

Chisholm, Shane

Subject: FW: Submission eBay International AG - Notification - N93365
[SEC=UNCLASSIFIED]

Categories: SEC=UNCLASSIFIED
ACCC Classification: SEC=UNCLASSIFIED

-----Original Message-----
From: Marcus Cook [mailto:
Sent: Friday, 27 June 2008 4:17 PM
To: Adjudication
Subject: Submission eBay International AG - Notification - N93365

Dear Sir,

I have been advised that the ACCC is seeking submissions concerning the Paypal payment facility used on ebay.

Ebay are suggesting that the Paypal system is safe and secure, offering better protection for both buyer and seller than any alternative. I can confirm that, at least in 2004, that was not the case.

I made a purchase on ebay, making payment via Paypal on Sep 13 2004. My Credit Card Statement of September, 2004 records this payment as follows;

Sep 13 Paypal *Softwareiz 402 935 7733 Ca Foreign Amount U.S. Dollar 90.00.
The amount debited in Australian Dollars was \$131.93.

After not having received the goods within the specified time, I attempted to contact the seller via the ebay system, only to discover that the seller had closed his account. I then instigated a dispute via ebay, after having attempted to contact the seller via his email address, and following the ebay guidelines for disputes. Ebay advised that I initiate a dispute through Paypal, which I did. Following their investigation Paypal ruled in my favour, stating that the seller had not provided the goods as promised, but that because the seller had closed his account, after clearing out all funds, they could not offer any refund.

I talked to my accountant about this, and he advised that I should request a Chargeback Credit through my Credit Card. This I did, and was credited with a Chargeback in November 2004, the interest paid on that transaction was also credited. As a consequence of this I received an email from Paypal suggesting that I had bypassed their dispute system, and that should this happen again my Paypal account may be suspended. I replied, advising them that I initiated a dispute through their system, which ruled in my favour, but was not refunded any funds. I also requested an apology in writing from Paypal, advising them that I found their correspondence threatening, and insulting. I received a "standard letter reply" stating that such emails are "electronically generated," and are not intended to be personal. Unfortunately, after several fatal failures of my computer, I no longer have this correspondence. The details regarding the payment amount and Chargeback are, however, accurate, being taken from my Credit Card Statements.

I have used Paypal since then, and have never had another instances of this problem. Many US sellers, however, refuse to accept Paypal from Australian purchasers, offering alternative services, which often included Credit Card payment. Should ebay be successful in insisting on Paypal as the only payment option, many items will be unavailable to me, and other Australian buyers.

This submission serves to point out that, at least in 2004, Paypal offered no real protection for Australian buyers.

I wish you well in your endeavours, and am confident that you will be successful in preventing this action from ebay.

Best Regards,

