

Roy, Lauren

Subject: eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]

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PUBLIC REGISTER**

Please treat my e-mail (text below) as a public submission to objection to notification N93365.

I wish to make an objection to Ebay's proposed forced Paypal use as of 17 June 2008.

I operate a small business and most of my business is conducted through the Ebay website. The proposed changes will have a severe negative impact on my ability to conduct a successful business by limiting the ability for my customers to pay for their items and increasing my expenses. Ebay has already ruled out compensating sellers in any way for the changes.

Paypal charge a significant percentage to process payment through their service. For sellers, this is on top of listing fees and final value fees charged by Ebay. To remain competitive, I have already absorbed all of the fee increases forced on sellers by Ebay over the last 3 years, but this further forced charge will almost certainly force me to increase my prices to cover costs which will in turn reduce my competitiveness in the market.

A further problem with Paypal is the fact that the service does little to protect sellers against fraud. For example, a buyer can fraudulently claim that they never received an item or that the item received was "not as described". In "item not received" cases, it is completely up to the seller to "prove" to Paypal that they posted the item, or Paypal will blindly refund the money to the buyer. In cases of "not as described", Paypal does nothing to verify the buyer's claim which potentially leads to the seller losing money and the item(s) in question.

Ebay's claim that there are less disputes when using the Paypal system is completely false and is designed to cover the fact that this is just another money-grab by Ebay. I have been using the Ebay system for over 3 years, and in that time, every single dispute that has cost me money has resulted from a Paypal transaction. As such, if Paypal is forced on all users, I will have to again increase my prices to cover me against potential fraud as a result of Paypal's inability to verify claims and "judge, jury and executioner" style of issuing chargebacks.

Combining the above problems with the additional problem of many buyers being unwilling to use the Paypal system, either through trust of the service, inability (eg. not having a credit card) or "too much effort", these changes will have an extreme detrimental effect on my business and significantly reduce my competitiveness in the market.

The Paypal proposal also seeks to prevent new competition entering the market. Currently in Australia, Ebay is the only online auction-style website that commands enough buyers to successfully provide sellers with profit-generating business. By forcing Paypal on its users, no other online payment services will ever be able to break into this market. For example, Paymate, an alternative to Paypal, offers better service than Paypal and similar security, but is being barred from Ebay (Paymate is not owned by Ebay). Consequently, this change will prevent any other online payment service ever being able to achieve a foothold in the market in Australia.

Please consider this objection to Ebay's attempt to attack Australian small businesses and to monopolise the online payment market.

Sam Taylor
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