

**Roy, Lauren**

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**Subject:** Objection to Proposed EBAY rule changes. [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** Tracy Pearson [mailto:pittwaterstamps@ozemail.com.au]  
**Sent:** Friday, 2 May 2008 11:23 AM  
**To:** Adjudication  
**Cc:** 'Gerd Kratzer'; 'Alan Brown'; 'ANDA Show Organiser'; 'Annette'; ipda.valrider@devalri.com  
**Subject:** Objection to Proposed EBAY rule changes.

Australian Competition & Consumer Commission

**EXCLUDED FROM  
PUBLIC REGISTER**

Dear Sirs,

The proposed changes on the EBAY Australia site are almost certainly  on three grounds.

**Firstly, the refusal by EBAY to allow any other means of payment is breach of the "Restraint of Trade" section of the Trade Practices Act.** This legislation is designed to protect consumers against monopolies or oligarchies combining to prevent competition. Since EBAY owns PayPal, making PayPal the compulsory payment method constitutes a restraint of trade under the Act. If such a monopoly is allowed to be established, PayPal fees will invariably rise.

**Secondly, it is a breach of the Australian Currency Act.** EBAY's attempt to disallow cash payment & bank deposits violates this legislation too. All countries have laws protecting the acceptability of cash & most countries have laws guaranteeing bank remittances (including bank cheques & bank transfers). Such laws are designed to uphold the value of each country's currency & their banking systems. It is designed to protect each country's economic stability. With the exception of certain limits on totals for small coin transactions, it is illegal to refuse Australian circulating coins & banknotes as payment for any debt incurred in Australia. Therefore EBAY's attempt to prevent payment by cash, bank cheque or bank transfer is illegal under the Currency Act.

**Thirdly the Australian Constitution itself protects Australian currency by making it unconstitutional to refuse to accept Australian currency in payment of a debt.**

**PayPal are a law unto themselves.** Unlike banks, building societies & other credit card issuers, they are not subject to the strict banking regulations which exist in Australia. They charge almost triple the fees compared to Visa & MasterCard & a *much* larger factor compared to internet bank transfers & bank deposits.

By comparison to credit card transactions, PayPal is a very insecure method of payment. When there is a disputed transaction using a credit card, the issuing bank will issue a credit to the consumer. When the issue is resolved in favour of the consumer, the credit is converted to a permanent refund. If the issue is resolved in favour of the merchant, the consumer's credit is reversed & the merchant is paid. **PayPal do not offer this service.** In all disputes, they invariably debit the merchant's account. Sometimes PayPal retain the funds for themselves & sometimes they provide refunds to the buyer. However in neither case, will they enter into any correspondence with the seller. It is impossible to speak to anyone at PayPal. They do not respond to any correspondence from sellers. This has led to massive fraud by PayPal buyers (e.g. falsely claiming refunds well before the item could've possibly reached the buyer). **Allowing other methods of payment avoids all of these problems & fraud.**

The collectibles categories (especially stamps, coins & banknotes) are amongst the largest categories on EBAY. Indeed 15% of the global listings are from Australian sellers. In other words, Australian EBAY sellers out-punch for our size & **the prospect of allowing these changes is potentially catastrophic for our industry in this country.** EBAY generates significant exports for Australia. Making PayPal compulsory will significantly reduce those export earnings.

Making such a payment system compulsory is illegal, expensive, insecure for both buyer & seller and grants an enormous monopoly to an un-regulated entity which refuses to enter into any communication with sellers. We hope that you will consider this submission when making your ruling.

23/05/2008

Yours faithfully, John & Tracy Pearson.

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Member, Australian Numismatic Dealers Association [www.anda.com.au](http://www.anda.com.au)  
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