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**Subject:** FORMAL SUBMISSION EBAY AUSTRALIA PTY LTD - Paypal  
[SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** Blackwood Natural Technology [mailto:  
**Sent:** Friday, 2 May 2008 12:34 PM  
**To:** Adjudication  
**Subject:** FORMAL SUBMISSION EBAY AUSTRALIA PTY LTD - Paypal

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FORMAL SUBMISSION EBAY AUSTRALIA PTY LTD

Ebay owns Paypal.

Ebay has been using an unwarranted fear campaign to scare people into using Paypal on a pure profit motive while Paypal actually fails to pay claims on occasion.

Ebay WAS based on feedback as the way for buyers to decide which sellers to trust to supply the right goods. Sellers with 99 to 100% positive feedback should not need to offer Paypal, nor should Ebay be pushing Paypal on such trusted sellers as there should be no fear of the buyer not being completely satisfied with the transaction. With 100% positive feedback, or close to it, obviously there has been no need for complaint. FEEDBACK is not promoted while Paypal is heavily promoted.

Paypal is expensive so it puts more financial pressure on sellers, and therefore the seller must pass on the cost of Paypal to the buyer via increased prices;

(But these costs are hidden in sellers prices so buyer is not aware he is paying it)

EG: I sell a \$140 item + \$15 P/H = \$155 Paypal transaction that costs me approx \$4. This is on top of the Ebay listings fee of \$3.89, plus the Ebay auction success fee of about \$7. We now must add another \$4.

Most Sellers are happy to evaluate his own risk when deciding to give account details to buyers, and saving all those Paypal fees that profit Ebay. I don't obtain buyers account or credit card details as I'm not equipped to handle such – that's where I am happy to use Paypal as an option. I have that CHOICE.

I ALSO sell on Trademe New Zealand.

TRADEME is N Z equivalent to Ebay in that it is an Internet Auction site and is so successful that Ebay can't get a look in – they even sell real estate. They have safety methods that work without restricting choice. Trademe N Z also insists their sellers offer Bank Deposit as one of the payment options = to give their users an inexpensive happy experience on Trademe!!

At present shops / fuel stations can charge a 'credit card levy' to cover cots of credit card transactions, but on Ebay I am not allowed to charge buyers for using Paypal – this is unfair practice, AND covertly encourages buyers to use the FREE Paypal.

Oztion is now seeing massive monthly growth as people move out of Ebay to continue with freedom of choice. Oztion has many more identity checks one can voluntarily put in place to increase buyer confidence and good outcomes.

This is my Verification on Oztion, my ID = Trence99 (willingly paid \$20 for process)

 Australia Post Verified  Phone Verified  Credit Card Verified  Address Verified  
 Photo ID Verified

Below is my Ebay references assesment. 434 positive references with NO complaints.

26/05/2008

Seller: trence99 ( 434 ★ )  Feedback:100% Positive Member:since 04-Oct-03 in Australia

Below is my Trademe reference assesment. But I can't be address verified as I am outside New Zealand. But every N Z resident can become address verified for security

trence99 (36 ★★) 100% positive feedback Member since February 2004  
Not Address Verified

I myself had a case where an Ebay user had three negatives feedbacks out of less than 8 feedbacks in total, yet Ebay refused to close this persons account and get him off Ebay!! That's where the trouble is. It suits Ebay to have troubles so Paypal gets used.

Ebay advertises in a very biased way = like saying with Paypal the buyer does not have to divulge their bank details BUT with direct bank deposit the buyer does not either!

Paypal is advertised as FREE, which is only because the seller is not allowed to recover fees, whereas even Internet Banking may cost 50cents, while buyers that choose Aust Post money order pay some dollars

Technocash is another payment system, as is Paymate and they all have their merits.

This is a heavily biased, profit motivated system from Ebay, that encourages buyers to use Paypal by hiding the fees.

Please also note that Paypal does have address verification, but Ebay has nothing in place at all.

#### POINTS:

I propose a full investigation into all Ebay trading practices to make their rules line up with normal retailing in Aus.

I propose a short investigation into Trademe N Z to see why they are much more popular than Ebay with clients having little fear of buying on this site.

Ask for T P A rules to be reinstated in this case.

OR, at least that direct bank transfers without using credit cards continue as no buyer account details are then given to the seller, and the buyer can use feedback to measure the safety of buying from a particular seller – choice.

Ask for Ebay to have to declare their financial interest when promoting Paypal

Ask that the Ebay rule that seller can't charge the Paypal fees to the buyer be scrapped in the same way that shops in the city can charge the credit card fees to the buyer.

In order for a level playing field, the buyer must be aware of the actual costs of choosing a particular financial system, hence the need for Paypal fees to be recovered by the seller – at least as an option. This will also enable the seller to offer best price to buyers, while recovering the extra costs of Paypal from those that choose to use it, in full knowledge of the costs involved.

SIEZE the opportunity to overhaul the Internet Auction systems in Australia.

Consider comparing 3 systems; Ebay Australia to Oztion Australia to Trademe N Z (now Aussie owned)

Encourage more competition from these others in the Australian market if they are shown to be better.

Make sure the financial systems in place in Ebay are fair and equal to real world retailers selling, without Ebay unfairly promoting Paypal with false or misleading claims.

Terry Brooks

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