

**Roy, Lauren**

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**Subject:** FW: eBay International AG - Notification - N93365 Submission - objection [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** a1shopping [mailto:a1shopping@activ8.net.au]  
**Sent:** Friday, 9 May 2008 11:21 AM  
**To:** Infocentre  
**Cc:** Adjudication  
**Subject:** Re: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED] Submission - objection

In relation to Ebay recent exclusive dealing arrangement proposed by eBay International we would like to lodge our submission in objection to the proposal as of 17 June 2008, all items listed for sale must only offer payment via Pay Pal (or credit card transactions processed by Pay Pal) or cash on delivery

These proposals will serious affect the items and prices of items offer on Ebay for sale.

We run a small business primary on Ebay turning over approx \$250,000 pa. We currently accept payment by Bank Deposit, Cheque or Money Order, credit card payment including Visa MasterCard and American Express via the phone

The costs involved in accepting a money order is nil. For bank deposit and cheques our bank fee is \$0.25. We have a merchant facility with the NAB for credit card payment on which we pay 0.77% - 1.59% per transaction depending on the type of card

Ebay is proposing that we can now only accept Pay Pal for which they are going to charge 2.75% commission and a \$0.30 transaction fee. As the majority of our sold items are under \$100 this equates to a commission in excess of 3%. We feel this is a very excessive rate and is not at all competitive with today's market.

We will have no option but to pass this increase in costs on to our customers thus increasing prices.

Pay Pal also does not accept American Express Credit Cards so our customers will not have the option of using their American Express Card which is highly regarded form of payment as American Express give very good terms and conditions including free buyers insurance and lucrative bonus points

Ebay/ Pay Pal will be in charge of vast sums of other people's money on a daily basis but are not a bank and our not regulated by Australian Banking Regulations

One of the Ebay/Pay Pal terms and conditions is that should they feel fit to do so Pay Pal will hold the monies customers have requested be paid to seller for 21 days. This is a totally outrageous condition. No Bank in Australia has the authority to do this but to use Ebay and be forced to accept Pay Pal you must agree to this condition

This proposal by Ebay would be the equivalent of Westfield Shopping Centre telling all their tenants that they had arrange for all shops to only accept Visa or MasterCard via a Merchant facility they control and no longer can accept cash, American Express or cheques from the people who come into their shops and can longer arrange their own merchant facility rate. I don't believe that would be acceptable in today's market place in Australia and I don't believe the Ebay proposal is any different.

All sellers are basically Ebay tenant. Ebay/Pay Pal is not the supplier of the goods sold on eBay. Each seller is responsible for their own listing, each seller is responsible for processing the sale and deciding how the item will be packed and sent. All sellers are responsible for dealing with any complaints and warranties and are subject to all Australian Consumer Legislation. Ebay is not, but they are the ones who propose to control all the monies/payments. As the sellers and the buyer are the ones to wear all the responsibility of the transaction it should be their choice of how to pay.

Many of our customers are older customer who is reluctant to give their credit card details via the Internet so this proposal will greatly affect them

In summary our objection to EBay's proposed changes it based on:

- 1) Rate charged by Ebay/Pay Pal is uncompetitive
- 2) Ebay/Pay Pal is not subject to Australian Banking Regulations
- 3) Pay Pal does not accept American Express in Australia
- 4) Older consumers and people who do not wish to use credit card on line will be disadvantaged
- 5) Customer will have no choice on payment method
- 6) The sellers on Ebay are basically eBay tenants only and as such Ebay should not have control over their monies
- 7) Pay Pal terms and conditions of use are unacceptable with very little re-dress