



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **CAM/00KB/LCP/2019/0002**

Premises : **1-24 Wheelwright House, Palgrave Road,
Bedford MK42 9EX**

Applicant : **Wheelwright House (1-24) RTM Co Ltd**

Respondent : **Sinclair Gardens Investments (Kensington)
Ltd**

Representative : **Bolt Burdon, Solicitors**

Date of Application : **3rd July 2019**

Type of Application : **For a determination of costs payable by the
Respondent, pursuant to section 88(4)
Commonhold and Leasehold Reform Act
2002**

Tribunal : **Judge J R Morris**

Date of Decision : **14th November 2019**

DECISION

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Decision

1. The Tribunal determines that the Applicant shall pay to the Respondent costs in the sum of £3,603.60 comprising £2,995.50 plus VAT of £599.10 and £9.00 disbursements as the Respondent's reasonable costs pursuant to section 88(4) of the Commonhold and Leasehold Reform Act 2002.

Reasons

Introduction

2. The Applicant seeks a determination, pursuant to section 88(4) of the Commonhold and Leasehold Reform Act 2002 in respect of costs incurred by the Applicant following a claim by the Respondent to acquire the right to manage the Premises.

3. Directions were issued on 20th August 2019. The parties were informed in Directions that the case would be dealt with by paper track and determined after 14th October 2019 unless a hearing was requested by either party by 20th September 2019.
4. No request for a hearing was received. The Applicant sent a Bundle to the Tribunal in compliance with Directions.

The Law

5. The law that applies is in the Commonhold and Leasehold Reform Act 2002 (the 2002 Act) and is set out in an Annex to this Decision and Reasons.

Evidence

6. The Tribunal received a Statement of Legal Costs from the Respondent and a Statement of Case from the Applicant in response.

Respondent's Case

7. The Tribunal noted that the Respondent had initially instructed WH Matthews & Co Solicitors (referred to hereafter as "WH Matthews") but subsequently changed to Bolt Burdon Solicitors (referred to hereinafter as "Bolt Burdon"). Respondent's current Solicitor provided a Statement of Legal Costs setting out an Executive Summary, a list of tasks to be undertaken following a claim for right to manage, headed "Costs Recoverable under Section 88 of the Commonhold and Leasehold Reform Act 2002" (hereinafter referred to as the "List of Tasks") and a Schedule of Work Undertaken.
8. The Executive Summary was as follows:

Fee earner	Charge (Per Hour)	Time Spent (Hr:Min)
Darrne Coleran - Partner	420.00	9:30
Yezden Izzet - Partner	385.00	0:10
Sarah Goodall – Senior Solicitor	385.00	6:54
Leah Veasey – Senior Solicitor	350.00	0:16
Marinelle Mawa – Paralegal	110.00	5:05
Devon Leak – Paralegal	110.00	0:08
Olivia Pisapia - Paralegal	110.00	0:08
Total		22:11
Legal Fees (22 hours 11 minutes)		£7,146.73
Disbursements		£9.00

9. The List of Tasks was as follows:
 Reviewing title documents; leases; reviewing title plans
 Reviewing notice against title documents and the Act
 Reporting to Client on validity of notice
 Reviewing counter notice and reporting to client

Considering Insurance position and gala Unity issues
Corresponding with First-tier tribunal regarding withdrawal of Application
Drafting and serving contractor notices on third parties and dealing as intermediary pre-handover
Reviewing building insurance policy cover
Reviewing risk assessment report
Assessing outstanding service charge and communicating with parties

10. The Schedule of Work Undertaken amounted to an accounting spread sheet giving: date, fee earner, type of work, rate, time, cost, charge balance and bill code. Total number of hours were said to be 22.11, the total billed was £7,156.73 and total unbilled was £1,818.57.

