

Roy, Lauren

Subject: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

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PUBLIC REGISTER

From: John Seeliger [redacted]

Sent: Wednesday, 7 May 2008 4:17 PM

To: Adjudication

Subject: eBay International AG - Notification - N93365

I am writing to express my opposition to eBay plans to block non-Paypal payments (excluding cash payments on items picked up).

eBay is the world's largest auction website and is using what is for all intents and purposes a monopoly on auction format listings in order to gain monopoly control over online payments.

eBay has claimed that this change is necessary to safeguard buyers. This same company has use the argument that Google Checkout is unsafe and it has been banned virtually from its inception, originally claiming it was an unsafe payment method, and then changed it to "unacceptable", since it could not defend the position of it being unsafe.

It was noted that Google did not have a substantial track record, although even after almost two years of safe payments, there is no change in eBay's allowance of Google Checkout.

Additionally, eBay allowed a new incarnation of Bidpay, a former Western Union company under new ownership to be immediately added about the same time as Google, deeming it as not a serious threat. This decision was motivated by anti-competitive reasons, not on the merits of Bidpay's business as Bidpay again went out of business in December 2007.

There is also no reason to believe credit card processors would not provide a safe alternative to Paypal and they have been used by some eBay merchants without incident for years, and eBay's decision would ban them.

Additionally, buyers may prefer to use money orders or checks than Paypal, even if there is some risk with these instruments. The use of Paypal is not without risk and both buyers and sellers may prefer to keep private their bank account numbers and credit card numbers, which if compromised by Paypal would present a greater loss than that associated with most money order payments.

Again, regarding the Paypal vs Google controversy, it is also noteworthy that Paypal has a history of locking people's accounts for no reason and requiring them to send in all receipts for items they have sold, including those that were already delivered with associated tracking and for which the buyers had left positive feedback. There is a website paypalsucks.com devoted to such examples, whereas there is really no similar one for Google Checkout.

eBay has further encouraged the receiving of payments from "unconfirmed addresses" through their eBay Express where you were unable to block such payments to sell on. This site dealt in new items, especially in high scam target items such as consumer electronics like laptops, digital cameras and MP3 players. Sellers who accept such payments and ship to these addresses are at risk of losing the items and the payment, and also make be charged a \$10 fee for a chargeback.

Additionally, many new sellers will not understand the risk as they don't know the payments can be reversed. They might also not know that payments of USD 250 are required to be signed for by a

16/05/2008

method Paypal can view online on a major carrier's website, such as UPS or FedEx. They might not know that even if they have signed proof such as certified return receipt or if they have a buyer sign a receipt for an item on a local pickup, they will not be protected from a chargeback or reversal.

Paypal also deceives buyers on making payments as well, suggesting that if they pay by an eCheck (a transfer from their bank account), as opposed to allowing Paypal to charge their credit card, they will be better protected. They do this by making the buyer confirm they wish to change from a bank account (which is the default) to a credit card (and they won't allow the credit card to be the default).

They then add the reasons the the buyer's financial information will not be shared with anyone if they make a bank transfer purchase (should this not also be true if they make a credit card purchase) and that the buyer is protected from unauthorized purchases if their bank account is used. Of course, if a credit card is used, the buyer receives the same benefit from Paypal, but they also receive the benefit that if the item is never received or the item does not match the seller's description, the buyer may not recover the full amount from the seller, if it was funded by a bank account (if the seller has closed his/her account) and there is no chargeback procedure on bank transfers in such cases, but had they paid with a credit card, the consumer may issue a chargeback for non-receipt or item not as described.

In doing so, Paypal mislead or lies to the consumer as it is not in their best interested to tell the truth.

They may also advertise a buyer has \$2000 coverage from a particular seller, but if the seller proves to be a scammer and is suspended from eBay, the coverage is dropped to \$200 for the unsuspecting buyers.

In closing, I had used both Paypal and Google as both a customer and a merchant and I had lost money both ways on Paypal, but I have never lost money on Google. I would hope that you would prevent eBay from blocking any payment which is blocked for the primary motivation of increasing eBay and Paypal's monopoly position at the expense of both seller and buyer's rights.

Sincerely,
-John Seeliger