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**From:** Karen Ward [mailto:  
**Sent:** Monday, 16 June 2008 1:37 PM  
**To:** Adjudication  
**Subject:** Re; eBay International A.G. notification N93365

**EXCLUDED FROM  
PUBLIC REGISTER**

Dear Sir/Madam,

I am submitting the following as a written submission regarding the matter of eBay International A.G. notification N93365.

**ATTENTION; ACCC**

I endorse the invocation of Ebay's attempt to introduce Paypal payment or cash on collection as the only payment methods accepted within their online auction site. The reasons while I feel that this is necessary to protect and fair and competitive marketplace are as follows;

1. Paypal charge their own percentage of fixed fees for their service, without room for negotiation with competitors, as experienced with other banking services within the Australian marketplace.
2. Paypal only offer communication and conflict resolution via email. Often, disputes are ignored or responded to by an automated response that does not address the issue. Automated responses only redirect you to information on their site without actually addressing problems. Australian banks offer the option of speaking to a staff member via phone or in person, working together to resolve any issues and/or disputes.
3. Paypal do not offer protection for the seller of the item and automatically withdraw the purchase price from the seller's paypal account without any interaction with the seller to verify that the sale was conducted with the card owner. Australian banks contact sellers to provide any documentation and proof of purchasing the item in attempt to verify whether the sale was performed or the card was used fraudulently.
4. Paypal is prone to scam emails, with customers often receiving emails requesting contact information and verification processes being completed. These emails are very convincing, often appearing to have officially been sent by Paypal. I have received emails that even have the lock icon, an alleged security measure to ensure safe online transaction. However, if not careful, a person can easily provide their sensitive information to a scam syndicate and become the victim of fraud.
5. Ebay claim that the following will be the only form of payments – Paypal or payment on pickup. I have just experienced that this is not the fact. On Sunday 15<sup>th</sup> June, I listed several items on Ebay – all furniture items that required payment when collected. My listings were restricted and were not allowed on the Ebay marketplace unless I listed Paypal as a payment option. Therefore, in the description, I listed that payment would be accepted as cash on collection – no Paypal payments accepted. Ebay closed one of my auctions (item no#330244551579), stating it was in violation of eBay's Misleading and

Discouraging Payments policy. I was informed to check my other listings for violations or risk the listings being cancelled and my account placed under restriction. The following is the Ebay message I received regarding this matter.

We appreciate that you chose eBay to list the following auction-style listing(s):

330244551579 - Huge Hardwood Display Cabinet

However, your listing was in violation of eBay's Misleading and Discouraging Payments policy and has been removed from eBay. We notified members who placed bids on the item that the listing has been canceled. We would like to take this opportunity to let you know what part of your listing is not permitted.

Your listing(s) contains the following information:

Paypal will not be accepted.

Sellers who indicate in their listing (via the "Payment Details" section) that they accept certain payment methods are not allowed to:

- Selectively offer those payment methods to buyers, or
- Discourage buyers from using those payment methods.

For example, sellers are not permitted to include PayPal as an accepted payment method in a listing, while misrepresenting or placing restrictions on its acceptance. This would include making statements, such as:

- "I only accept PayPal from international buyers."
- "I do not accept PayPal." (when the seller has indicated in their payment options that they do accept PayPal)

Your listing(s) may be eligible for relisting through My eBay. If so you'll see the listing in your Unsold Items page within My eBay. Those that are not eligible for relisting will not be visible in the Unsold Items page.

To relist your item, sign in to My eBay, go to your Unsold items and select the item that was cancelled. (It's highlighted with a yellow banner.) Before relisting, please make any changes necessary to ensure that your listing is in compliance with the law and eBay policies.

You might want to check your other listings for similar violations.

Furthermore, Ebay fees charged to my account have not been refunded, even though cash on payment is alleged an accepted form of payment. This action by Ebay requires that I must accept Paypal credit card payments. However, due to their lack of security for sellers, I have refused to accept credit card payments, instead redirecting them

to the merchant facilities I provide within my store. Furthermore, I am still attempting to resolve a dispute with Paypal which began 18<sup>th</sup> January 2008 and has resulted in my funds in excess of \$500 being frozen. I feel that dispute only highlights the inherent faults within Paypal and its customer service and alleged security protection.

Ebay's attempts to restrict and control their marketplace have provided a negative impact on my business. In 2005, I reached the status of silver powerseller (sales in excess of \$10,000 per month). However, due to my security concerns regarding Paypal, I no longer accepted Paypal credit card payments. Since this time, my sales have significantly reduced, typically to less than \$1000 per month. If I was able to offer an alternative and safer online payment system (ie, paymate or other), my online business would again prosper, thereby creating greater revenue to Ebay through listing fees and final value fees.

Ebay claims that they are not attempting to restrict and monopolise the online market place and consumers can also buy and sell on alternative online auction sites (is; oztion.com.au). However, as can be seen in statistics provided in ACCC's Ebay draft notice, they currently dominate the online marketplace. Sellers do not, at this point, have an economically viable alternative to market their business.

Ebay's enforced payment terms restricts payment options that I can safely offer to prospective customers, thereby restricting my business. This action will also result in other banking institutions being unable to form a fair and equitable option on the Ebay platform. This will result in Ebay being able to control and monopolise the online marketplace without any regulation of conduct, a safeguard that is normally provided in a competitive marketplace.

Ebays enforced acceptance of Paypal payments will create a substantial increase in costs for selling on Ebay. This cost will result in one of two options. Increased prices for items sold on Ebay to cover the additional fees charged to the seller. The reduction of items sold on Ebay as a direct result of the reduced competition. The second option will be lessened though, as at this stage, there is no online marketplace that can compete with the huge database and recognition Ebay has available.

I look forward to the ACCC revoking Ebays proposal , thereby, allowing me to resume using Ebay as another medium which result in developing and growing my business, until such time as another cost effective and competitive online marketplace is available to the Australian public.

Yours sincerely,  
Karen Ward  
Quirky Werx Antiques.