

Roy, Lauren

Subject: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

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From: Doug Cotton [REDACTED]

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To: Adjudication

Subject: RE: eBay International AG - Notification - N93365 [SEC=UNCLASSIFIED]

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Submission re eBay proposal

I write on behalf of four family owned PowerSeller ID's on eBay which in total have made over 4,000 eBay sales using bank deposits and PayPal as payment methods.

eBay appears to be trying to justify the proposed change on the basis of the number of disputes relating to bank deposits/transfers. But eBay themselves COULD do more to make bank transfers easier ...

- (a) They could shorten their item numbers to the number of characters permitted in Payer Referenecs in over the counter deposits.
- (b) They could issue separate item numbers for each sale in a multiple listing (as does Oztion.com.au) so as to avoid confusion when two or more people buy the same item number.
- (c) But better than either of the above, their system could easily generate a shorter unique Payer Reference number and they could make it well known on their site that buyers should use this Payer Reference Number (which Sellers would also be given and be able to search for) when making bank transfers or deposits.

One problem arises from the fact that banks do not accept alpha characters and some other symbols as Payer References for over the counter deposits. Perhaps banks could remove these restrictions for those buyers who quote their eBay ID's.

I make the following points also ...

- (a) In order to make instant payments buyers must leave sufficient cleared funds in the PayPal accounts (at no interest) - otherwise the transactions remain pending for about 3 business days while PayPal clears a direct debit to their account.
- (b) Sellers also do not get their funds as quickly as they would with bank deposits which can be instant if made over the counter at a branch of their own bank. There is also a fee for withdrawing less than \$150 from PayPal.
- (c) Recently PayPal's website was out of action for several days tying up seller's funds by the thousand.
- (d) PayPal is no safer for a buyer than merchant credit cards used in the rest of the retail industry, so what justification can eBay have in regard to preventing the use of merchant credit cards which, after all, have a charge back facility.
- (e) The PayPal system is very clumsy and open to abuse. Sellers tend to trust their eBay records which may show an item as paid. But these do not necessarily show the actual amount

paid by the buyer. A buyer can set the postage to zero, make a payment and then set the postage to the correct amount so that the seller gets the impression it is paid. If the PayPal website is down the seller cannot check anyway.

(f) There are MAJOR problems if the buyer underpays and then needs to make a second payment for the extra through PayPal. What happens is that the PayPal system charges the full amount again and the buyer pays twice. There is NO WAY that the buyer can just pay the extra through the eBay link and the seller can see when this is done. There is a lot of confusion when such additional payments are needed. They can happen due to buyers assuming a lower courier charge because they live near a city with such a charge, but the couriers charge the seller more because the buyer is out of the area they serve at that rate.

When a buyer has had dealings with a particular seller he or she usually has confidence about paying by bank deposit. The eBay feedback system should also give even new buyers such confidence when dealing with an established seller.

There may be some justification in restricting new sellers from not offering bank deposits until they have, say, 10 positive feedbacks. There are other restrictions already in place for such - for example, no multiple listings or feature listings.

But when eBay force buyers and sellers to tie up funds in PayPal accounts, and sellers to have to pay commissions on all sales, including the postage component, there is certain to be an overall increase in costs to buyers.

In the retail industry sellers (like Aldi Food Stores) charge extra for the use of credit cards. EBay specifically prohibits this with PayPal - no discounts or bonuses etc are allowed for bank deposit payments. I question the legality of this restriction also under the current system.

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