

Macrae, Tess

Subject: FW: ACCC proposes to revoke immunity for eBay's PayPal only policy
[SEC=UNCLASSIFIED]
Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

**EXCLUDED FROM
PUBLIC REGISTER**

From: Brian [mailto:
Sent: Saturday, 21 June 2008 1:40 PM
To: Adjudication
Subject: ACCC proposes to revoke immunity for eBay's PayPal only policy

Thank you very much for looking into this eBay policy. It is difficult enough for sellers and buyers to trade on eBay as it is without them making things more difficult. As it stands sellers get hit twice with fees- once for eBay and again for PayPal, both percentages. We can only make 6 sales a year I think and then PayPal start charging a fee for every payment even if it is just a PayPal to PayPal payment (unlike banks). I would be happy as a seller to only accept PayPal payments if they didn't change fees on PayPal to PayPal payments, but only on credit card payments and this was reasonable (2.4% is not reasonable in my mind). As a buyer I know that PayPal is not always acceptable. Some people prefer bank or even postal notes as payment options because of their fear of the internet (and quite rightly so). Therefore I agree that this new policy is very anticompetitive.

Regarding insurance I believe it is mostly a waste of time. I have looked into making a claim against a seller and the policy is extremely restrictive. In this case I bought a laptop and only after several months when it broke that we found that the HP identity sticker had been removed. HP are refusing to fix it and the supplier is refusing to explain if the unit has been rebadged as HP content. In any case the eBay policy states that the insurance is only 30 days and the conditions are very restrictive. Their "insurance" doesn't seem to cover real world situations such as ours. As a seller I have found buyers very reasonable and they have always paid up if they are treated properly. I also had a situation where my sister bought an item from eBay via a "second chance offer" (an expensive piece of exercise equipment), paid for it and it was not supplied. eBay said at the time that they do not cover second chance offers. This is clearly not acceptable.

My opinion is that eBay are trying to treat a symptom and not the cause with their new policy. The symptom is that buyers (and sellers) need protection hence the need for their policy. So what is the cause? What method of eBay operation causes this problem? I believe it is the very principles on which eBay was created. eBay is an auction system based on the demand of the buyers and the availability of sellers and products. This creates the attitude that the buyer can get something cheaply at the seller's expense and whatever happens eBay makes a profit. This means that the sellers have to cut their margins which means service is not provided to the buyers. Also sellers will sell anything from anywhere in the world to make some money. Given anyone can buy or sell this leads to the symptoms we see and eBay trying to manage these.

I believe eBay, perhaps with the help of ACCC, should sort out the buyer-seller arrangements. Let's face it the seller is generally also a buyer and must make a profit between their buy and sell cost for a given volume. They have overheads and employees just like a normal retail shop. How can we make sure that seller overheads are covered so that they can still provide an appropriate service? How can we make sure that sellers provide a service (because that is really what they are providing, not entirely a product) that meets the buyers requirements? Here are some ideas:

1. Payment type flexibility perhaps even including lay-bys
2. Services are provided with due care and skill with documented guidelines
3. There are various ways in which sellers can recover administration, postage, eBay, PayPal and other fees perhaps above current systems.
4. Buyers can have confidence because there is a system in place to protect them that perhaps relies on the seller as much as eBay (e.g. bonds)

5. Products are provided with adequate description and other information that ensures fitness of purpose.
6. Other escrow systems are employed other than PayPal such as the Google payment system.
7. Realistic insurance if it is going to be offered.
8. Greater ownership of the market place by eBay.
9. Provision of standard methods of return even if they include buyers postage and/or restocking fees to cover return administration and buyer comfort with more return options.

I think that if some of these things were implement, eBay would not have to take action to fix the symptomatic problems with trading on eBay. Also eBay would become a first rate market rather than a second class problematic trading system.

Once again thanks for your work in this marketplace on behalf of consumers.

Regards,
Brian Taylor
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