

**EXCLUDED FROM  
PUBLIC REGISTER**

**From:** Outdoor Living [mailto:  
**Sent:** Saturday, 14 June 2008 11:13 PM  
**To:** Adjudication  
**Subject:** Spam: ebay

<Address excluded>  
14 June 2008

**EXCLUDED FROM  
PUBLIC REGISTER**

Dear Lauren,

The ACCC draft notice of 12 June 2008 pursuant to this matter made reference to the increased security offered by Paypal. I would like to dispute this aspect.

Transaction security can only be assessed by the relative experiences of both buyers and sellers. A claim by ebay or its subsidiary Paypal as to its own merits can in itself carry no credibility.

As a member of ebay for over 5 years I have had extensive dealings with Paypal as both a buyer and a seller. This experience has led me to feel less safe dealing with Paypal than virtually any other payment method.

Overall, I am not comfortable giving personal financial information to a company owned and operated outside Australia. This company has no local call staff, no staff accountable to Australian laws, no staff familiar with Australian laws and no means of positively identifying those who are making decisions about my money.

Specifically, in March this year I had a buyer who falsely claimed that an item was Not as Described (NAD). Despite giving Paypal significant documentation to support my evidence, the buyer's claim was upheld. It took over a dozen phone calls to Paypal before I could elicit a response, which was "as we are in the United states, we have no way to determine if the item was Not as Described". Yet Paypal made the arbitrary decision to refund not only the cost of the item, but also the postage.

Money was withdrawn from my account despite specific instructions to Paypal to the contrary. The item was never returned to me despite Paypal's assurance that they had "requested" the buyer do so. I remain out of pocket for over \$500 on this transaction.

Attempts to appeal the matter via Paypal's system resulted in the following process:  
(See attached photos.)

Despite dozens of emails and phone calls requesting details of the decision and proper documentation to that effect, Paypal has refused to reply, let alone comply. I have had to resort to lodging a complaint with the BFSO. Paypal have yet to respond to this matter. In addition, from the time the claim was lodged with Paypal to the date of the initial decision was 33 days. This is hardly satisfactory for either buyers or sellers.

As a buyer, I have needed to institute a NAD claim with Paypal. I purchased a carpet for my vehicle. The carpet was described as "moulded to fit", yet it arrived in a roll, and did not fit the vehicle. My claim was rejected on the grounds that "because we

are in the United States, we have no way to determine that the item was not as described.” I was out of pocket over \$150 on that deal. The promised “buyer security” was specious at best, <text excluded> at worst. No other ebay transaction has impacted more negatively on my Buyer Experience.

Since ebay have restructured their payment policy it has come to the attention of some sellers that for items paid for by Paypal and picked up by (as opposed to posted to) the buyer, there is no proof of exchange acceptable to Paypal. Given the compulsory nature of Paypal within ebay listings, there is now no way a seller can protect him/herself from a buyer fraudulently claiming their item was not received (INR).

Ref:

<http://forums.ebay.com.au/thread.jspa?threadID=500081558&tstart=280&mod=1209555083033>

*“If a seller offers pay on pickup as a payment option they must also offer PayPal.*

*The buyer has the choice as to which payment method they want to use. If the buyer chooses to pay using PayPal the seller must accept this payment.*

*PayPal Seller Protection does not cover any transactions not processed through PayPal and does not cover items where proof of shipment cannot be provided - this includes items that are being picked up in person.*

*It's important to note however that the rate of disputes for items being picked up in person is very small.*

*Michelle*

 *The eBay Team*

*To contact eBay, [click here](#)*

”

This makes a mockery of any Paypal claim to increased security. There can be no claim of security where one party to a transaction is so open to fraud without recourse.

It is clear that Paypal operate in a legislative vacuum. Their alleged security is illusory, their staff unhelpful, and their decisions arbitrary and irreversible.

The complaints about Paypal’s lack of security are legion. On visiting the ebay forums I have encountered hundreds of dissatisfied buyers and sellers. Unfortunately, due to the phantasmic corporate presence of Paypal in Australia, such complaints rarely make it into the local media. Without someone to interview, a consumer story is unlikely to make it to air. Virtually all Paypal’s media contact is by press release.

In Australia there are consumer complaint and tribunal services in every state. These use proper rules of evidence to resolve disputes, and the decisions are transparent and open to appeal through the Courts. Paypal offers none of this level of security.

In addition, Paypal is impossible to contact outside normal working hours. As a financial institution available to virtually every time zone in the world, it is extraordinary that there are no Paypal employees available to help Australian

customers during times when they are most likely to be using Paypal, e.g. at night. Given the time difference, it's clear that there are US staff rostered to deal with Australian customers in the middle of the night, US time.

Paypal website is regularly out of order or under maintenance, and with no alternative contact, Australian members have no way to access their funds.

Paypal's lack of commitment to the Australian market is the antithesis of security. Paypal presents its service as safe as bank deposits, but how different are its corporate practices to say, Babcock & Brown? Paypal holds millions of dollars in funds from Australian sellers; what recourse would we have if Paypal decided to close its Australian interest and take our money with it?

In conclusion, I have extreme reservations about having an entity such as Paypal authorised to trade as a financial institution in Australia. They offer none of the checks and balances that are the cornerstone of Australian prudential financial accountability, and can therefore make no claims of effective security. Contrary to their attempt to gain even greater status in Australia, I would argue that their practices call for greater regulation, or even exclusion from the Australian market.

Yours sincerely

Peter Maresch  
<[email](#) excluded>

**EXCLUDED FROM  
PUBLIC REGISTER**