

**Roy, Lauren**

---

**Subject:** eBay N93365 submission [SEC=UNCLASSIFIED]  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

---

**From:** dkellam@coremind.com.au [mailto:dkellam@coremind.com.au] **On Behalf Of** David Kellam (CoreMind)  
**Sent:** Wednesday, 23 April 2008 9:13 AM  
**To:** Adjudication  
**Subject:** eBay N93365 submission

Dear Team,

As an IT Consultant, Online Industry follower and eBay buyer and seller, I am protesting the proposed PayPal-only payment option.

I recognise some value in potential Fraud Protection offered through this integration, which would provide eBay with some control over their marketplace.

I also acknowledge other services "lock in" users with their own payment systems. These issues may be insurmountable. If so, that's OK.

However, the purported benefits of eBay/PayPal's Fraud Protection only apply in a limited number of circumstances, such as when sellers have exceptionally high feedback.

Furthermore, PayPal itself is not subject to the rigors of Banking Industry regulation, yet the move by eBay - clearly the leader in online classifieds - is of sufficient societal impact to warrant regulation and intervention.

I refer specifically to provisions in PayPal's terms of service that allow things like suspending your account for 90 days, keeping all your money, refunding complainants with no recourse, automatically locking your account for "suspicious activity" (whether or not suspicious activity exists). Yes, it's biased, but check out [www.paypalsucks.com](http://www.paypalsucks.com) for an idea of the sorts of things this company gets up to. Whether or not they DO do this, their terms of service allow it. Where such a significant chunk of our society's wealth is caught up in such a service, it needs to be subject to stricter regulation and control. "The market" is not a solution here, as the choice of payment provider is now to be stripped away. The existence of PayPal itself is not so much a problem (people can make their own risk/reward evaluations, even if it's difficult), but integrating it as the only option for the most popular online classifieds site is a big mistake.

I don't particularly care too much about the fees associated with this integration (which would see some fees rise by 1.1-2.4%). The fees are moderated by competition. The main point is the safety of the seller's funds. Whilst these funds remain inside PayPal (which can be involuntary, as noted above), there is significant risk to Australian businesses.

Regards,

--

David Kellam  
Director  
**CoreMind Pty Ltd**  
w: <http://www.coremind.com.au/>  
e: [david@coremind.com.au](mailto:david@coremind.com.au)  
p: 1300 88 99 25

7/05/2008