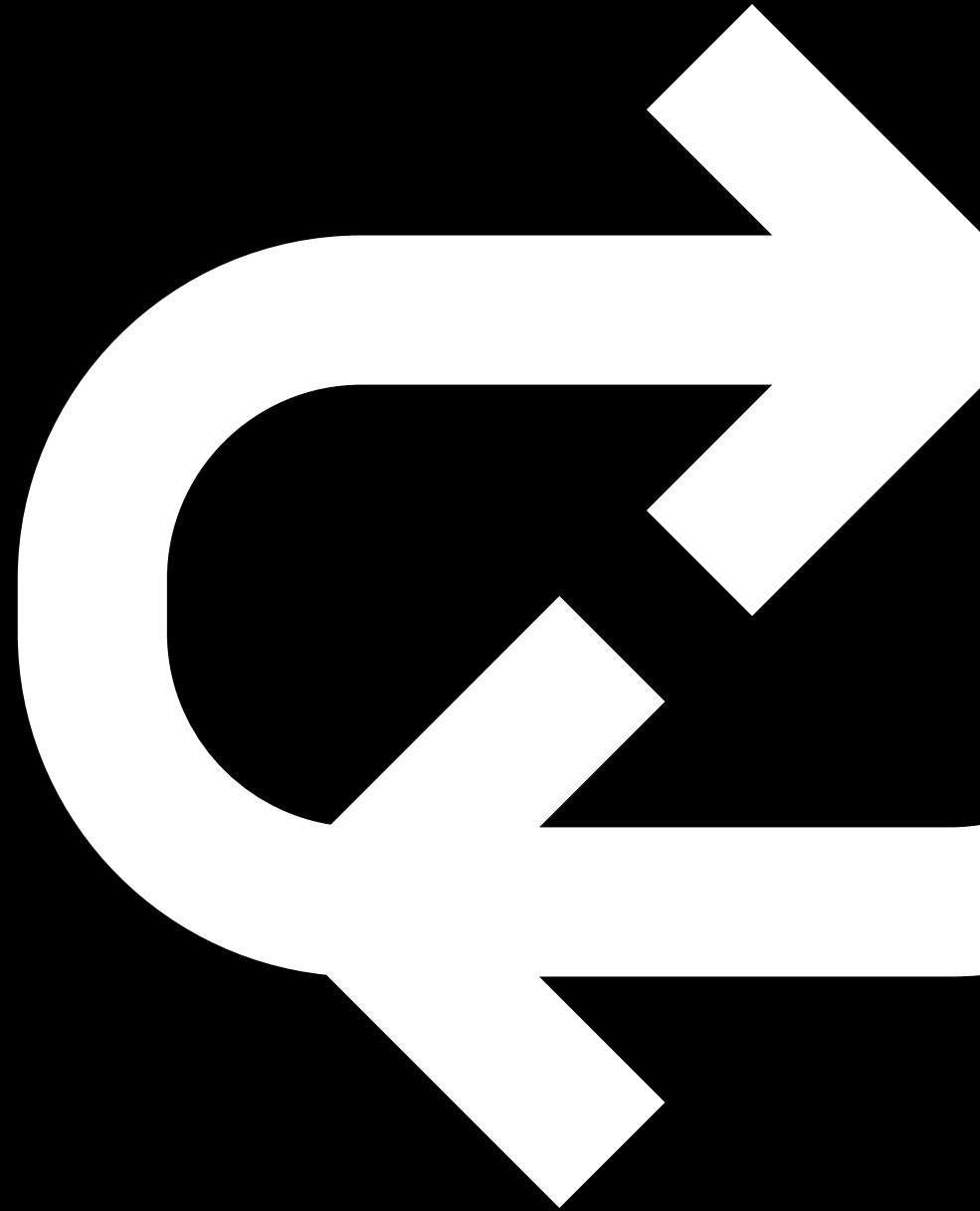


Case Study

Winding Up

Securing Full Payment Including all
Costs Following a Winding-Up Petition



Challenge

Recently, Debt-Claims Solicitors were contacted by a client who was owed a relatively modest sum of £15,000.

Our client explained that the debtor claimed to have paid the sum and the debtor attempted to evidence this by way of their bank statement, which showed a debit transaction. Ultimately however, our client had not received payment. To put it simply, proof of payment being sent is not the same as proof of payment received and therefore, the debt remained due and owing.

