

Roy, Lauren

Subject: ebay/ paypal submission [SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED

ACCC Classification: SEC=UNCLASSIFIED

From: Heather Revitt [REDACTED]
Sent: Friday, 2 May 2008 1:59 PM
To: Adjudication
Subject: ebay/ paypal submission

**EXCLUDED FROM
PUBLIC REGISTER**

From Heather revitt
Contact details excluded

We have over 4400 (100 % positive) trades on ebay as both a buyer and a seller since 2000.

We believe that the proposed changes to the Ebay/Paypal payment system will result in a lessening of choice (competition) to the Ebay user community, and that any possible benefits from the proposed amendments are substantially outweighed by the real or possible detriments to the user group, for the following reasons-..

1. access to funds.

currently, a seller can almost immediately gain access to the proceeds of their sales (eg Australia post money orders, bank deposit). Paypal has a threshold, below which funds cannot be accessed. For sellers wishing to sell only a few small value items (eg children's toys, clothing etc.) in order to pay bills etc., this means that they are not

able to realise these funds in a timely manner, if at all .

2. The burden of higher freight costs

in order to satisfy the paypal postal requirements (and avoid possible charge-backs), certifiable postal methods are required. these are substantially more expensive than the most economical postal choices currently available. This adds significantly to the cost of the item to the buyer, and no longer makes it worthwhile to purchase low cost items at bargain prices.

3. the risk of charge-back

sellers are currently not exposed to the risk of charge-back via the current range of non paypal options.

4. Extended payment options

increasingly, customers are seeking extended payment (lay-by) arrangements, which we offer. Customers can pop into a bank branch and deposit a few dolls when they can. We will no longer be able to offer this arrangement via paypal.

5. Identity theft.

A significant number of ebay users and potential users do not wish to have any of their banking arrangements (bank accounts or credit cards) on the internet in any way. The risk (or experience) of identity theft is real to many, and the proposed paypal only arrangement will EXCLUDE these people from trading on ebay, thereby lessening the customer and trader base, to the detriment of all.

6. Grab for fees across a higher per unit level Currently, sellers only pay fees to ebay on their listing, and the final value of the item. This they have agreed to as per ebays terms and conditions. With the higher freight cost as per the paypal requirements, sellers are now bound to pay palpal not only on the final sales price of the item, but also a fee on the higher freight costs, which currently is fee free.

7. Fee level

With NO competition for payment arrangements, we can only wonder as to what increases in fees Paypal/ebay may wish to impose henceforth.

In summary, the proposed arrangements will lead to a lessing of both buyers and sellers on ebay, it will burden buyers with higher freight costs, and place a substantially higher fee structure on sellers on both their merchandise AND on the freight. It exposes all users to the potential of identity theft, and without a healthy choice of payment option competition, will enable paypal/ebay unrestricted escalation in charges.