

ACCC launches inquiry into online marketplaces

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News just in: The ACCC has announced an inquiry into competition and consumer issues in online marketplaces including eBay, Amazon, Kogan and Catch.

The timing couldn't be better. eCommerce is growing rapidly as a result of the COVID-19 pandemic. In 2020, Australians spent over \$50 billion online, reflecting a 57% year on year growth. And as more businesses turn to eCommerce to remain viable during the pandemic, so must the government support them (and their customers) by providing a level playing field.

Issues on the ACCC's radar include:

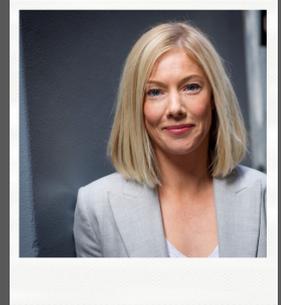
- competition between marketplaces, whether any of them are likely to have market power now or in future, and the extent to which they are constrained by each other or external sources;
- the ability for marketplaces to act as gatekeepers to competition between sellers, by virtue of 'who can play' terms, the manner of displaying items for sale and ranking of listings, and whether the marketplace itself sells products and competes with its sellers; and
- the way that marketplaces can influence consumer experience, by influencing purchasing decisions, facilitating payments, providing logistics and complaints handling and dispute resolution processes.

The inquiry forms part of the broader Digital Platforms Inquiry which has already produced the News Media Bargaining Code. The experience with the Code shows that the federal government is prepared to legislate off the back of this kind of inquiry based on demand from the customers of digital platforms (in that example, the news industry).

In the EU, Amazon is already under investigation for distorting competition in online marketplaces, using seller data to improve its competitive position for its own retail sales. Although Amazon has not achieved a level of dominance in Australia similar to the EU, it operates under the same model here. By providing the marketplaces selling platform and also selling products itself via the platform, it has a unique opportunity to control competition. We're betting that will get close scrutiny in the ACCC's inquiry too.

All of this adds up to a unique opportunity for businesses to influence the way that marketplaces are regulated in Australia. Submissions are open till 19 August. Don't miss out.

Questions? Give us a call.



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