

Digital Platform Services Inquiry – Report on general online retail marketplaces

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Recommendation to establish an Online Retail Ombudsman

*“With great power comes great responsibility.”**

From the early days of online marketplaces in Australia when eBay Australia dominated, small to medium sized sellers rushed onboard the new digital retail platforms. Some of them grew to significant scale, for example Deals Direct, Catch of the Day, Kogan, Klicka, Ozplaza, and others.

Some of those early marketplace businesses thrived, while others struggled to find buyers for their wares or to compete against the early leaders. And sadly some were kicked off the marketplaces for unexplained or spurious reasons after the sellers had invested significant time and money in participating in the new retail environment. ‘Evictions’ and infractions from the marketplaces are still handed out currently without any avenues for negotiation, arbitration or natural justice.

Reasons for removal from the marketplaces may have involved late payment of marketplace fees, association with a payment method such as PayPal that had generated red flags for the marketplace, there may have been product compliance issues, poor selling practices, allegations of counterfeit and a host of other reasons - reasons which were sometimes given by the marketplace and in many cases were never given for ‘commercial in confidence’ reasons and never explained to the seller why their business may have been turned upside down by the removal.

In my experience there have on numerous occasions been egregious administrative errors by the marketplace involved, or incorrect associations with the payment providers such as PayPal which should never have resulted in removal from the marketplace in the first place, and poor seller customer service in not replying to the seller’s queries. There has never been a system of appeals, never referral to an independent umpire and very little transparency. Often there has been a dose of arrogance.

I submit that a positive outcome from the ACCC’s examination into online retail would be to establish a Marketplace and/or Ecommerce Ombudsman who can intervene on behalf of smaller sellers (or there could be a broader Ecommerce Ombudsman who can intervene in disputes between sellers and Ecommerce platforms and vendors). This recommendation aims to prevent the growing number of online marketplace owners from sometimes hiding behind a digital veil of secrecy and conducting themselves in a void of natural justice in dealing with sellers who have invested livelihoods and boundless energy in participating in New Retail.

I write this recommendation based on more than 15 years of experience working on Online Retail Marketplaces, assisting hundreds, perhaps thousands of clients, mostly small and medium sized businesses in onboarding and managing their marketplace sales. I also work at the enterprise level with larger retailers on the marketplaces. My business inDemand has managing online sales and customer service for Dell Australia on eBay since 2013, now the largest technology seller on eBay Australia, and more recently we manage sales and customer service for Dell Australia on the Kogan marketplace. We have trained thousands of sellers in how to sell on eBay and to sell on other marketplaces including Amazon, Catch and other marketplaces.

I can be contacted at the numbers below for further discussion.

**There is debate whether this quotation should be attributed to Voltaire or to Spiderman*

Miles Clemans