

Roy, Lauren

Subject: eBay International A.G. notification N93365[SEC=UNCLASSIFIED]

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From: Geoffrey ROBERTS [mailto:
Sent: Friday, 27 June 2008 1:10 PM
To: Roy, Lauren
Subject: Re: eBay International A.G. notification N93365 [SEC=UNCLASSIFIED]

Hi Lauren,

Herewith my submission regarding the eBay International A.G. Notification N93365.

I have been a user of eBay for some years now and in general I have found the experience good.

I have not had any financial issues with dodgy sellers or scams, though I certainly know people that have.

The most glaring was a colleague who saw a 'deal' on a mobile phone and sent a Western Union moneygram to RUMANIA.... Needless to say, as soon as I heard, I suggested that he was being ripped off. And he was. In short, this and I suspect many of the issues eBay wants to 'protect' us from come down to common sense. If a deal sounds too good to be true, it probably is, and it's actually fairly easy to pick scams on eBay and in fairness to them, if a listing is sus they will generally kill it. That said, they also rule the content of listings with a draconian and uncompromising hand and often refuse to even discuss why a listing was removed. At times the reason is doubtful or incorrect

I do have a PayPal account, however I dislike using it because it means double handling of funds and they take a cut from any payment made to a seller, so the seller doesn't get the full price, which I consider unfair.

I use PayPal only for overseas purchases (generally from the USA) as it removes the need to do currency exchange. This is purely a convenience thing, if I had to, I could doubtless do it another way.

I always pay by Direct Debit from my bank to the sellers. This is dead easy with internet banking and I fail to understand what possible security implications this have that eBay seem to be constantly claiming. I have the sellers bank account details so if there is a problem and it's a scam, I can hand this to Police or whoever to follow up.

I firmly believe, based on the attitude of eBay throughout this whole exercise, that their primary and probably only real concern in mandating PayPal for everything is to increase their revenue. Period. I firmly believe that their claims of 'increased safety' for their users is largely wishful thinking and that they simply raise it as a smokescreen to provide some other justification. Since PayPal is a wholly owned subsidiary of eBay, I find it hard to believe that any other motive is behind this.

At present, I use my ebay account to purchase equipment for my employer at times. This is quite easy as obviously the seller is not bothered by who actually deposits the money (or sends the cheque) provided they get paid. Naturally I am careful about who I deal with and I examine their feedback and do not deal with individuals or organisations that do not have a good track record. This is no different to dealing with a more conventional business, and in some ways is easier to check, as feedback is a fairly reliable indicator of reputability, particularly where it has been gathered over some years of operation. I actually have more confidence in some eBay sellers than in some more conventional businesses, as their dealings are an open book compared to most shopfronts unless I track down known customers and ask them.

However if we move to the 'PayPal Only' model, we have a problem. Since I have the paypal account, it would be necessary for my employer to transfer the funds to ME personally, I would then have to move it to PayPal (if the employer were to deposit it direct to

paypal, they would take their 'cut' so it has to go to my bank account, then I have to transfer it to paypal. I can see the auditors turning green as I type this. Not going to happen. The present system is the ONLY way we can continue to do this.

I am very keen to see our present way of dealing preserved, as it means the audit trail is simple and clear and the money never touches my accounts, so there is no issue when it comes to the audit trail, the money goes from the purchaser (my employer) to the seller, direct from my employers bank or cheque to his account. No problem. I simply act as a facilitator.

That whole process becomes fiendishly complex and probably 'too hard' if ebay get their way.

I firmly believe this is a blatant attempt at a blitzkrieg of the online auction payment market, which they definitely dominate in Australia, is extremely anti-competitive and the advantages for the buyer are essentially zero, as I find banks are quite good at dealing with money transfers, oddly enough and I see no reason why I should be compelled to use their system instead of a perfectly good existing one.

As a buyer, I can, just barely, tolerate the existing requirement to offer paypal as an option, as I can just as easily choose another method, or another vendor if they insist on PayPal Only. That's my choice.

As a (very occasional) seller, I have a big problem with it. Accepting paypal *even by offering it as an option* means that I MUST accept payments made through PayPal by credit card. This is an entire can of worms I really don't want to open. This makes me very nervous about selling on ebay, as PayPal have a habit of stopping payments and I have heard numerous horror stories regarding chargebacks etc. This whole scenario can be avoided for a seller simply by not offering paypal as an option if they don't want to get into the entire credit card area, which is a minefield unless you are big enough to absorb the cost of such issues that will arise from time to time.

Again, I would urge the ACCC to return the status quo that existed prior to the start of these changes.

Leave it to the seller.

IF they wish to offer Paypal as an option, that's fine, if they consider it a hazard because of credit card fraud and potential chargebacks etc with little or no chance of recovery, then they should be able to opt out of that by simply not listing paypal as a payment option.

There is no question that the MANDATING of PayPal by eBay for all but a token few payment methods is clearly unacceptable and unwanted by anyone except eBay and their wholly owned subsidiary PayPal.

I urge the ACCC to uphold it's decision and refuse eBay permission to indulge in blatant anti-competitive behaviour by upholding the decision to not allow them to mandate PayPal as the only acceptable means of payment for goods purchased through eBay. AND I further urge the ACCC to urgently consider banning the (similarly unattractive from a small sellers point of view) practice of mandating that PayPal be offered *even as an option*, as this places small sellers who do not wish to deal with credit cards, which are a fraud and chargeback risk, in the unenviable position of not being able to sell on eBay or risk being financially embarrassed through no fault of their own. Sellers also have the right to choose and this is also anti-competitive and further it puts small seller particularly in a difficult position at best.

Regards

Geoff Roberts
<contact details excluded>

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