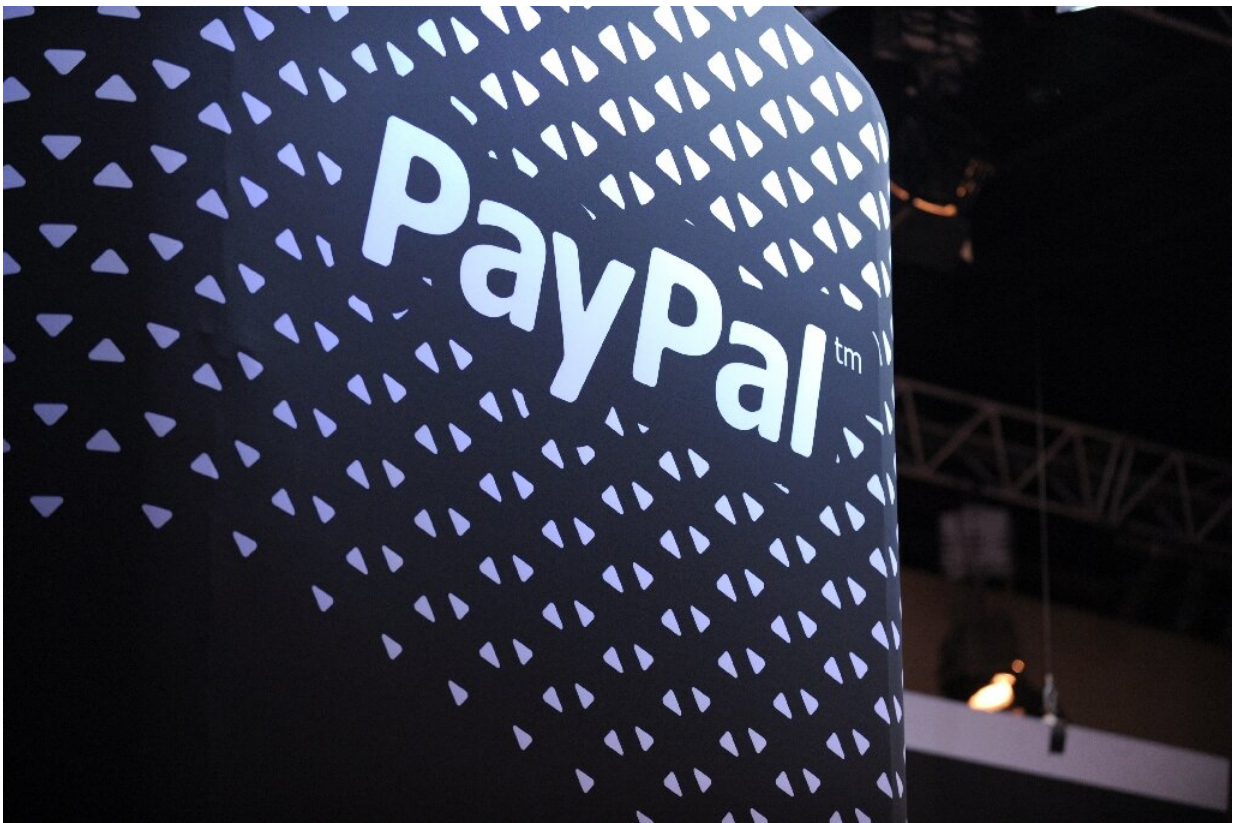


# German antitrust watchdog opens probe into PayPal

January 23 2023

---



Paypal is Germany's leading online payments service but also its most expensive.

Germany's antitrust watchdog said Monday it had launched an investigation into PayPal to examine whether the US online payment giant was using its dominance to restrict competition.

The Federal Cartel Office (FCO) said it would examine whether the conditions set out in PayPal's terms of use amount to a possible "hindrance of competitors and restriction of price competition".

Paypal is Germany's leading online payments service but also its most expensive, the regulator said.

"We will now examine what market power PayPal has and to what extent online retailers are dependent on offering PayPal as a payment method," FCO president Andreas Mundt said in a statement.

The charges paid by sellers to use PayPal's service start at 2.49 percent of the payment amount plus 0.35 euros per transaction.

According to the FCO, traders are not allowed to offer their goods and services at lower prices if customers choose a cheaper payment service, nor may they express a preference for [payment](#) methods other than PayPal.

This could prevent rival services from entering the market, keeping the surcharges high.

In the end customers lose out, Mundt said, because "ultimately they pay for these higher fees indirectly through the product price."

New legislation in 2021 gave Germany's antitrust watchdog sweeping powers to take action against [tech companies](#) suspected of abusing their dominant [market](#) positions.

The FCO has also opened proceedings against Google, Amazon and Facebook.

Citation: German antitrust watchdog opens probe into PayPal (2023, January 23) retrieved 13 March 2024 from

<https://techxplore.com/news/2023-01-german-antitrust-watchdog-probe-paypal.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.