

20 August 2008

Reserve Bank of Australia looks to halt PayPal rule

The Reserve Bank of Australia (RBA) is looking to halt attempts by online auction house eBay to force sellers in the country to offer PayPal as a payments option on sales listings.

In July eBay abandoned plans to remove other payments options - such as direct bank deposits, cheques and money orders - from its auction site and force Australian customers to use the PayPal service exclusively to make payments.

However eBay refused to halt the introduction of a rule to make all sellers offer PayPal as one of their payments options.

The RBA now says it will "shortly be holding discussions with PayPal with a view to seeking the removal of these rules".

"Over recent months, the Board has received a number of comments on the no-surcharge and no-steering rules that apply to payments using the PayPal system as well as the mandated acceptance of PayPal on eBay's auction site," says the RBA in a statement. "Where no-surcharge and no-steering rules have existed in other systems, the board has encouraged their removal on the grounds that these rules can diminish competition in the payments system."

Last month a group of Australian eBay sellers called for the RBA to prevent eBay from forcing them to offer PayPal as a payment option on every sales listing.