

Roy, Lauren

Subject: Submission: Ebay Notification N93365 [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

**EXCLUDED FROM
PUBLIC REGISTER**

From: Bruce [redacted]
Sent: Friday, 9 May 2008 5:16 PM
To: Adjudication
Subject: Submission: Ebay Notification N93365

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission

By email.

Dear Sir/Madam

Re Ebay Notification N93365

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Note: My Ebay username for your verification if interested is [username excluded], but I would prefer this to be deleted from my submission if published.

I apologise for the late lodgement of this brief submission.

I have been a regular Ebay user since late 2000, with a current feedback rating of 275 positive and 2 negative. The negative feedback items were received more than 12 months ago and neither related to disputes about whether payment was received. I have received 236 comments as a seller, and 65 as a buyer. I have never had a dispute as a buyer or a seller in relation to payments by direct deposit.

I have been a Paypal user for a similar length of time, but generally seek to avoid using it as a seller for any item over \$100 because of the fees and the lack of protection for sellers from buyers who ask their credit card providers to reverse payments made via Paypal. I also suffered the tedious experience of being locked out of my Paypal account simply because I entered my password incorrectly twice in a row, which required an unreasonable verification process of faxes and bank transfers even when I remembered the correct password.

I note that Paypal has more recently introduced a 'seller protection' policy. However, I queried the utility of this policy in that a buyer may still reverse a payment if the item is allegedly significantly not as described. It is not specified how Paypal proposes to ensure this is not abused - eg. the buyer may spuriously reverse the payment on those grounds (and even not return the item). There is no specification that the buyer must have independent proof that the item is not as described.

Paypal was not able to answer my query in a meaningful way.

For example, I have sold several laptops on Ebay for over \$2,000 each by direct deposit with no payment disputes arising. I would never be prepared to receive payment for an item of that value via Paypal, due to the fees and the possibility the buyer could simply change their mind and allege the laptop was 'not as described' (with the associated risk the laptop was not even returned to me).

In my opinion as a user, the Ebay policy clearly has the effect (and most likely the purpose) of substantially lessening competition with similar payment providers such as Paymate, with significant detriment to the public in terms of fees and lack of seller protection. I do not believe Ebay has substantiated any real benefit to the public.

I have read some of the other submissions which make these points in a more detailed and sophisticated way, and I endorse them.

In my view, the ACCC should revoke the notification.

Yours sincerely,

Bruce Paterson