

A former solicitor's suggestion for taking action against PayPal for unfairly holding your money

Step 1) issue a County Court summons against them. It must be served on their registered office. PayPal UK Limited is registered under company number 05468033 and have their Registered Offices in Richmond, Surrey. A simple online search at companies house will reveal the correct address (its free). You can issue a summons online - just Google HMCS and then complete the online form. Look for "online claims" on their website. It will cost you about £35. This is obviously depending on how much money they owe you.

Step 2) The summons will be served on PayPal by the court. You don't have to do anything. PayPal will have to issue a defence and explain why they are holding your money. If they don't file a defence you have the right to enter a judgement in default. Just access your HMCS account and the Court will advise you of the date you can enter judgement. After judgement has been entered you will be able to issue a Warrant of Execution for about £50 and send the bailiffs in!

Step 3) If Paypal defends the action, the HMCS will transfer the proceedings from Northampton Bulk Centre (where all online summons are issued) to your local court. All you have to do is complete the Case Allocation Questionnaire which is a very simple form given by the court, send it back to the court and you will be given a hearing date.

Step 4) You attend on the allotted day and put your case to the District Judge. You do not need to be legally qualified to appear before him. You simply explain the circumstances of your case, what PayPal has done and he will make a judgment. If they attend they likewise can put their side of events.

Step 5) If the District Judge finds in your favour he will grant you a judgment together with your costs (ie. what you paid for the summons in the first place) and interest on your money.

Step 6) If District Judge finds against you – well, at least you'll know why they hold your money. If they fail to attend the Judge will give you judgment in default.

Step 7) Assuming the judge finds in your favour, you then give PayPal 7 days to comply with the judgement or send in the bailiffs.

Step 8) If the amount is substantial i.e. over £750 with a Judgement you can wind them up with a Companies Winding up Petition. Its more complicated than issuing a summons but the Courts will assist you in anyway they can. If the Judgement goes unpaid for 28 days, a Court Judgement will be listed against PayPal with companies like Equifax.