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Subject: Ebay's proposed limitation on methods of payment by buyers. [SEC=UNCLASSIFIED]
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From: Tom Bauchop [mailto:
Sent: Friday, 20 June 2008 12:46 PM
To: Adjudication
Subject: Ebay's proposed limitation on methods of payment by buyers.

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Date: 20 June, 2008

SUBMISSION: Ebay's proposed limitation on methods of payment by buyers.

I have read Ebay's statement on the delay to the implementation of their scheme caused by the ACCC. It is such a blatantly cynical, self-serving, <excluded material> that I find it incredible that a company would have the effrontery to present such a statement and I felt moved to resist it. This scheme should not be permitted.

I am both a seller and a buyer on Ebay.

1. This proposal is the final step in a well-orchestrated plan to gain a complete monopoly on the means of payment available to Ebay buyers. It would be extremely lucrative to the Ebay company.

2. At one time Western Union could be listed as a means of payment. Then Ebay instituted a filter on listings which caused the rejection of listings containing the words 'Western Union'. In my listings, I was actually stating that I would NOT accept payment by Western Union - but this still caused their rejection. When I removed 'Western Union' from the listings they were accepted. There may have been earlier maneuvers of which I am unaware, but the next step was the requirement that Paypal be listed as one of the means of payment.

Finally, the requirement, now about to be instituted, that ESSENTIALLY only Paypal be available as the means of payment. Presumably, Ebay will again institute filters to cause the rejection of listings which mention alternative means of payment. Recently, one buyer was so vehement in his refusal to use Paypal that he directly requested my banking details. They were supplied directly and the transaction was completely safely and securely. In future, such 'outside' methods will not be permitted, as Ebay will know if payment has not been made by Paypal. In this case, Ebay still received their commission for the sale, but not the commission for Paypal!

3. In my experience, many Australian sellers state clearly in their listings that they are not prepared under any circumstances to accept payment by Paypal from Australian buyers. The main reason for this is, of course, the cost involved. Direct deposit via a bank, or other methods, is no cost to the seller. Please note that although the percentage fee charged by Paypal may appear to be low, in fact the charge is on the financial transaction, not on the value of the sale item. This includes the charge for postage and packing, and the fee can thus be considerably higher than that calculated on the item alone. For Australians selling overseas, the financial options are much more limited and it appears that many Australian sellers endorse Paypal under these circumstances. However, it may be worth noting that the financial advantage to Paypay can be even greater here. For example, the cost of mailing a heavy book can be twice, or more, than the value of the item, resulting in greatly increase Paypal fee and greater loss to the buyer. I believe that sellers often carry these Paypal fees because it is too complicated to factor them into costs.

4. The major plank in Ebay's current arguments is that of increased safety for the sellers - the dangers of making bank account information, etc., available to strangers. Ebay has happily endorsed this practice in the past, and while I am not an expert on banking practice, it would seem that if direct deposit were under that

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degree of suspicion, modern banking practice would be in some jeopardy. I have never had any problems with making my bank account details available to buyers and have not heard of other seller who have. I believe that Ebay's argument is self-serving and <excluded material> The only problem (over 2400 transaction) I have ever had with payments was using Paypal, when I was subjected to improper chargeback, via a USA credit card company.

Ebay have made great play of a recent 'insurance policy' to protect Australian buyers who encounter problems when they receive payment using Paypal. It seems of me that the major problem in this respect has been that of CHARGEBACK, occurring mainly from the USA, via buyers' credit card companies (credit cards linked to Paypal). It appeared to be an important problem, particularly for Australian Powersellers (i.e. the volume sellers). However, Ebay's policy is not as openhanded as it might appear, as it only applies to item dispatched by trackable means. Although this may be necessary to prevent fraud, it does come at some cost, as items are required to be registered or insured. I believe that most transactions on Ebay are not protected by this means because of the costs involved. I have seldom registered or insured anything, and have only encountered a problem with damage once. Nothing has ever been 'lost'.

Conclusion.

The recent proposals by Ebay to limit payment of goods to Paypal is a blatant attempt to secure an extremely lucrative monopoly for the company and is supported by false arguments. It would be a financial disadvantage to many Australians and should be resisted by all means.