

PayPal is not a legitimate method of purchasing goods anywhere other than on eBay sites. If I was to walk into any regular store I would be given the option to pay with cash, bank/deposit card, cheque, Credit Card or Gift Card. In this country shouldn't we have the same choice when purchasing products online?

When listing items for sale on eBay.com.au, fees are applied to list the item, purchase space to display pictures of the item, a fee is charged for selling the item and a final fee is charged for receiving your remaining balance into your PayPal account. By offering alternative payment methods such as Credit Card or bank deposit the final PayPal charge can be avoided. It concerns me that eBay are forcing a method of payment on customers that leaves them out of pocket more than it otherwise could.

The majority of past PayPal users have had bad experiences with the service. When searching the term 'paypal' on Google.com, 4 out of the 10 results are dedicated to discussion about poor service offered by PayPal, reports of stolen and hacked accounts, and frauds committed by eBay members using PayPal to steal money and banking details online (5 of the remaining sites on the front page are different links to the PayPal official site).

It is my opinion that PayPal is a poorly-run business. eBay Australia has ignored complaints from members angry with this decision and the complete disrespect the eBay corporation has for its customers is clearly evidenced by an article published by APC Magazine (http://apcmag.com/ebay_boss_not_offering_paypal_is_like_buying_heroin.htm). Simon Smith has implied that those who don't use PayPal are as bad as drug addicts! How are we to believe that people who treat their customers with contempt can properly manage our money?

Isn't it the Australian spirit to give everyone a 'fair go'? By limiting payment options for customers, eBay Australia is removing the chance many sellers have to make a living, especially stay-at-home mothers that would otherwise not be able to supplement their income.

PLEASE reject this application for the benefit of all the eBay sellers and buyers who have used eBay.com.au over the years.

Kind regards,

K. Hill

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PUBLIC REGISTER**

(PS - Please remove my first name from this letter, I would prefer to have this letter published under the name of K. Hill)