

From: [REDACTED]
Sent: Sunday, 12 September 2021 4:21 PM
To: Digital Monitoring
Subject: Digital platform services inquiry

Good morning

I understand that submissions for the 'Digital platform services inquiry 2020-2025' were due by 19 August 2021. I was not aware of the inquiry until I visited your website to make a complaint about ebay, but I believe that my complaint may fit into one of the matters that will be considered in this inquiry - 'Practices of suppliers in digital platform services markets which may result in consumer harm'. I do understand that it may not be possible to include my complaint in the inquiry due to it being received late, but I hope it will be considered either as part of the inquiry or as an individual complaint.

My complaint relates to concerns about ebay's Global Shipping Program (GSP), including the costs to buyers and a lack of transparency about these costs.

My understanding is that ebay's GSP is run by Pitney Bowes, a third party technology company. The shipping cost that the buyer pays includes local shipping within the United States to the Global Shipping Center, and international shipping from there.

I have outlined my main concerns with the GSP in the points below:

- The GSP seems to be increasingly used by ebay sellers, with the postage delays during the pandemic being one of the reasons for this increase. I think the GSP gives sellers added protection since they are not held responsible for issues with international shipping. The advantage of the GSP to buyers is international tracking, but the costs of shipping and other charges are considerably higher than that of a regular ebay purchase.
- If a seller is using GSP, ebay states in its information (see link below) that the buyer will see the GSP logo on the listing, but I have been unable to locate this logo: <https://www.ebay.com/help/buying/postage-delivery/changing-delivery-address-method/international-purchases-postage-buy?id=4057> My understanding is that to find out if the seller is using GSP, a buyer needs to go into the postage tab in an ebay listing. This means that a buyer could purchase the item and not realise they are going to pay additional costs incurred using the GSP. This happened to me.
- The shipping cost that the buyer pays under the GSP includes local shipping within the United States to the Global Shipping Center, and international shipping from there, but the total postage amount in the ebay listing is only described as "International Priority Shipping". The buyer is not given a breakdown of the local and international postage costs at the ebay checkout or on the shipping label that arrives with the package, so they are not aware of the cost of the international postage. I understand that if the seller has entered incorrect measurements and weight for the package into ebay, the postage costs could be incorrect, but the buyer has no way of knowing if they have been overcharged since these costs are hidden.
- The 10% GST that Australian buyers pay on ebay purchases appears under 'import charges' at the ebay checkout. However, under the GSP, 'import charges' are always significantly more than 10%, and can vary between approximately 5-10% over and above the GST. From my own experience and from what I have read in online complaints from other buyers, it seems that these 'import charges' are higher for low cost items, which may

be the reason why the percentage varies. It is not clear what is included in 'import charges' other than GST. If 'import charges' includes processing, administration or handling fees by Pitney Bowes, this is not clearly stated in the ebay listing, or at the checkout, or in the information that ebay provides on its website about the GSP. Therefore, buyers do not know what they are paying for, or what percentage they are paying over and above the GST. Some buyers may not even know that the 'import charges' are more than 10% unless they just happen to notice this at the checkout, which was my experience. The information I found on ebay about the GSP is in the following two links:

- GSP terms and conditions – a link to this is included in the ebay checkout when paying for the item: <https://pages.ebay.com/shipping/globalshipping/buyer-tnc.html>
- Ebay's "International purchases and shipping for buyers" section (which the GSP's terms and conditions links to, and I included previously): <https://www.ebay.com/help/buying/postage-delivery/changing-delivery-address-method/international-purchases-postage-buy?id=4057> This only states the following points related to import charges: "Listings also include an estimate of customs and import charges, if applicable" and "Benefits of the GSP for buyers include that you'll pay all postage, taxes, and import charges (including processing charges and any applicable GST or other import charges) up front, and you won't have to pay any extra charges when your item is delivered". In this link, there is also a list of 'Import charges' (These charges are hidden and you have to click on it to reveal a list of eleven dot points). One item on the list is: "Third party brokerage fees (including advancement and disbursement charges as well as customs brokers' handling and filing fees)". Does this dot point give ebay the right to charge an additional 5-10% on purchases through the GPS to pay Pitney-Bowes, the third party that operates the Global Shipping Program? If so, this is not clearly communicated anywhere – either in the information ebay provides in the above link, in ebay listings, or at the checkout. At the checkout, there is only the line item 'import charges', with no breakdown. If the additional percentage included in the 'import charge' is paid to Pitney-Bowes for a postal service, it makes me question why the charge is a percentage of the item cost and shipping, and not a flat fee, and why there is a higher charge for lower priced items.

- Below is an example of an 'import charges' calculation on an actual GSP ebay listing (in US dollars) that I purchased. Please note that this is a low cost item and the import charges total 20% of the item and shipping costs. This means that an additional 10% has been charged to the buyer on top of the 10% GST.

\$25.00 - Item cost

\$15.70 - Shipping

\$40.70 Total

\$8.20 - Import charges (GST calculation using online calculator is \$4.07)

Outcome: Charged additional \$4.13 on top of GST, i.e. Import charges total 20%.

- The GSP is also less flexible than general ebay purchases in that buyers are not able to combine multiple items into one purchase (package) to save on international shipping costs. The GSP does not have this capability. If the buyer purchases more than one item, they pay full shipping on each item even though the seller will most likely ship these items in one package. The seller keeps the local shipping that they didn't have to pay on the other item/s, and Pitney Bowes keeps the international shipping that they didn't have to pay on the other item/s. Since there is no warning about this anywhere on ebay, buyers can be burnt by this, and they will have not only paid too much in both local and international

postage costs, but they will have also paid additional 'import charges' on these postage costs. In fact, sellers may sometimes state in their listings that they combine shipping, but do not specify that this only applies to purchases by local buyers.

- If a seller uses the GSP, they are not obligated to give buyers other shipping options, so buyers are forced to pay higher postage and higher import charges if they are unable to purchase the item from another seller, such as when it is a vintage item, rather than a commodity item.

In sum, while the buyer receives the advantage of international tracking from the GSP, this service incurs additional charges and higher shipping costs than regular ebay purchases and there is a lack of information to buyers about these costs.

I hope this information is clear. Please contact me if you require further information or clarification. Thank you for your time with this.

Kind regards

[REDACTED]

[REDACTED]