Applicant's Case

11. The Applicant provided a detailed Statement of case which is précised, paraphrased and summarised here.
12. The Respondent claims costs of £7,146.73 incurred by their current solicitors, Messrs Bolt Burdon Solicitors.
13. Prior to this Application the Respondent claimed costs of £4,257.60 plus £1,539.00 VAT in an invoice dated 16th August 2018, from WH Matthews & Co, Solicitors, and costs of £2,000 plus £400.00 VAT and £9 disbursements in an invoice dated 28th January 2019 from Bolt Burdon. This latter invoice had originally been drawn for £3,000 but had been withdrawn as it had mistakenly included other work. The Applicant said that the Statement of Legal Costs is not supported by any invoices or other documents and does not correspond to the costs previously claimed.
14. The Applicant said it was concerned that:
 - a. The Respondent changed solicitors after service of a Counter Notice by WH Matthews, and that Bolt Burdon's invoice included a duplication of work claimed by WH Matthews;
 - b. The Respondent should bear the added cost of its decision to incur Bolt Burdon's substantially higher hourly charges;
 - c. WH Matthews drafted and served a Counter Notice, the only procedural step taken by Bolt Burdon was to write a four sentence letter to the tribunal accepting the Applicant was entitled to the right to manage yet their charges were greater than WH Matthews;
 - d. Bolt Burdon were simultaneously instructed to contest an Application for the Right to Manage from 46-130 Wheelwright House but failed to separate the work between the Applicant's uncontested application for the right to manage and the contested application for the right to manage in respect of 46-130 Wheelwright House;
 - e. Despite numerous requests Bolt Burdon have proved unwilling or unable to produce an itemised account to justify their costs claim for £2,000;
 - f. The Respondent has abandoned its claim in respect of WH Matthews' costs and had instead claimed, what the Applicant said were grossly inflated costs in respect of Bolt Burdon's charges including sums which:

- had previously been accepted as wrong;
 - were for work done after the acquisition date;
 - work that does not relate to the Applicant's right to manage claim.
15. The Applicant set out the Chronology of the Right to Manage Application as follows:
1. The Applicant applied for the right to manage by a Claim Notice dated 4th July 2018.
 2. The Respondent instructed WH Matthews on or about 9th July and on 8th August WH Matthews drafted a Counter Notice denying the Applicant's right to manage claim.
 3. The Respondent withdrew its instructions from WH Matthews between 8th and 16th August.
 4. From the Respondent's Schedule of Work Undertaken, it appears that the Respondent instructed Bolt Burdon on or about 22nd August 2018.
 5. On 5th October 2018 Bolt Burdon wrote to the tribunal and the Applicant to indicate the Respondent was withdrawing its Counter Notice and accepted the Applicant's right to manage.
 6. The Acquisition date for the Applicant's Right to Manage was fixed at 5th January 2019.
16. The Applicant set out the chronology of the present costs Application as follows (bundle page numbers of copies are in brackets):
1. On 22nd January Bolt Burdon emailed the Applicant requesting payment of £5,457.60 in respect of the Respondent's legal costs of the RTM Application (A59) together with an itemised invoice from WH Matthews for £1,539.00 plus VAT of £307.80 dated 16th August 2018 (A1-3) and an un-itemised "On Account" invoice from Bolt Burdon for £3,000 and disbursement for Office Copy Entries of £9.00 plus VAT of £601.80 (A60). This invoice was numbered 1039956.
 2. On 31st January 2019, after a request from the Applicant on 24th January 2019 for an itemised invoice (A62), Bolt Burdon emailed a reduced un-itemised "On Account" invoice for £2,000 plus £9 disbursement and VAT. The emailed explained that some costs from another case had been added to the previous invoice (A65-66). The new invoice was numbered 1040159.
 3. On 13th February 2019 the Applicant again requested an itemised bill (A66) to which Bolt Burdon replied on 15th February 2019 that it was not obligated to do so (A70).
 4. On 18th February 2019 the Applicant further requested an itemised invoice giving reasons for their request as concerns that:
 - work may have been duplicated due to the change of solicitor;
 - WH Matthews had issued the Counter Notice and Bolt Burdon had only withdrawn it;
 - as Bolt Burdon was also acting in respect of another matter at Wheelwright House work may have been wrongly apportioned as indicated in the email from Bolt Burdon dated 31st January 2018. The latter point raised the Applicant's concerns that an accurate record had not been kept.

