

Roy, Lauren**Subject:** Regarding eBay and PayPal Exclusive Dealing Notification N93365
[SEC=UNCLASSIFIED]**Categories:** SEC=UNCLASSIFIED**ACCC Classification:** SEC=UNCLASSIFIED**From:** [REDACTED]**Sent:** Tuesday, 6 May 2008 4:10 PM**To:** Adjudication**Subject:** Regarding eBay and PayPal Exclusive Dealing Notification N93365**EXCLUDED FROM
PUBLIC REGISTER**

I would like to make a submission against eBay's notification for exemption from Section 47 of the Trade Practices Act 1974 (TPA) on the grounds that the proposed conduct will result in a substantial lessening of competition, and that the proposal does not offer any benefit to the public.

1. Substantial Lessening of Competition:

- eBay is essentially reducing accepted payment methods to only one – PayPal. While they also offer cash on pickup, this is a very limited payment method as the majority of eBay sales are between people in diverse geographical locations where this is not viable.

- There are currently many alternative payment methods available on eBay, the main methods being bank deposit, bank cheque and money order. Therefore the current competition includes banks and Australia Post. For the eBay sellers, there is a minimal (if any) cost involved with using these payment methods. It could be argued that the low cost of current alternatives to PayPal effectively keeps the PayPal fees at a reasonable level. Without these competitors, there is nothing to stop PayPal fees being increased.

- In addition to these payment methods, there are also other payment providers similar to PayPal, such as Paymate and Qpay. To date it has been very difficult for eBay sellers to use these, as eBay has discouraged their use citing technical reasons. They are still competitors, however, which will be officially unavailable (rather than only unavailable in a practical sense as they are now).

2. No Benefit to the Public

- eBay's single argument for restricting payment methods to only PayPal is that it is safer. To date I have not seen any conclusive proof that PayPal is safer than any other payment method.

- The benefits that PayPal claims are not exclusive to PayPal. Credit card companies also offer similar services that reverse payments in case of goods not arriving, being faulty or not being as described.

- If members of the public agree with eBay that PayPal is the safest method, they are free to restrict their trading to only PayPal right now. Buyers can choose to deal only with sellers who offer PayPal; sellers can restrict the payment methods they accept to PayPal only. The change which has been proposed by eBay does not give any additional benefit to the public.

- Rather than providing a benefit, it in fact reduces consumer choice and therefore is effectively a liability to the public. There are many buyers and sellers who actively avoid PayPal because they do not consider it to be safe – for some examples refer to www.paypalsucks.com or

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www.paypalwarning.com.

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