

**Roy, Lauren**

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**Subject:** eBay - Paypal [SEC=UNCLASSIFIED]

**Categories:** SEC=UNCLASSIFIED

**ACCC Classification:** SEC=UNCLASSIFIED

**EXCLUDED FROM  
PUBLIC REGISTER**

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

**From:** Jody [REDACTED]  
**Sent:** Thursday, 1 May 2008 6:27 PM  
**To:** Adjudication  
**Subject:** eBay - Paypal

Dear Sir/Madam,

I would like to object to eBay's plans to force payment by Paypal or cash only.

These plans are culturally insensitive. While US consumers seldom do Direct Deposit, Australians (and Europeans) are comfortable with the concept. Most of my eBay transactions are by DD, and I would surmise that approx. 50% of Australian eBay transactions are done that way. I only use Paypal to pay for international transactions. I don't think a US company should be allowed to break Australian laws based on US paranoia over who they give their bank details to.

Recent efforts by eBay have been designed to position the company as Amazon's competitor by driving away small sellers and implementing policies that make people suspicious of the bidding system (eg. SMI) and thus use BINS rather than auctions. Rather than being a "garage sale", eBay wishes to be a retail marketplace facilitating volume sellers. EBAY is moving away from the auction model that made it a world leader, in order to compete with a company that has spent years positioning itself in its own marketplace. While any company is entitled to make stupid decisions ... it should not be entitled to exemption from the law simply to make the path easier.

The reason given by eBay; "Increased Security" is a complete furphy. If you would like an eye-opening experience spend a week reading the Paypal discussion board on eBay's own home site. Alternatively, google "Paypal problems". The discussion board volunteers (not eBay employees) spend their own time helping people who have questions and problems with Paypal, and reading the day to day threads there will give you a good idea of recurring themes.

EBay has been steadily whittling away at the number of payment options available for some time now. Forcing Paypal only has clearly been an aim since eBay bought it. I imagine there are reasons they still allow cash payments, possibly public relations, possibly the inability to prove delivery on a "pick-up" item. Without proof of delivery (and Paypal won't accept a scan of a hardcopy receipt), a claim of Item Not Received can be made and won without any recourse from the seller. Yet another Paypal "security" flaw.

I find it offensive that eBay is not just trying to promote its own in-house, fee charging payment method, but is now attempting to force its use. Once approved, there will be no limit to the fees it can then charge. I don't know of a monopoly in human history that hasn't succumbed to the temptation of the "licence to print its own money".

I would ask that the ACCC reject eBay's application, and instead advise eBay to involve itself in education and marketing. If Paypal really is so much safer and better, consumers will choose to use it without coercion. I use Paypal myself, when I consider it more appropriate for the task, so I am not "anti-Paypal". I simply believe that eBay's actions are both illegal and anti-consumer.

Yours sincerely,

Jody Burgess