

Roy, Lauren

Subject: eBay International A.G. notification N93365 *Please Keep this Submission Anonymous*

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From: name and address excluded

Sent: Friday, 20 June 2008 8:34 PM

To: Roy, Lauren

Subject: eBay International A.G. notification N93365 *Please Keep this Submission Anonymous*

* I request that my name and email address do not appear on this submission. Thankyou.*

Dear Sir/Madam,

As an ebay user with over 8 years experience on ebay both buying and selling- I am exceedingly happy to take this opportunity to make a submission in heartfelt support of the ACCC's draft notice to revoke the Immunity requested in ebay's notification: N93365.

I must congratulate the ACCC for producing a very worthy document and displaying a comprehensive understanding of the issues involved.

Having read many of the 600+ submissions received by the ACCC to date on this matter, and having read the ACCC's draft response, I find that the most serious and misleading parts of ebay's original notification have been fully addressed in a comprehensive manner in many submissions. I find myself agreeing with the overwhelming weight of opinion: for a multiplicity of reasons the proposed conduct is indeed anti-competitive. Any public benefit is far outweighed by the (very) likely and widespread detriments.

Therefore I will not add to the existing mountain of damning evidence. I will however take this opportunity to raise a few small points in regards to ebay's 'Reply to Submissions' (Dated: 25 May 2008, Deacons). Ebay has made many claims in this document that I believe are misleading and deceptive:

1) Ebay has claimed that it has 5 million members within Australia and that all 5 million were invited to meetings to discuss the proposed changes; "eBay has communicated directly with its members about the Project in online workshops and public meetings (to which over 5 million people were invited, of which approximately 450 attended [3.1])" (The implication seems to be that as so few turned up to discuss 'the project' there must be a 'silent majority' who endorse it).

I find this to be a misleading and absurd statement for several reasons:

It is impossible that ebay.com.au could have 5 million members in Australia given that:

- * The Australian population is around 21 million.
- * Around 14% of the population is below 18 years of age.
- * Approximately 37% of Australians use the internet and of those only half are over 18 years of age.

Considering that people below 18 years old cannot become ebay members- that leaves us with less than 4 million adult internet users in Australia eligible to become ebay members.

I cannot accept that every Australian adult who uses the internet is also a member of ebay.com.au- and even if that was the case- ebay.com.au still could not have 5 million users. A more realistic number would be 1.5 to 2 million users.

I find it amusing that ebay is trying on one hand to claim it does not have a monopoly in the areas it operates in- but on the other hand is inflating its membership numbers by a magnitude in the millions! Whilst this misleading behavior does not seem to have much direct relevance to the notification- it should be noted that ebay is prepared to make gross exaggerations in its submissions to the ACCC- and that figures and other information provided by ebay may not be reliable and should be carefully examined for accuracy and transparency.

(As a side note: I received an email to attend one of these meetings: when I tried to apply I found that NO meetings were offered in Adelaide, Perth, Darwin, Canberra, Hobart or any of the regional centres. It is little wonder many of the '5 million people invited' didn't attend: the idea of flying to Melbourne to hear 45 minutes of paypal rhetoric is less than appealing. In addition one must wonder: how would ebay have managed to deal with 5 million people if they had turned up?)

2/07/2008

2) In its conclusion Ebay's 'Reply to Submissions' makes the following claim:

"5.16 Due to the nature of the security and protection benefits offered by PayPal to buyers and sellers (which benefits are in addition to the security benefits of the underlying payment mechanisms), it is axiomatic that PayPal offers greater security and protection to buyers and sellers than most alternative payment methods."

I find this to be highly misleading and completely inaccurate. Whilst it may be true that Paypal offers buyers some level of insurance (purely at Paypal's discretion) it is a complete fabrication to assert that sellers are better protected by using paypal than 'most alternative payment systems'.

*Sellers on ebay who use Direct Deposit EFT payment can rely on a very high degree of security. Payments cannot be reversed after goods are shipped, payments are not withheld for extended periods- and the seller does not need to share sensitive personal details with buyers or a third part payment processor.

*Sellers who accept Australia postal money orders are almost 100% protected. In my experience such payments are completely safe for sellers.

(Paypal payments on the other hand can be reversed at any time for up to 175 days after the transaction, Paypal accounts can be 'frozen' indefinitely and are also susceptible to hacking and Phishing scams. Paypal can arbitrarily decide to refund payments to buyers who express dissatisfaction with their purchase. In such cases the seller can lose the payment and the item. To suggest that paypal payments are 'safe for ebay sellers' is simply absurd and goes against the direct experience of almost any paypal user of long standing. In 7 years of trading the only problems I have ever encountered with online payments systems have involved paypal exclusively and I have lost thousands of dollars due to charge-backs. I am intimately acquainted with paypal's 'dispute resolution' and 'customer help' services and can contest to their complete failure to adequately deal with problems or provide meaningful information or advice. As far as I am aware they have no help desk based in Australia and the only direct communication I have ever had with the company has been via telephone to operators in the USA and Canada. By contrast- I have sent and received many hundreds of direct deposit payments and never experienced a single problem- I expect that had I experienced a problem I would have found dealing with an Australian bank infinitely more easy than my unfortunate dealings with Paypal.)

There are many more errors and omissions in ebay's 'Response to Submissions' but i will leave it there for now,

I sincerely hope that the ACCC puts a stop to ebay's blatant attempt to circumvent Australian law. I also hope the ACCC takes note of ebay's current stance on this matter: in a recent email to me they have stated that 'they are working with the ACCC' but that the proposed changes will go ahead on the 17 July. I cannot understand this position given the ACCC's draft proposal. It is my belief that ebay is cynically using the 'window of opportunity' provided by ebay's original notification to flout Australian law and extend it's paypal user base by as much as possible before the seemingly inevitable revocation of immunity is made by the ACCC.

Ebay seems to be treating the Australian Community and its Regulatory Bodies with absolute contempt in this matter, should such behavior succeed, we will all be the worse for it.

Yours sincerely,
<name excluded>

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