

**Roy, Lauren**

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**Subject:** Ebay International A.G Notification N93365 - Requirement to use Paypal  
[SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** Dee [REDACTED] **EXCLUDED FROM PUBLIC REGISTER**  
**Sent:** Friday, 2 May 2008 12:02 AM  
**To:** Adjudication  
**Subject:** Ebay International A.G Notification N93365 - Requirement to use Paypal

Dear Sir/Madam

I hereby formally lodge a Public Submission sighting detriment over eBays proposed forcing of Paypal onto all Australian buyers and sellers on the eBay Australia website.

The proposed conduct will result in substantial lessening of competition.

. ebay dominates the online marketplace in Australia, effectively holding a monopoly over it. They are using this dominant market position to reduce or eliminate competition, namely Paymate Pty Ltd ABN 91 093 528 002 for one of their own businesses namely PayPal Australia Pty Limited ABN 93 111 195 389. Other competition affected with the elimination of bank deposit, cheques and money orders as payment methods, includes Australian banks and Australia post. This shifts the revenue generated from these companies to paypal, to an offshore company, rather than keeping it within Australia. I don't think this is in the best interest of Australia.

Ebay has stated that Australians have been slow to uptake use of Paypal. Now eBay seeks immunity in order to force Australians to use Paypal by locking other competitors out of their market. However given Paypal's poor reputation for customer service, the public of Australia can only benefit from the continuing availability of choice in payment service options

PayPal Australia last year celebrated the opening of 5 million Australian accounts. This is not an insignificant number and it will clearly make a difference to many of the other financial institutions when eBay/PayPal is getting the fees or interest that would normally go to our Australian banks. This appears to be "Full line forcing" in specific "refusing to supply goods or a service unless the intending purchaser agrees not to: buy goods of a particular kind or description from a competitor". This will have a "effect of substantially lessening competition in the relevant market." as we will be unable to use the free service Australian banks and other financial institutions currently provide for us to collect funds online. Credit card payments may be accepted but must also go through the Paypal merchant.

The public benefit that may result from the proposed conduct would not outweigh the detriment to the public caused by the lessening of competition

The exclusive use of paypal on ebay disadvantages the large portion of Australian consumers who do not wish to use online payment methods for purchases. it also lengthens the transaction time considerably when funded with a bank account only, the payment can take up to 8 days in some cases to go through, whereas bank deposit is 1-2 days. this would reduce consumer satisfaction with regards to speed of transactions. I ask you the ACCC to make all effort possible to stop Ebay Australia from implementing this change as many many small and large sellers will be forced to close due to the fee increase from mandatory Paypal fees. I also beg the ACCC to see that this move is NOT a security move as stated by Ebay Australia but simply a move to Monopolize the payment system with their own Company and stop any competition, thus raising the Companies income from fees.

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In closing, if parties transacting via eBay would like to make use of the PayPal payment system, they are able to choose to do so. Making it a compulsory part of every transaction only stifles competition, removes choice and generates further income for eBay International AG (which of course, would appear to be the sole purpose for this proposed change in the first place). Filling the eBay coffers does nothing to benefit the Australian public and could, in fact, be detrimental to the growth of the Australian online community.

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Yours sincerely  
Dee Hinton