



Suppression of bank payments festers for eBay
Tuesday 8th July 2008 6:42 am EST

Confusion and anger continues to rain down on eBay Australia from its own devotees.

eBay discussion boards are full of sellers not wanting to have to offer PayPal if they don't choose to. That change was introduced by eBay on 21 May as the first part of the now abandoned project to make eBay.com.au a marketplace where PayPal was the only acceptable payment mechanism (either in its own right, or with PayPal acting as gateway for a credit card payment).

eBay last week announced that it was withdrawing its notification to the ACCC requesting immunity from prosecution under section 47 of the Trade Practices Act. It also announced that the second part of the project was no longer going to proceed.

Merchants selling goods on eBay must still, however, offer PayPal as an alternative.

According to numerous users on eBay and external discussion boards, the company is actively deleting listings that state that direct deposit to a bank account is the preferred means of payment.

This does not mean that direct deposit is no longer a payment option available through eBay but rather that listings are no longer practical that make this payment preference clear.

Whether promoting PayPal and suppressing an alternative creates any issues under trades practices law is now the subject of a lively new debate among eBay's clients.

Competition policy expert, Julie Clarke from the Deakin University Law School, says if those claims are true, eBay/PayPal could face action.

"If enforcing a preferred payment method onto sellers could be shown to have the effect of substantially lessening competition by effectively substantially excluding other options, that would come under the reach of [section] 47. They could still face action anyway conceivably from other parties seeking an injunction, if they could show that the part one changes substantially lessened competition," said Clarke.

"But you would think that would be a difficult task. Difficult, but possible if these other things are happening as well that discourage other payment options."

In a draft ruling on eBay's plans last month, the Australian Competition and Consumer Commission dealt only with the second stage of eBay's project. The ACCC ignored the first part completely.

A spokeswoman for the ACCC yesterday said now that eBay had withdrawn the notification the ACCC would be taking no further part in the issue.

"The first part of the project doesn't force sellers or buyers to use PayPal only," she said.

Asked about the status of the first part of the project, the spokeswoman said the ACCC no longer had an interest in the eBay/PayPal issue since the notification had been withdrawn.

Daniel Feiler, spokesman for eBay/PayPal Australia, said that eBay Australia chief executive Simon Smith was not assuming anything on the part of the ACCC in relation to the first part of the PayPal-only project.

"Simon has been slightly misquoted in The Sheet [in last Friday's edition] and on the boards as saying he was pleased the ACCC had accepted the May 21 changes," said Feiler.

"Simon did not say that and is seeking to have the record corrected.

"We don't assume anything about what the ACCC thinks."

All content is protected by © Copyright 2003— 2008 The Sheet