5. On 20th February 2019 Bolt Burdon replied that the process had” been poorly administered and much of the time incurred could have been avoided.” It was added with regard to the amended invoice that: “The reduction of costs was reflective of time being allocated against the wrong matter. We considered, on reflection that this was something you would appreciate receiving notice of” (A72).
6. On 27th March 2019 Bolt Burdon emailed the Applicant again attaching the WH Matthews invoices (A1-3) and the un-itemised “On Account” invoice together with a copy of the office log which read:

	Unbilled	Billed	Fee value	Recovery
Darren Coleran	£746.66	£3,799.98	£1,063.42	28%
Sarah Goodall	£0	£2,173.50	£608.25	28%

17. The Applicant stated that at no stage did the Respondent’s Solicitor provide the information requested regarding the legal costs.
18. The Applicant then referred to the Statement of Legal Costs provided by the Respondent. It is stated that the Respondent appears to have abandoned the fees of WH Matthews and substituted the fees of Bolt Burdon alone at a charge of £7,146.73. The fee earners are identified in the Statement of Legal Costs although the Applicant noted that the hourly rate in the Executive Summary is different from that of the Schedule of Work Undertaken. The persons are as follows:

Fee earner	Executive Summary Hourly Rate £	Schedule Hourly £
Darrne Coleran - Patrner	420.00	400.00
Yezden Izzet - Partner	385.00	315.00
Sarah Goodall – Senior Solicitor	385.00	315.00
Leah Veasey – Senior Solicitor	350.00	315.00
Marinelle Mawa – Paralegal	110.00	
Devon Leak – Paralegal	110.00	130.00
Olivia Pisapia - Paralegal	110.00	175.00

19. The Applicant stated that based on this the £2,000 claimed by the Respondent in its invoice dated 31st January 2019 the costs appear to break down as follows:

Fee earner	Time spent	Hourly Rate	Total
Darren Coleran	2 hrs 39.5 mins	£400.00	£1,063.42
Sarah Goodall	1 hr 56 mins	£315.00	£608.25
Others	1 hr 30 mins	£140.00	£328.33
			£2,000.00

20. The Applicant then referred to the ten tasks listed in the Respondent’s Statement of Legal Costs. The Applicant said that no explanation is provided of when these works were undertaken or how much time is claimed in respect of each.

21. With regard to the Schedule of Work Undertaken the Applicant said that there are 257 entries. 64 of the entries have been wrongly applied and relate to bill code 1039956 and not 1040159. 64 are contra entries to cancel out errors. 65 are dated after the acquisition date. Only 64 of these entries have any bearing on the assessment of the relevant legal costs.
22. It was said that the totals for each fee earner had been applied to the wrong column and it was commented that the totals for costs and charges show an uplift of 33% profit. The dates for the whole spread sheet are not in chronological order for fee earners Darren Coleran and Sarah Goodall for whom the chronology stops and starts. The Applicant refers to a series of contra entries and what were said to be inconsistencies. An annotated version of the Schedule was provided crossing through the items which it was said should not apply as they had been wrongly applied, were contra entries or were dated after the acquisition date.
23. The Applicant related the List of Tasks undertaken to the Schedule of Work Undertaken.
24. The Applicant referred to the following tasks:
 1. Reviewing title documents; leases; reviewing title plans
 2. Reviewing notice against title documents and the Act
 3. Reporting to Client on validity of notice
 4. Reviewing counter notice and reporting to client.It was submitted that they are simply reviewing work already done by WH Matthews. According to the dates on the Schedule of Work Undertaken this work must have been carried out by Sarah Goodall.
25. The fifth and sixth items were:
 5. Considering Insurance position and Gala Unity issues.
 6. Corresponding with First-tier tribunal regarding withdrawal of Application.It was said that if the work is in chronological order this also must have been carried out by Sarah Goodall. The sixth item is only a four sentence letter.
26. It was submitted that the first six items were carried out between 22nd August and 5th October 2018. As at that date the fees recorded were £83.33 incurred by Olivia Pisapia and Yezden Izzet and £1,632.75 by Sarah Goodall.
25. The seventh item was:
 7. Drafting and serving contractor notices on third parties and dealing as intermediary pre-handover.This work was undertaken between 5th October 2018 and 5th January 2019 (the Acquisition Date).
26. The last items were:
 8. Reviewing building insurance policy cover
 9. Reviewing risk assessment report
 10. Assessing outstanding service charge and communicating with partiesThe Applicant said that it was not known when or by whom this work was undertaken and should be discounted.

