

**Roy, Lauren**

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**Subject:** Ebay [SEC=UNCLASSIFIED]

**Categories:** SEC=UNCLASSIFIED

**ACCC Classification:** SEC=UNCLASSIFIED

**EXCLUDED FROM  
PUBLIC REGISTER**

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**From:** Jacki [mailto:

**Sent:** Wednesday, 25 June 2008 12:06 PM

**To:** Adjudication

**Subject:** Ebay

"Dear Mr Samuels ... Ms Roy ... to whom it may concern ...

I am aware of eBay notification and their submissions to the ACCC about exclusive dealing. I have also read many submissions against the proposed conduct and the ACCC's draft notice of revocation.

I agree with the ACCC's draft notice as I believe eBay's proposed conduct would decrease competition and not have an overall public benefit."

I have been an eBay seller for 4 years now and am distraught by many of the recent changes, but particularly by this decision to limit payment methods to paypal and cash on pickup.

Paypals reputation in terms of dealing with problems and disputes is atrocious. Several years ago they 'lost' some of my money for several weeks when it was in the process of being transferred from paypal to my bank account. Their automated complaint system was frustratingly useless and failed to adequately address the more specific aspect of my problem. It was eventually resolved after several weeks with Paypal claiming a 'glitch' in their system over a couple of hours 'losing' all transfers made in that period, had caused the problem, which had affected many thousands of users all of whom had our funds unavailable for a very considerable period of time as a result of this glitch.

Nor is it the safe method that they describe, as recent years have seen considerable use of paypal chargebacks as a form of buyer perpetrated fraud particularly with regard to false item not received or item not as described claims, of which there have been many reports of the eBay forums and websites dedicated to commenting on paypal.

To avoid potential fraudulent item not received claims sellers will now need to use the more expensive registered post or shipping with tracking methods for all sales which will benefit ebay as paypal fees apply to the entire cost of the transaction including shipping fees. This will have particular impact on myself as many of my items sell for just under \$50 and are therefore covered by Australia post insurance (sure I could still lodge a claim for a missing parcel with AP but my concern is if the parcel is not really missing and the buyer is making a false claim, would I then effectively be perpetrating a form of fraud myself?) without the need for additional registered post, and due to the large size of my items, postage is expensive and eBay/paypal stand to benefit somewhat from the increased fees that will result from paypal being applied to all my transactions including the now necessarily more expensive postage component.

Furthermore my understanding is that eBay will not be offering paypal seller protection where the sale of multiple items have combined postage, therefore increasing the postage costs and therefore their fees even more, when sellers feel unable to combine postage in order to maintain our own protection, and as a result of which we could be seen by our customers to be overcharging for postage as a result of ebay supposedly having policies in place to prevent this.

Coupled with the recent changes to eBays feedback system that no longer allow negative or neutral feedback to be left for buyers, I am strongly concerned that this will leave sellers at the mercy of

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some unreasonable buyers and that enforced use of paypal will make it easier for the (small but significant proportion of) buyers intending to commit fraud without fear of sellers being able to leave negative feedback to warn others. Paypal may be reasonably good at protecting buyers but it is not so great at protecting the fee paying sellers who are eBay customers.

While I believe the vast majority of buyers and sellers on ebay are honest, there will always be that small group who spoils the system. Ebay, in my opinion, need to be looking at other methods to clean up fraud on the site, such as a verified registration process, other than enforcing the use of paypal across the board, which in my opinion is nothing more than a fund raising initiative from a company that has seen its membership/useage plateau and is now seeking alternative methods other than growth to maintain/increase its profits.

Over the last few years around half of my sales have been paid for via direct deposit, without problems, a few by AP money order and personal cheque, and the rest via paypal. I have occasionally had past buyers indicate they are unwilling to use paypal due to having experienced problems with the system. I am concerned at the number of my buyers who have wanted to pay via direct deposit who have been unable to find my bank details on the site particularly over the last 5-6 months. I believe the enforced use of paypal as the only viable payment method (most of my customers are unable to pickup) will result in a significant decrease in my sales and may result in my small home business becoming unviable to continue to operate.

I urge the ACCC to prevent this anti competitive move by eBay. They are justifying it on the basis of safety but I cannot agree that will be the case with the reasons given above just touching on the many problems with paypal. There are many other viable and safe forms of payment that my buyers deserve to be able to choose to use, and I deserve to be able to choose to offer. There have been many submissions by large and significant organisations such as our banks that I hope will be taken into account. I ask that the ACCC do not allow these proposed changes by eBay/paypal to occur.

Kind regards

J. Gray