

PayPal Backs UK Small Businesses With Over £1 Billion of Alternative Funding

Total value of cash advances issued to UK small businesses through PayPal Working Capital reaches £1 billion, an increase of 60% (£375 million) in the last year. More than 37,000 UK small businesses have benefitted from over 116,000 cash advances since it launched in the UK in 2014. 21% of PayPal Working Capital funds are used by small business owners to pursue expansion plans.

Today PayPal announces that it has provided a huge £1 billion of finance to UK small businesses through [PayPal Working Capital](#). The alternative finance offering from PayPal allows UK small businesses to apply for, and receive, a cash advance against future sales online in minutes.

The total amount advanced through PayPal Working Capital increased by 60% from £625 million to £1 billion in 2018^[1], demonstrating how fast, flexible funding alternatives continue to provide a lifeline to small businesses. This increase in the total value of advances issued comes as figures from the UK government show that traditional bank lending to small businesses remains flat^[2].

Over 37,000 British businesses have now benefitted from PayPal Working Capital since its UK launch in 2014, helping many drive forward their plans for expansion. Of the 116,000 cash advances issued in the UK, over one fifth (21%) of recipients plan to use the funding to help grow their business^[3].

Small businesses can now benefit from an even greater injection of cash as PayPal has increased the upper limit for advances from £100,000 to £150,000 in response to the sustained demand for this form of alternative finance.

Norah Coelho, Director of Business Financing at PayPal UK, explains, *“The support we offer businesses extends far beyond processing online payments. PayPal Working Capital launched five years ago in response to a real need for finance that works just as flexibly as the smaller businesses we serve. Since then we have advanced over £1 billion to more than 37,000 UK small businesses, clearly showing we’re still helping our customers bridge a gap where more traditional financial services are coming up short.*

“Our in-depth knowledge of our small business customers mean we can typically approve and issue a cash advance in minutes after a quick online application is completed. The fast, online application means they can apply at any hour of the day and avoid lengthy in-branch processes, leaving them free to spend time focusing on running – and growing – their business.”

One business to have benefitted from PayPal Working Capital is The Shoe Snob, designers of men’s shoes and providers of shoe accessories. Founded in 2011 by Ngoni Tshekeche and Justin Fitzpatrick, who met while working on London’s Savile Row, the business grew rapidly and, Ngoni explains, *“Demand was outstripping supply. We needed more readily available cash to maintain the range of shoes our customers expect. Our business loan wasn’t meeting our needs, and convincing the bank of our potential, then filling in the forms to secure another loan was too time-consuming.*

“We’ve always used PayPal for our online payments, so they understood our business and its needs just by looking at our transactions and growth. We turned to PayPal Working Capital for a quick and simple solution. I can access funds within minutes, and get new orders moving within a day. It’s been invaluable for us.”

Ngoni explains that access to alternative funding has driven The Shoe Snob to new heights: *“The business has been growing at around 45%, year-on-year, and the funding we’ve received from PayPal Working Capital has been the backbone of that growth. It’s given us the funds to develop our first showroom, and expand to the US, Far East and Europe. The ease of use and the amounts offered by PayPal Working Capital can transform a small business.”*

[1] The total value of cash advances issued in the UK by PayPal Working Capital increased from £625 million to £1 billion between 29 January 2018 and 27 December 2018

[2] Source: British Business Bank 'Small Business Finance Markets 2018/19'; https://www.british-business-bank.co.uk/wp-content/uploads/2019/02/British_Business_Bank_Small-Business-Finance-Report-2019_v3.pdf

[3] Other planned uses of PayPal Working Capital cash advances as selected by UK small business owners during the application process include; purchasing stock (56%), purchasing business equipment (9%) or funding existing operations (8%).

<https://newsroom.uk.paypal-corp.com/PayPal-backs-UK-small-businesses-with-over-1-billion-of-alternative-funding>