

Roy, Lauren

Subject: Ebay exclusive dealing with Paypal payment proposal [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED

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From: Budgeecuddler

Sent: Tuesday, 6 May 2008 12:12 PM

To: Adjudication

Subject: Ebay exclusive dealing with Paypal payment proposal

The proposal by Ebay to limit payment for goods to Paypal only will result in a considerable loss of margin for the three businesses which I participate in.

Two of them have merchant credit card facilities which are charged lesser commissions than what Ebay propose.

They can also receive direct deposit , cheques and money orders for considerably less cost than what Ebay will charge.

The third does not have a merchant facility and therefore will be charged extra commission and charges on the total value of all transactions unlike the free transactions currently taking place.

It means that all types of transactions will cost more, and under Ebays existing rules it is not permitted to add transaction fees on for use of Paypal which also contravenes existing regulations of the Commonwealth.

Most of my listings on Ebay are lower price items and I have calculated that it will add 5 to 10 percent to my costs overall which will make Ebay listing uneconomical. There are no benefits for me in this new arrangement as the alledged extra safety measures are not necessary for me and by anecdotal evidence from colleagues it appears that the safety measures do not work effectively all the time.

With the time delays in processing funds via Paypal, and the requirement that all funds are placed into one account will add to the risk factors if Paypal experiences computer downtime or financial difficulties. With Ebays quite arbitrary and inequitable delisting policies I am not willing to risk them having absolute control over all of my income from Ebay.

If this proposal proceeds there will be no open competition regarding charges and Ebay will have complete control of all aspects of this type of business.

I provide some examples of price changes with compulsory Paypal useage.
A \$4.00 decal pack with \$3.00 postage/packing will cost up to 53 cents more.

A 250.00 loco with \$10.00 postage will cost almost \$9.00 more.

Where is the benefit for customers in that?

With very low percentage losses why do sellers and ultimately buyers have to pay such exhorbitant fees?

yours sincerely
Robert johnson