

Roy, Lauren

Subject: Submission: eBay International AG - Notification - N93365
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From: Judith Lead [mailto:

Sent: Friday, 2 May 2008 12:09 AM

To: Adjudication

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Summary: My submission describes instances of inappropriate Paypal behaviour that I have experienced, even with the current competitive payment environment. They would have less incentive to rectify such behaviour with reduced competition.

I have used Ebay for several years. I am writing to oppose Ebay's proposal to force payment for almost all Ebay transactions via Paypal for the following reasons.

Ebay has claimed that this move is for buyer protection - my experience of paypal is that they haven't protected me.

Once I sent payment to someone in America. The next day Paypal cancelled the transaction - and refunded most of the money. When I requested the balance of the money I was informed that because I had cancelled the payment more than 24 hours after sending the money, they were refunding the amount determined by the next days exchange rate. But I didn't cancel the transaction - Paypal cancelled it. I requested to be paid the difference - they just re-sent the form letter about the sender cancelling the payment.

Their action (mistake, inefficiency?) - I was out of pocket - not much protection.

Other times I have won auctions for Australian sellers who listed in other currencies to attract overseas bidders.

If I pay using Direct Deposit - I pay in Australian dollars. The seller simply uses that day's exchange rate to tell me the total owing.

If I pay by Paypal - I have to pay in the other currency - paying for currency conversion - then the seller also has to pay for currency conversion to receive the payment in Australian dollars. The way that the Paypal payment page is written - the buyer cannot change the currency back to Australian dollars. What a waste of money to pay currency conversion fees twice - when it is not necessary.

Many sellers "combine to save on postage" - i.e. they only charge the one amount of postage when the buyers has purchased a number of items.

However, the Ebay checkout page often incorrectly charges the postage a number of times instead of once - a few sellers have told me they don't know how to correct that. With Direct Deposit I simply pay the correct amount owing. However, the Paypal payment page does not allow any changes to the amount paid - the buyer either has to pay the amount on the page or not pay at all. There is no protection in being forced to pay too much postage. The seller may refund it of course - but they pay Paypal a percentage on the amount transferred. So Paypal benefits when this mistake occurs.

Even with competition, Paypal has not fixed these problems. Without competition, there will be even less motivation.

At the moment, I pay with Direct Deposit. I have an account where I do not have to pay extra for

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making such payments. Forcing me to pay by Paypal will ultimately increase my expenses - needlessly. I do not need or want any additional so-called buyer protection when purchasing from a supplier that I have purchased from many times before - I have found that, in the real world, use of registered mail is sufficient buyer protection for purchases in Australia. To force buyers to pay by Paypal may even have a slight inflationary effect. Why should sellers be forced to pay for something they don't need? They will have to recover the money somehow - possibly with a higher handling fee. So the buyer will end up paying more.

Judith Lead