27. The Applicant itemised the work undertaken between 5th October 2018 and 5th January 2019 from its analysis of the Schedule of Work Undertaken as follows:

Marinelle Mawa, drafting standard documents on 12th December for 1 hour 15 minutes and 45 minutes and Devon Leak on 5th November 2018 drafting standard document for 8 minutes at a total cost of £234.28.

Leah Veasey writing 4 letters between 23rd and 25th October ranging from 3 to 5 minutes at a cost of £84.00.

Sarah Goodall preparing 2 standard documents for 12 minutes and 1 minute, writing 3 standard letters for 9, 6 and 1 minutes respectively and making an 8 minute telephone call and 13 minute attendance totalling 50 minutes at a cost of £262.50.

Darren Coleran all other work to the end of this period of 5 hours 45 minutes at a cost of £2,179.99.

28. Therefore, it was submitted that the conclusion at the end of the Schedule of
- Total Hours 22.11
Total billed £7,146.73
Total unbilled £1,818.57
Was not a true reflection of the amount payable under section 88 of the Commonhold and Leasehold Reform Act 2002.

29. The Applicant submitted that the sum of £1,716.08 incurred by Bolt Burdon between 22nd August and 5th October 2018 was a duplication of the work of MW Matthews who had incurred costs of £1,539.00 for the same tasks. The Applicant submitted that the sum of £3,172.66 (identified from the Schedule following the Applicant's analysis) incurred by Bolt Burdon between 5th October 2018 and 5th January 2019 was excessive because the "contractor notices" are standard forms and can be completed without the involvement of a solicitor or partner. An example was provided (A16-17). It was commented that they were not completed efficiently i.e. as soon as practicable. In addition, it was submitted that the Respondent would not have chosen Mr Coleran to act as an intermediary pre-handover at a charging rate of £400.00 per hour if it believed that it would be responsible for payment of the costs, and that a much lower charging rate is appropriate for the work undertaken during this period.

30. The Applicant referred to its own legal costs for the work which came to £2,400 plus VAT which was a pre-agreed figure. It also referred to WH Matthew's costs for which 5 hours and 42 minutes (57 x 6 minute units) @ £270.00 per hour totalled £1,539.00 plus VAT. The Applicant said that it considered the hourly charge of £270.00 high for the work nevertheless if it is applied to Bolt Burdon's claim for £2,000 the cost would be reduced to £1,647.00

Decision

31. The Tribunal considered all the evidence submitted.
32. On receipt of a right to claim from a right to manage company the first stage (comprising several tasks) is for the landlord or its advisers to decide whether or not to serve a counter notice objecting to the claim (referred to hereinafter as the “First Stage”). If it is decided not to serve the counter notice then the second stage is to carry out the tasks required to hand over the management to the right to manage company in time for the acquisition date (referred to hereinafter as the “Second Stage”).
33. If the landlord does serve a counter notice then the right to manage company may concede the objections and will be liable for the costs up to the service of the counter notice. Alternatively, the right to manage company may challenge the counter notice in which case the second stage would be different and is likely to be the tasks related to that challenge with a third stage dependant on the result of the challenge e.g. a hand over of the management if the right to manage company were successful. However, the costs incurred for the work undertaken in the event of such challenge do not concern the Tribunal here.
34. In the present case the First Stage was carried out on behalf of the Respondent Landlord by HW Matthews Solicitors. In its invoice, HW Matthews sets out a list of tasks of this First Stage which the Tribunal finds essentially corresponds to the 6 items in the List of Tasks provided by Bolt Burdon, which were the subsequent solicitors instructed by the Respondent Landlord. The Applicant has not raised any objections to these tasks to be undertaken and therefore this aspect can be said to be agreed and the Tribunal finds that the list is what it would expect.
35. The problem is, that HW Matthews on their understanding of the law, advised the Respondent to serve a Counter Notice, which was duly done. It appears that the Respondent subsequently doubted the justification for this and instructed another solicitor, Bolt Burdon, to reconsider the matter. Bolt Burdon seem to have done their own checks and advised that the Counter Notice be withdrawn and that the Second Stage of handing over the management to the right to manage company should be undertaken. The Respondent accepted this advice. The Counter notice was withdrawn and the management was handed over to the Applicant Right to Manage Company on the Date of Acquisition.
36. However, following Acquisition, the Applicant received an invoice for £1,539.00 for work done by WH Matthews and an invoice for £3,000 later reduced, due to an error made in the first invoice, to £2,000. The Applicant considered the costs high and requested more detail and applied to the Tribunal. In response to the Application Bolt Burdon have submitted documents which state that they have incurred costs of £7,146.73, in addition to any costs incurred by WH Matthews.
37. The Applicant’s objections to the amounts claimed are summarised as being that:
 - (1) they are concerned that they are being charged twice for the First Stage;

