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From: r.k.christopher@att.net [mailto:
Sent: Friday, 27 June 2008 5:31 PM
To: Adjudication; Adjudication
Subject: revocation of eBay immunity from prosecution

To: ACCC

Dear Sirs

I agree with your decision NOT to grant eBay/PayPal a waiver to force the use of PayPal as the only payment mechanism on their site.

Clearly eBay's prime motivation is to increase their revenues and profits. Since the on-line auction market is quite mature and they already hold a huge majority share, their best opportunity for increasing revenues and profits is in collecting fees for a payment processing service. There is no reason for granting eBay a legal right to operate a monopoly which they have not earned by offering a superior product.

In the USA, where internet banking and direct payments to or from individual bank accounts is much less common than Australia, PayPal accounts for something like 85% of payment transactions. In Australia, where there are better and less expensive alternatives to PayPal (at least for domestic transactions), PayPal may account for less than 50% of the transactions processed. There are reasons for the different rates of PayPal use in Australia compared to the USA, and these surely include: a wider range of choice in Australia; less expensive processing options available in Australia; quicker payment alternatives available in Australia. To allow eBay to mandate PayPal only would be to stifle competition here in Australia and to raise costs to users of eBay.

eBay has cited as an argument the increased security offered by PayPal. This argument lacks substance – if Australians regarded alternatives to PayPal as inherently more risky, then they would have voluntarily adopted the use of PayPal long since. Further, PayPal claims to offer protections to buyers and sellers. In my experience of making a claim on PayPal for receipt of items largely not as described from an international seller, PayPal did ultimately reimburse me for my outlay (purchase and initial postage costs) but only after requiring me to (1) obtain a valuation of the damaged item at my expense, and (2) return the damaged item to the seller with proof of posting, again at my expense.

If eBay truly are worried about trust and security of their auction system, they recently made a retrograde step in prohibiting sellers from leaving any negative feedback comments about buyers. (Buyers may still leave negative feedback about sellers!) How are sellers to judge their buyers if no negative feedback can be left?

I would also refer you to a complaint I lodged against eBay in January of this year – see attachment. It's clear that eBay has been mounting a strategy aimed at monopolist use of PayPal long before their April filing with the ACCC.

Sincerely,

Ray Christopher (Time After Time Antiques)

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