

**Roy, Lauren**

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**Subject:** FW: eBay International AG Exclusive Dealing Notification N93365  
[SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

**EXCLUDED FROM  
PUBLIC REGISTER**

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**From:** Jan Little [mailto:  
**Sent:** Wednesday, 18 June 2008 3:54 AM  
**To:** Adjudication  
**Subject:** eBay International AG Exclusive Dealing Notification N93365

Restriction of Publication of Part Claimed

Lauren Roy  
Adjudication  
Australian Competition and Consumer Commission  
Tuesday 17<sup>th</sup> June 2008

From: J Little  
<email address excluded>  
**EXCLUDED FROM  
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**Re: eBay International AG Exclusive Dealing Notification N93365**

Thank you for providing the opportunity to submit my views on the decision of ACCC to revoke a notification by eBay to mandate the use of Paypal for almost all transactions.

I have been a member of eBay for over 5 years and during this time I have been predominately a buyer. I have used mainly bank deposit for my purchases although I have a Paypal account which I opened in order to make payment to an international seller. I have make over 180 purchases using bank deposit and have not had any dissatisfaction or incidence of online fraud.

I object to Paypal being the only payment method available on eBay after 15<sup>th</sup> July for the following reasons:

1. I have witnessed many threads on eBay's discussion boards regarding phishing and fraudulent chargeback activity of member's Paypal accounts as well as difficulties users have had with customer service. I do not believe Paypal to be the safest payment system that can be offered for online transactions due to the large numbers of member's complaints regarding phishing emails purporting to be from Paypal, Paypal's often erratic and unpredictable adjudication of payments where a problem occurs between buyer and seller, its poor customer service record and its reluctance to verify the validity of credit cards.
2. Regarding the ASIC submission to the ACCC , I am concerned that Paypal have not signed the EFT Code of Conduct which has been signed by 68 other EFT companies.

18/06/2008

3. Paypal's user agreement allows it to delay, hold or remove funds at their sole discretion. Paypal can freeze accounts of sellers for 21 days, during which time they cannot trade as a seller on the eBay site if this is the only payment method offered. This will result in many sellers whose livelihood depends on online selling to suffer financial hardship.
4. According to the eBay user agreement, eBay are not a party to the sales contract between buyer and seller. As such, they should not be permitted to dictate the terms of payment.
5. Many of the safety problems that arise from online fraudulent activity are due to a minority of buyers who fail to adequately research the seller's history. These issues could be addressed by an improved buyer education program rather than enforcing a single payment system, which is anti-competitive and will result in increased costs to consumers as Paypal charge a fee to the seller. Paypal fees are calculated on the combined value of the item sold plus the costs of postage and its compulsory use will either result in increased costs being passed onto buyers by the sellers or sellers losing profit margins and closing shop.
6. Once Paypal becomes the sole method of payment on the eBay site, it will have no incentive to provide improved customer service or maintain its current fee structure which could result in further increased fees to consumers (in this case both sellers and buyers).

It is interesting to note that eBay in the past offered buyer protection on other methods of payment such as Bank Deposit but has reversed its stance on this. Since nothing has changed regarding the security features of these payment methods, can one conclude that eBay have intentionally sought to portray these methods as unsafe, thereby enhancing the safety aspect of their own payment system?