- (2) the costs from another case have been wrongly apportioned to their case;
 - (3) the costs generally are higher than might be considered reasonable, particularly having regard to the first two objections.
38. The Tribunal's role is to consider to what extent if at all the first two objections are correct and to determine the reasonable legal costs of the Respondent for the whole matter.
39. On looking at the evidence there is an invoice for £1,539.00 plus VAT for work done on the First Stage by WH Matthews and an invoice for £2,000 plus VAT and disbursement of £9.00 for Office Copy Entries from Bolt Burdon. The invoice for £3,000 is accepted by Bolt Burdon as being in error and therefore only the invoice for £2,000 is considered by the Tribunal.
40. There is nothing to indicate in the correspondence in the Bundle to show that the Respondent has withdrawn the above invoices. Therefore, the Tribunal finds the Respondent's Solicitor's response to the current Application in the form of the Statement of Legal Costs to be an explanation and justification of the fees claimed in the invoices.
41. With regard to Bolt Burdon's Statement of Legal Costs, the Schedule of Work Undertaken without further explanation is an unsatisfactory submission to make to a judicial body. The Tribunal noted the Applicant's annotations and the Tribunal made its own analysis. The Tribunal finds that there are only 64 relevant items to this Application, which total £4,925.49. Other items have been wrongly applied and relate to bill code 1039956 and not 1040159 or are contra entries to cancel out errors or are dated after the acquisition date.
42. Firstly, the Tribunal considered the first of the objections or concerns of the Applicant. The Tribunal is of the opinion that if a landlord instructed one solicitor to carry out the First Stage and then doubting the advice instruct another solicitor to do the same, it would not be reasonable to charge the right to manage company for both sets of work.
43. The Applicant submits that from the Schedule of Work Undertaken the sum of £1,716.08 incurred by Bolt Burdon between 22nd August and 5th October 2018 was a duplication of the work of MW Matthews who had incurred costs of £1,539.00 for the same tasks.
44. The Tribunal found that the work undertaken was the same, notwithstanding the difference in advice regarding whether or not to serve a Counter Notice, and that the costs of only one firm should be payable. As the invoice for £1,539.00 plus VAT for work done on the First Stage by WH Matthews was still extant, the Tribunal considered whether the costs were reasonable, notwithstanding that in the event the Counter Notice was withdrawn.
45. In principle the Tribunal prefers to accept an hourly rate stated, provided that it is not wholly disproportionate. However, a Grade A or senior legal practitioner commanding an hourly rate of £270.00 would result in the work being carried out most expeditiously. Also included in the rate would be an

allowance for non-fee earner work such as opening files, diarising, acknowledgement replies on receipt of documents, archiving etc. The work delegated to lower grade fee earners should be to reduce costs. Therefore, it must be well within their knowledge and experience and carried out as expeditiously for that level of work as more difficult tasks are carried out by senior practitioners.

