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Sent: Friday, 13 June 2008 2:01 PM

To: Adjudication

Subject: Response to eBay International AG - Notification - N93365 (Decision to Revoke)

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G'day all

In response to the decision by the ACCC to revoke the ability of eBay to force the "Paypal Only" method of settling transactions, I believe that the decision to revoke is the correct one under the circumstances. The attempt by the company to dictate the Paypal only payment method is not only inconvenient to many users, it is also unnecessary and expensive. Over time, eBay has trotted out a variety of reasons why they want everybody to use Paypal, none of which really hold water. These are -

1-they claim that complaints of non-paying bidders was much higher with direct deposit payments than with Paypal. That was true largely because most private buyers and sellers were not using Paypal for the transaction. If someone changes their mind, they just won't click on the "pay now" button, regardless of what the payment method is.

2-they claim that Paypal provides a much higher level of buyer and seller protection. This may have some validity in fact, but the reality is that if you - like many sellers and buyers such as myself - are dealing with low value/used items, you don't need that level of protection.

3-they ignore the fact that the security **and efficiency** other methods of payment are equal to or greater than that of Paypal.

4-they conveniently gloss over the fact that after having to pay a fee to list an item, and then having to pay another fee for selling the item, using Paypal forces you to pay yet another percentage of the sales value. For example I have recently sold some items in eBay, where the costs were as follows -

Floor safe on auction, sold for \$200.00 - list fee \$2.60 - selling fee \$7.30 - **Paypal fee \$7.10**

Ceiling light on auction, sold for \$50.00 - list fee \$1.69 - selling fee \$2.63 - **Paypal fee \$2.51**

If I were able to use direct deposit - as I have for the last 5 years with no problems - I would have saved \$9.93, so my costs have gone up **substantially**.

5-Being forced to use Paypal has another big disadvantage for many sellers. If my balance of payments in Paypal are less than \$150.00, and I want to access my money, Paypal will charge me another \$1.00 fee to send me MY MONEY, which they have already charged me to collect. If I have over \$150.00 they will not charge me, but in either case it is stated that **the transfer will take 5 to 7 business days**. This is incredible, seeing as how a direct deposit payments and transfers take only about 24 hours. It is not the inability of financial institutions to process the payments in a timely manner that is causing this delay, so it would seem that Paypal has the intention of using this money for short term investment purposes, **thereby depriving me of the right to have timely access to my own money**, which is not true of other payment

methods.

6-since eBay has overtly prohibited sellers from passing on Paypal fees to buyers, it seems painfully obvious that the price of things people are wanting to sell is going to have to rise in order to meet this new level of fees. The fees will have to rise even more because in order to meet the restrictive policy of Paypal, goods are going to have to be shipped via a traceable method (another cost increase to the buyer) and also be insured (another cost increase). I believe eBay stated that the average cost of an eBay item for sale was around \$150.00, but if you take the really expensive stuff out, the majority of goods would fall below \$100.00. Apparently, gone are the days when you can try and sell some odd items around the house for ten or twenty bucks, because by the time you're done with fees and charges, the buyer ends up paying more for the item and shipping than it's really worth. This will have a huge impact on private sellers as opposed to businesses that have eBay stores, and will seriously restrict this aspect of the business.

7-despite claims by eBay to the contrary, Paypal is not as secure as they would like us to believe. There have been security issues in the past including denial of service, and users information being exposed. In addition, dealing with Paypal has much in common to dealing with eBay in general - issues are addressed mostly (if at all) with form letters that often do not deal with the problem reported, and in many cases corrective action is not forthcoming. I note also that Paypal has the authority to suspend a sellers account at their discretion, and without notice, effectively putting the seller out of business - and denying them access to their funds - until the problem is resolved. Personally, I don't need or want this level of protection. I myself have filed a dispute with Paypal due to non-receipt of goods from an international Paypal transaction. All I got was a form letter stating the transaction was outside Paypal 'guidelines' (in spite of the superior protection that they claim to offer), but no explanation as to why this was so, or what could be done to correct the problem.

Enough for now.

Cheers

Bill Gessner

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