

**Roy, Lauren**

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**Subject:** eBay and PayPal [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** ROGER DAVIS [mailto:  
**Sent:** Monday, 21 April 2008 3:50 PM  
**To:** Adjudication  
**Subject:** eBay and PayPal

Dear Commissioner,

I do not agree with the proposal of eBay Australia to permit only 2 payment methods for goods bought on it's site: ie cash on delivery or payment by PayPal. The use of PayPal is a vertical integration of the marketing facility (eBay) with a financial services facility (PayPal), both owned by the same company. This will provide a more profitable stream of income for eBay, without materially improving the service for sellers and buyers. Indeed, fees will be captured from both parties.

The proffered reason for requiring sellers & buyers to use PayPal is better security, yet there is insufficient evidence to justify such a claim. PayPal is not subject to the same financial prudential requirements as banks or other mainstream credit providers and offers insufficient guarantee to users to protect them from fraud, including delivery of the goods as ordered.

Whilst I support all reasonable endeavors to improve the security of eBay transactions, I do not see that the proposed model will provide much advance towards such an objective. Unless PayPal is required to guarantee that buyers will be protected from fraudulent activity and that goods will be delivered as ordered, or a full refund granted, then I cannot support eBay's proposal, as it adds to user costs without offering improved user benefits.

Regards,

Roger Davis  
email: **EXCLUDED FROM  
PUBLIC REGISTER**

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