46. The Tribunal finds from its knowledge and experience that the First Stage work is appropriate for a Grade A or senior legal practitioner at an hourly charge of £270.00. The time taken by WH Matthews of 5 hours 42 minutes is determined to be reasonable. Therefore, the Tribunal determines that the invoice from WH Matthews for £1,539.00 plus VAT of £307.80 dated 16th August 2018 is reasonable for carrying out the First Stage of the work on behalf of the Respondent.
47. Secondly, the Tribunal considered the second of the objections or concerns of the Applicant. It found that the Schedule of Work Undertaken provided by Bolt Burdon in their Statement of Legal Costs included items which have been wrongly applied and relate to bill code 1039956 and not 1040159, as stated above. However, these have been noted by the Tribunal and only the amounts in respect of bill code 1040159 will be taken into account.
48. Thirdly, the Tribunal considered the reasonableness of the costs for undertaking the Second Stage by Bolt Burdon for which a charge of £2,000.00 plus VAT and a disbursement of £9.00 was claimed.
49. In the List of Tasks provided by Bolt Burdon the Second Stage comprises:
 7. Drafting and serving contractor notices on third parties and dealing as intermediary pre-handover.
 8. Reviewing building insurance policy cover.
 9. Reviewing risk assessment report.
 10. Assessing outstanding service charge and communicating with parties.
50. The Applicant submitted that the last three tasks should be discounted as no details were provided as to when they were carried out or by whom. The Tribunal finds that it will be necessary for a landlord to carry out these tasks before the acquisition date and therefore should be taken into account when determining a reasonable charge.
51. The Tribunal finds that once the decision not to issue a counter notice has been made and the management is to be handed over to the right to manage company, the tasks are relatively straight forward. However, in this instance there have been some particular issues with regard to the management of the Estate. Notwithstanding the general lack of detail in the Respondent's Solicitor's submissions, the Tribunal considered the tasks as follows.
52. Drafting and serving of contractor notices should take a paralegal no more than an hour at £110.00.
53. Reviewing building insurance will require some correspondence with the landlord's broker and reviewing risk assessment and assessing outstanding

service charges will require correspondence with the managing agent. These are presumably the items referred to by the Applicant, which are being carried out by the senior solicitors Leah Veasey and Sarah Goodall at a cost of £346.50. If it is not precisely this work, it is or should be comparable.

54. It appears that Darren Coleran took responsibility for coordinating the hand over of the management to the Applicant Right to Manage Company.
55. From the correspondence with regard to the management of the Estate between Darren Coleran and the representatives of the Applicant it appears some additional work was required.
56. It should be noted that correspondence received is not a chargeable cost. Of the emails sent out by Mr Coleran, which are included in the Bundle, several are little more than acknowledgments or could have been dealt with by administrative staff, the cost of which are included in the fee earner rate. Seven of those he sent out that are included are brief and answer specific points whilst there are about four which deal with substantive points which are as a result of consulting with others. In addition to this there will have been a number of attendances.
57. The Tribunal is of the opinion that taking into account the hourly rate of £400.00, which will reflect his expertise and ability to deal with matters expeditiously, the time taken by Mr Coleran in respect of this work is 2 hours 30 minutes. The charge for his work is therefore £1,000.00.
58. The Tribunal therefore determines that a reasonable charge for the work undertaken by Bolt Burdon for what the Tribunal has referred to as the Second Stage is £1,456.50. This together with the charge of £1,539.00 for the First Stage is a net total of £2,995.50. This together with VAT of £599.10 equals £3,594.60 plus £9.00 disbursements for Office Copy Entries, upon which VAT is not payable, totals £3,603.60.
59. The Tribunal determines that the Applicant shall pay to the Respondent costs in the sum of £3,603.60 comprising £2,995.50 plus VAT of £599.10 and £9.00 disbursements as the Respondent's reasonable costs pursuant to section 88(4) of the Commonhold and Leasehold Reform Act 2002.

Judge JR Morris

ANNEX 1 - RIGHTS OF APPEAL

1. If a party wishes to appeal the decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

ANNEX 2 – THE LAW

The Relevant Law is in section 88 of the Commonhold and Leasehold reform act 2002 as follows:

88 Costs: General

- (1) A RTM company is liable for reasonable costs incurred by a person who is—
 - (a) landlord under a lease of the whole or any part of any premises,
 - (b) party to such a lease otherwise than as landlord or tenant, or
 - (c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises,in consequence of a claim notice given by the company in relation to the premises.
- (2) Any costs incurred by such a person in respect of professional services rendered to him by another are to be regarded as reasonable only if and to the extent that costs in respect of such services might reasonably be expected to have been incurred by him if the circumstances had been such that he was personally liable for all such costs.
- (3) A RTM company is liable for any costs which such a person incurs as party to any proceedings under this Chapter before the appropriate tribunal only if the tribunal dismisses an application by the company for a determination that it is entitled to acquire the right to manage the premises.

- (4) Any question arising in relation to the amount of any costs payable by a RTM company shall, in default of agreement, be determined by the appropriate tribunal.