

**Roy, Lauren**

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

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**From:** Denise Gamble

**Sent:** Friday, 2 May 2008 4:35 PM

**To:** Adjudication

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I am a registered member of Ebay Australia & Paypal.

Currently, I have two Ebay accounts with a Paypal account attached to each (Each registered Ebay Identity must have its own email account)

I am predominantly a small time seller but have bought items through Ebay.

I am a mother of three, residing in a small Victorian country town and selling on Ebay has enabled me to downsize a rather crowded house.

The ramifications of the proposal by Ebay that ALL auctions will have to be paid via Paypal is overwhelming. The inclusion of "Payment on Pick up" as an option is not relevant in the majority of Ebay sales.

Currently sales on Ebay may be paid for by the following methods:

**"Permitted on eBay.com.au:**

Sellers may offer to accept:

- PayPal, credit cards including Mastercard and Visa, debit cards, bank payments
- Bank-to-bank transfers, often known as bank wire transfers or bank cash transfers.
- Cash on Delivery (COD) or cash for in-person transactions.
- Personal cheques, money orders (see exceptions below), bank cheques and other negotiable instruments." (see 1.)

**The likely benefit to the public will not outweigh the likely detriment.**

The "detriment" will have many forms & I will attempt to list the main issues:

**PAYPAL:**

1. Paypal charges an average seller a 2.4% + .30c (see 2) transaction fee for Domestic Transactions, for International Transactions the sum is 3.4% + .30c (see 3) **This percentage is calculated on the total transaction which includes postage costs and Registered /Insured Mail costs.** There are discounts for High Volume sellers. 96% of my sales are paid for by Direct Deposit or EFT, 2% via Money Order & 2% via Paypal. Of the PayPal 2% ~ 100% has been for International Transactions. So as a result, Paypal will be able to garner 2.4% + .30c on each & every Australian sale that I make, a percentage that they were previously unable to obtain from me. With added costs as postage & registered mail also included in the fee.

2. To withdraw funds from Paypal a fee of \$1.00 is applied for amounts of AU\$149.99 or less. Free if over AU\$150.00 (**see 4**)
3. (i) PayPal is not licensed to conduct general banking business in Australia and the Service is a payment processing service rather than a banking service, (**see 5**)
4. I do not receive interest on funds that are held by Paypal. You agree that you will not receive interest or other earnings on the funds that PayPal handles as your contractor. PayPal may receive interest on those funds and may also receive a reduction in fees or expenses charged for banking services by the banks that hold your funds. (**see 6**)
5. PayPal shall make reasonable efforts to ensure that requests for electronic debits and credits involving bank accounts and credit cards are processed in a timely manner, but we make no representations or warranties regarding the amount of time needed to complete processing because our Service is largely dependent upon many factors outside of our control, such as delays in the banking system or mail services. We do not guarantee continuous, uninterrupted or secure access to our service, and operation of our site may be interfered with by numerous factors outside of our control. (**see 7**)
6. Paypal payments can take up to 7 days to clear. Withdrawals from Paypal can take up to 7 business days to clear.

#### **Bank to Bank Transfers**

I currently use two accounts for sending or receiving Ebay payments. One is a Credit Union, the other is a major Australian bank.

1. I have never been charged a Transaction or Withdrawal Fee. The majority of payments clear within 24hours. The longest a transaction has taken to clear was 5 Business days.
2. Any withdrawals I make are free and are also instantaneous.
3. I receive interest on any funds in my accounts.

In the above cases, the detriment far outweighs any benefits. Especially towards Ebay sellers, however it will impact on buyers as sellers seek ways to "share the burden" This proposal will lessen competition in the following ways: Australian Banks will lose a steady stream of Ebay related funds through the use of Internet Banking, also with cheques if a buyer uses a bank cheque as a source of funds.

Australia Post will lose sales of Australian Money Orders and commissions as Bank agencies.

In conclusion, the only company or companies that will benefit by this proposal is Ebay and Paypal. The general Ebay population will lose as sellers add costs onto the buyers, the Australian Banks & Financial Institutions will lose a large volume of turnover and Australia Post will also lose. Once the competition that these businesses currently offer is withdrawn from Ebays options, Ebay & Paypal will have total control over every Australian ebayer.

With kind regards Denise Gamble

1. Accepted Payments Policy ~ Ebay: <http://pages.ebay.com.au/help/policies/accepted-payments-policy.html>
2. Paypal General Fees: [https://www.paypal.com/au/cgi-bin/webscr?cmd=\\_display-fees-outside](https://www.paypal.com/au/cgi-bin/webscr?cmd=_display-fees-outside)
3. Paypal Cross Border Fees: [https://www.paypal.com/au/cgi-bin/webscr?cmd=\\_display-xborder-fees-outside&countries=](https://www.paypal.com/au/cgi-bin/webscr?cmd=_display-xborder-fees-outside&countries=)
4. Paypal General Fees: [https://www.paypal.com/au/cgi-bin/webscr?cmd=\\_display-fees-outside](https://www.paypal.com/au/cgi-bin/webscr?cmd=_display-fees-outside)
5. Paypal User Agreement 2.1 (i) : <https://www.paypal.com/au/cgi-bin/webscr?cmd=p/gen/ua/ua-outside>
6. Paypal User Agreement 2.1 <https://www.paypal.com/au/cgi-bin/webscr?cmd=p/gen/ua/ua-outside>
7. Paypal User Agreement 2.5 <https://www.paypal.com/au/cgi-bin/webscr?cmd=p/gen/ua/ua-outside>
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