

Roy, Lauren

Subject: Concerns regarding eBay International AG - Notification - N93365 - Exclusive Dealing [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

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

From: RKK Design [mailto:enquiries@rkkdesign.com]

Sent: Tuesday, 6 May 2008 7:08 PM

To: Adjudication

Subject: Concerns regarding eBay International AG - Notification - N93365 - Exclusive Dealing

To Whom It May Concern;

Recently EBay has decided that the only way to pay for items auctioned through EBay will as of June 2008 become Paypal. This new move from EBay's side will be extremely anti competitive and affect a lot of other operators so negative that it will put competitors out of business.

As well known, EBay has over the past decade managed to position themself into an extremely strong market player, and hence as a company they have a lot of bargaining power in today's consumer goods market.

Currently, the way the system is set up, is so that when a customer purchases an item through EBay, that item can be paid by a variety of means including;

- Personal Cheques / Money Orders / Bank Cheques
- Bank Transfer (wire transfer)
- Cash on Delivery
- Credit Card through Merchants Credit Card Services
- Paypal (An Ebay Company)
- A range of different Payment gateways, I.e. St George, Securepay, Bidpay etc.

EBay has decided that as of June even year, they will no longer permit any other forms of payment but Paypal. Currently Paypal is wholly owned by EBay. Paypal also charges premium fees on money transfer compared to Banks and other payment gateways. Currently Paypal Fee policy for credit card payment is 3.4% plus \$0.30 AUD for domestic transactions and varies for international transactions. Banks in comparison, charges NIL fees for domestic transfers between accounts. The full fee schedule can be located at Paypal's WebPages https://www.paypal.com/au/cgi-bin/?cmd=_display-fees-outside <https://www.paypal.com/au/cgi-bin/?cmd=_display-fees-outside> .

Given that Ebay has managed to position themselves in a very strong position they have now decided to force other payment methods out of the way, by making it prohibited under Ebay's user agreement to use any other forms of payment but Paypal, a policy that will be implemented in June as mentioned.

This should be considered very anticompetitive behaviour given the position of Ebay in today's market, and should under no circumstance be allowed. Not only will it generate a major disadvantage to customers given that Ebay has created a very strong market position, and now the price of goods will increase on the basis on suppliers having to pay Paypal's substantial high fees (Compared to other operators). It will also severely hurt other payment gateway providers, but also consumers as everyone is now dependent on using EBay's money transfer service, namely Paypal

EBay has created a somewhat oligopolistic market and should they be allowed to implement this new policy, this will virtually remove all competition in relation to EBay and money transfer services.

I hope and put my trust in ACCC thoroughly investigating the matter, and look forward to hearing from in relation to this.

Regards,

Kristin Knudsen