

Roy, Lauren

Subject: eBay exclusive dealing notification N93365 [SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

From: John Hill [REDACTED]
Sent: Tuesday, 6 May 2008 2:30 PM
To: Adjudication
Subject: eBay exclusive dealing notification N93365

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Dear Sir

I make the following submission in relation to this notification.

I am a registered eBay purchaser and a registered user of PayPal. For international transactions involving foreign currencies Paypal is a convenient method of payment and one I use exclusively. I note that the exchange rates employed provide Paypal with a generous margin over the market but one I am prepared to overlook for the sake of the convenience and the lack of an alternative.

For domestic transactions there are other convenient payment options available notably direct debit and payment by cheque. I frequently use direct debit for such transactions but also use PayPal. I seriously doubt that PayPal offers any greater security in the payment process than these other two methods.

It is true that eBay offers a dispute resolution process via its wholly owned subsidiary PayPal. I have had recourse to this service once in 200 transactions and the service achieved a belated but satisfactory outcome. The dispute was straightforward involving a seller who tried to renege on a promised refund for faulty goods. It had nothing to do with the payment process but was an instance where an eBay seller was behaving badly.

It is frankly an outrage that eBay so blatantly tries to channel purchasers through its wholly owned subsidiary PayPal by offering protection against fraudulent sellers only if the purchaser uses the Paypal mechanism to effect payment. There is no reason why protection could not be provided independently of the payment system except in relation to disputes where it is the payment system which has failed (which I imagine are very few).

There is no justification for the current notification to be allowed to remain. There are perfectly acceptable alternatives to PayPal for effecting payment which provide effective competition and prevent further exploitation by eBay. I have no doubt that eBay will exploit any monopoly it is granted to the detriment of its clients. If eBay is concerned about losing clients because of negative experiences with counterparties the remedy is glaringly obvious. It is up to eBay to provide a more comprehensive protection service and to be ruthless in excluding badly behaved buyers or sellers from its site. Given the volume of business amicably transacted on eBay the loss of revenue would be trivial.

Yours faithfully

John Hill

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Contact details excluded

7/05/2008