Our Approach

We prepared and served a statutory demand, to which there was no response or payment and so a petition was presented. In much the same way, no response or payment was received following service of the petition and so the petition was advertised in the London Gazette.

In preparing for the hearing, we reached out to the debtor company so that we could agree the bundle. The debtor maintained that they had made payment and attempted to rely on the bank statement previously mentioned.

The debtor incorrectly thought that the petition would simply be dismissed and our client would pay its costs. We maintained that the debt sum was still due, together with the relevant interest and costs.

A few days before the hearing, our client finally received payment of the petition debt but not the costs. The debtor company instructed counsel to oppose our costs on the basis that the petition was an abuse of process.

In hearing the matter, the judge did not entertain the debtor's proposed abuse of process argument and noted that the debtor had made no attempt to restrain issuing or advertising of the petition. Accordingly, our client's costs were awarded and the petition was dismissed, as it had been paid.

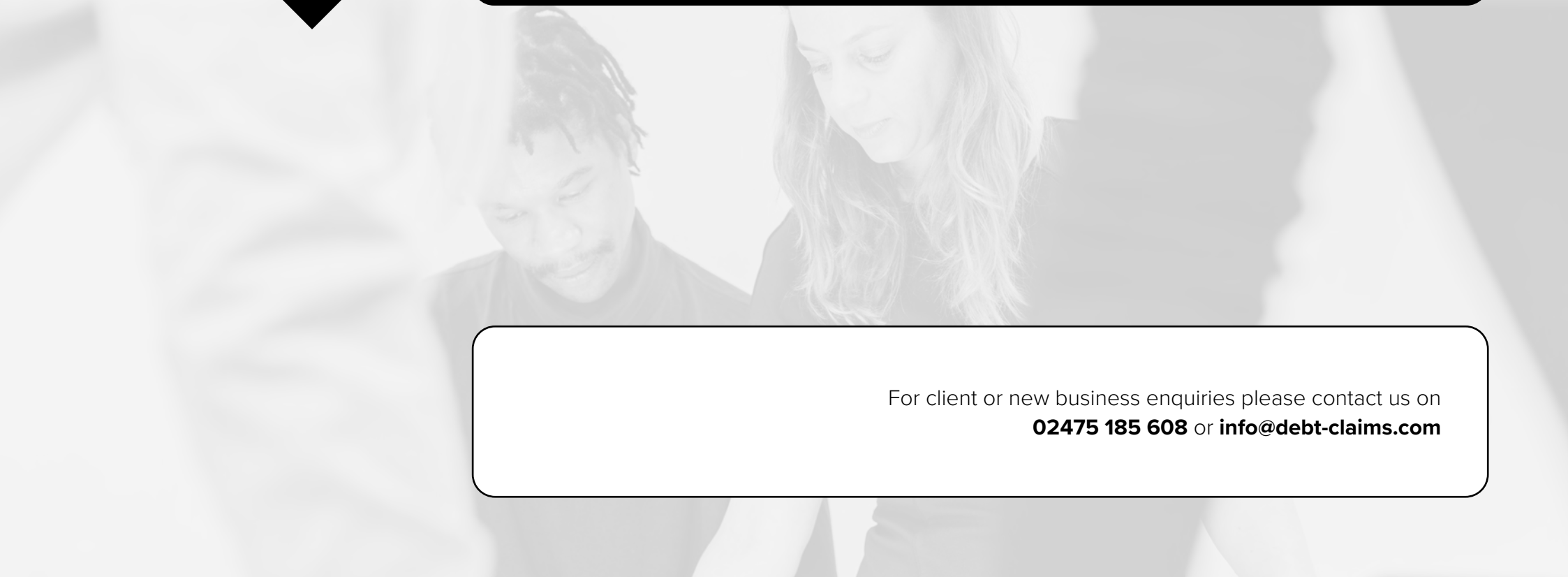


Outcome

Within days of the order being made, the debtor made payment to our client of its costs.

What this case shows is that simply evidencing sending payment which has not been received, is not the same as making payment and until that payment is made, the contractual liabilities remain. The same could be said where a debtor claims to have posted a cheque. It also reaffirms that costs will usually follow the innocent party.

If you have unpaid debts of £750 or greater, talk to us today about serving a statutory demand or winding-up petition on the debtor.



For client or new business enquiries please contact us on
02475 185 608 or info@debt-claims.com