

**Roy, Lauren**

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**Subject:** Submission to object against notification - N93365 [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

**EXCLUDED FROM**

**PUBLIC REGISTER**

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**From:** Roland Crachi  
**Sent:** Thursday, 1 May 2008 9:33 AM  
**To:** Adjudication  
**Subject:** Submission to object against notification - N93365

Dear Sir / Madam,

I would like to submit my objection to eBay International AG – Notification – N93365

I have been an eBay buyer and seller for over 7 years now and recently I have had an experience which highlights how consumers are often misinformed that there is some protection offered via either the eBay Vehicle Protection Plan or when using the Paypal system. The marketing material presented both on the Paypal and eBay websites instils a false confidence in the consumer that they are actually protected. The Vehicle Protection Plan actually only covers vehicles which are cars! This in itself is deceptive to purchasers since vehicle is a collective term for cars, bicycles, motorcycles, busses, trucks etc. A more adequate name which may not have the same marketing ring would have been Car Protection Plan. The Paypal protection appears to be non-existent with automated responses being the best a customer can hope for. When you query a decision, you do not even get a response at all and you have no rights for appeal.

I had the misfortune of acquiring a motorcycle which was advertised "As New" where the individual under the eBay alias of conrace assured me that it was not involved in an accident and had been acquired as a repossessed vehicle.

The truth was that the motorcycle had been a repairable writeoff, was purchased at a really low price from a salvage auction, repaired by a non qualified individual and to avoid any suspicion before the sale, the seller concealed the VIN and engine number while also falsely advertising that it had already been registered in NSW.

After purchasing the vehicle and paying for it being transported via an agency who provide insurance for the pickup and transport, I tried to register the vehicle in Victoria . At this stage I established that more money had to be invested since it was listed in a national repairable writeoff register.

In summary I was deceived by the seller so he could maximize the sale price. I was forced to invest more than \$500 beyond the purchase price and I received a vehicle which was worth less than what I paid for it.

After escalating the issue with Paypal, I was informed me that with the following phrase that in essence they ONLY cover the item delivery:

**"As stated in our User Agreement, the claims process only applies to the delivery of goods. It does not apply to complaints about the attributes or quality of goods received. Therefore, we are unable to reverse this transaction or issue a refund."**

What value or protection did Paypal add to this transaction if I had already paid for insurance when the vehicle was transported from NSW to Victoria? Paypal didn't respond to my correspondence that I had suffered financial loss due to fraudulent and deceptive conduct which their payment system is supposed to protect you against.

With this in mind, I can only conclude that there is very little if any consumer protection, nor is there any interest in actually establishing if there is a genuine case of fraud that has been conducted or if their paying customers have been financially disadvantaged through deceptive conduct.

1/05/2008

Limiting the payment system to only Paypal and Cash on Delivery (COD) will limit interstate transactions and result in lower prices for sellers as they will only be dealing with local clients who are "irregular" shoppers at ebay. The "Buy it Now" prices will be increased to reflect the excessive charges that Paypal will be charging in addition to the already high eBay charges. The ability of being able to visit a bank, deposit money in an account and receive a paper based receipt is very important to some older generations who would be likely to cease trading with eBay for that reason.

Permitting eBay to introduce Paypal as the only payment mechanism beyond COD would be extremely uncompetitive.

If an analogy were to be drawn between a monopolistic company like Microsoft and eBay, the eBay request could be compared to Microsoft requesting for the ACCC to permit that all of the Microsoft Operating Systems must only use the Xbox Live servers for any ecommerce transactions, resulting in royalties to Microsoft on an ongoing basis under the false pretence that this is for the benefit of the consumer and to increase the security of transactions.

Since Paypal offers little to no protection, I would go further than objecting to the request from eBay. I would request the ACCC to launch an investigation on what additional (and likely better and more cost effective) payment services could be offered in Australia that protect the consumer more than Paypal. Not having used this company myself, Paymate is a service which has received substantially better feedback in the community forums, so it might be an opportune time to convince eBay to open its payment systems beyond bank deposits and and Paypal! My suggestion is no different from Microsoft being convinced by the authorities in Europe to permit easier integration with browser products such as Firefox and media players such as Real Player as they offer the consumer a real alternative.

Paypal offers no benefits beyond more convenient transactions for some people.

The consumer should be able to make the choice if this is worth paying more money for "Buy it Now" items as they are usually marked up by similar amounts to the transaction fees OR if they want to transact via another payment system.

To really service the Australian consumer and to provide healthy competition in this space, I would suggest eBay should be forced to open their systems to permit additional payment providers to handle the financial transactions.

Regards

Roland Crachi