

Roy, Lauren

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

Categories: SEC=UNCLASSIFIED

ACCC Classification: SEC=UNCLASSIFIED

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From: Douglas Loats [mailto:

Sent: Friday, 2 May 2008 2:45 PM

To: Adjudication

Subject: Submission Re: eBay International AG - Notification - N93365

I am making a submission in regards to the above subject.

I would like to start by saying that most eBay users are not aware that eBay is the owner of Paypal and that eBay would be the beneficial recipient if this proposal were to be approved.

To me the use of Paypal in Australia to receive payments is not cost competitive once the total cost is over \$24.00. This is based on the fees applied to my Paypal Premier/Business account of 3.4% plus \$0.30 flat fee. These fees are non reducing for me and Paypal has been reported in the newspapers as not going to consider having a reducing scale of fees. As a result of Paypals high fees I have now joined Moneybookers who only charge 1.9% for my overseas payment.

For me to do an online transfer from my credit union it costs me \$1.00 for any amount of money. In this example a \$200.00 payment by Paypal costs \$7.10, whilst the same payment done online via my credit union is \$1.00

Taking an example of the highest cost deal I have done on eBay including postage was \$2485.00. I paid this by online transfer from my mortgage account and due to the amount involved had to do two transactions due to daily transfer limits. There were no fees applied to this transaction. Had this been done through my credit union account it would have cost \$2.00 for the two transactions. If the item had been paid through Paypal fees of \$84.79 would have applied.

Both eBay and Paypal claim to have 5 million users in Australia and it would not be difficult to imagine 100,000-200,000 Paypal accounts holding amounts from \$20.00 to \$100.00 which could be holding between 4-10 Million dollars or more. As no interest is applied to Paypal accounts the amount of interest that could be earned on the short term money markets would be quite substantial and go straight to the eBay bottom line.

In both the mail eBay sent to me and their presentation on their site they produce very little evidence in the way of hard facts to support the claim that they are doing it to increase security of payment. I have not had any proof of the problems that eBay are claiming to have had that led to this decision, nor have I read anywhere of this being a problem in the eBay community.

In summary I oppose eBay's action as it removes the flexibility of payment options and will increase the cost of trading on eBay for no real benefit for the majority of eBay users. The proposed action smacks of nothing more than being a money grab dressed up under the guise of "security of payment". Please disallow this deceitful and less than honest application from eBay.

Douglas Loats

Address excluded

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