

**Roy, Lauren**

---

**Subject:** eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]

~~EXCLUDED FROM~~

**From:** Patricia [mailto: **PUBLIC REGISTER**]  
**Sent:** Wednesday, 18 June 2008 4:40 PM  
**To:** Roy, Lauren  
**Subject:** RE: eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]

Lauren Roy  
Adjudication  
Australian Competition and Consumer Commission

Dear Lauren,

I would like to make further comment to the submission I previously lodged with the ACCC when eBay first applied to the Commission for permission to sidestep Australian rules and guidelines by asking for immunity from our just laws regarding exclusive dealing.

I have read the eBay notification and submissions to the ACCC about exclusive dealing and wish to further submit information to support the ACCC Draft Notice for Revocation.

eBay have announced they will protest the ACCCs Draft of Revocation, in the hope they may continue to circumvent Australian laws which will in turn take away consumers' rights to decide who they trade with and how that trade can be processed, so I have further comments.

I see eBay's submission, NOT for buyer safety but as an absolute attempt to manipulate fact to ensure they take a double+ percentage of fees for all sales.

'Paypal only' forces buyers and sellers to a restriction of their choice, a choice which has been shown to be defective and is not in the interests of the Australian public.

eBay/Paypal have already instigated restrictive trade practices via their latest forcing that Paypal must be shown as a payment option in present listings, plus their new feedback policy and star rating system. All of these have been changed to manipulate outcomes to bring the result desired by eBay and that is more than double fees for each transaction.

eBay state Paypal will ensure buyer protection up to \$20,000 in case of a claim, which sounds good but that cover is based on a seller's trading reputation and eBay have manipulated processes to ensure it is now almost impossible for a seller to maintain a good percentage reputation, leaving eBay/Paypal to pay out only minimal amounts per claim.

To achieve lower seller percentages eBay/Paypal have set a percentage level which a seller has to maintain to ensure FULL cover in case of a Paypal claim and doubled the negative impact of Neutral and Star Rating feedback. The negative impact of these new rules lower sellers' percentages, ensuring Paypal pay out less on claims. To ensure sellers get low percentages eBay have large, blocking notices in stages as buyers attempt to leave feedback. These notices are negatively suggestive and almost implore sellers to leave negative or neutral comments, the result would be lower seller percentage, less payment for claims.

further state on their star rating system that a 4.5 star rating is 'happy with service' so buyers who would never give a perfect 5, happily tick that WITHOUT knowing that as far as a seller's percentages are concerned, eBay deem this a 'non performing' level which would result in the

seller's ratings being downgraded.

Therefore a constructive neutral feedback plus supposedly good Star Ratings left by buyers is turned by eBay into low percentages through lowered seller's score, resulting in less compensation being paid in case of a claim. The sneakiness of these new rules make one ask what sort of managers are in charge of this company.

Without competition eBay/Paypal would have no reason to maintain correct procedures which would ensure monies paid are handled correctly. Their lack of staff and, at times, undecipherable replies to any problem, leave the customer with little confidence but because of the Paypal only directive they would have no choice to use a different payment method .

The internet is full of Paypal horror stories re lack of service, poor communication and lost money and this will only get worse if eBay/Paypal are given permission to force buyers and sellers to use a payment method they may not want.

Without competition, they certainly would have no reason to provide a better service in future and more importantly, at the moment it seems they can change rules to suit themselves and give only double-meaning assurances that they give a good service and will do so in the future.

In eBay's submission section 5.7 "eBay describes itself as an online marketplace, noting that its three primary functions are a search tool for buyers, a listing tool for sellers and a transaction function for both buyers and sellers". Sales on ebay.com.au are in fact a contract between the SELLER and the BUYER, eBay has no function or part in this contract, apart from collecting fees from the seller, thereby generating its own income stream. eBay therefore has no right to add conditions to the sale contract between the buyer and seller by insisting that PayPal be offered as a payment method. It must be left to SELLER and BUYER to agree on method of payment.

A very important note is that eBay did not insist on payment by Paypal until AFTER they bought Paypal. Previous to this eBay advocated payment by bank deposit and covered such payments with an insurance cover of repayment to a certain level in case of a claim. When they bought Paypal they started a scare campaign re bank deposit.

It is totally against freedom of choice for eBay/Paypal to mandate that Paypal is the ONLY safe method to be used. How insulting to banks and other financial services who strive to provide safe banking services for all.

Consumers are in the best position to determine whether, for their particular transaction, PayPal offers the best features in terms of security, fraud protection, dispute resolution and insurance, at the price offered, as per the laws of the country the trade is being transacted. Our country's laws should mandate safety rules and regulations, NOT eBay/Paypal.

I believe eBay have not told the truth about how many customers have ever claimed or have had a bad buying experience, the same as they have not told the truth of how many members they have. Any bad buying experience generally has nothing to do with payment method, rather it is because eBay continue to allow shonky sellers who sell high volume items and then not complete the transaction satisfactorily for the buyer and these sellers are seen on eBay every day with lots of negatives, bad star ratings and bad feedback about bad experiences from buyers, but eBay allow them to continue to trade because they get high fees from them.

If eBay/Paypal's true reason for this change is for customer safety then I believe we should be allowed to use other online payment systems, if we desire to do so, such as Qpay or Bpay, Paymate and any other on line payment systems that may propagate in the future. These companies all offer equal and in most cases, better security and are regulated by Australian Financial laws. These companies also have direct phone numbers and an office where you can speak directly to a

consultant. PayPal has no office in Australia that I am aware of even though I am a customer of theirs, or a direct phone number where you can actually speak to a consultant. This means poor service for all eBay customers in the event of a dispute. I agree with section 5.127 of the ACCC draft notice where it states " Submissions suggest that many users are dissatisfied with Paypal's support systems and complain that the primary contact with PayPal is by email and often responses are slow, automated and/or do not address the query. The ACCC notes that, unlike PayPal, many banks and other online payment services offer telephone and in-person support.

If eBay are truly concerned about 'buyer satisfaction' they could easily instigate a Verification process to ensure a more secure trading environment. Even Oztion have a Verification process and there are very few problems there.

Compulsory Paypal is restrictive and will increase costs to Sellers which will result in higher costs being passed onto Buyers. Other payment methods such as Direct Deposit are a favoured method for both Sellers and Buyers as fees are small or nil and in addition any issues can be easily remedied through local bank branches. This change is totally unnecessary, restrictive, against fair trading and immoral as the reasons claimed for the necessity of this change have been hidden behind a pretence of making eBay safer for buyers.

Because of the above I wish to lodge my whole hearted support for the ACCC's draft notice to Revoke Immunity for eBay's Paypal only Policy (Notified Conduct Parts 1. and 2.)

Yours sincerely,  
Patricia Partington  
(Primaryaim)