



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

Case Reference : **CHI/19UJ/LSC/2020/0026**

Property : **Flat 6, Grosvenor
Apartments, 8a Grosvenor
Road, Weymouth, Dorset
DT4 7QL**

Applicant : **Suzanne Marie Summerfield**

Respondent : **Mr and Mrs. K Wright:
landlords and freeholders.**

Type of Application : **For the determination of the
reasonableness of and the
liability to pay service
charges: Section 27A of the
Landlord and Tenant Act
1985,
For an order limiting
payment of Landlord's costs:
Section 20C
of the Landlord and Tenant
Act 1985, and
For an order limiting
payment of Landlord's costs
and administration charges:
Paragraph 5A of Schedule 11
to the Commonhold and
Leasehold Reform Act 2002**

Tribunal Judge : **Judge T. Hingston**

Date of Decision : **2nd February 2021**

DECISION

Decision of the Tribunal.

A. ‘Reasonable’

The Tribunal finds that the service charges demanded for the three relevant years, 2018, 2019 and 2020, were reasonable.

B. ‘Liability to Pay’

However, the Tribunal finds that the Landlord Mr. K Wright was in breach of his statutory and contractual obligations in respect of the service charge demands for those 3 years.

Only some of the required information (in the form of insurance schedules and receipts, electricity bills, and the summary of the tenant’s rights and obligations) has now been provided.

Thus, only the following sums are payable forthwith:

2018 –

Insurance – £74.22 (one 12th of £890.71)

Electricity – £ 17.51 (one 12th of £210.16)

Total: **£91.73**

2019 –

Insurance – £75.19 (one 12th of £902.29)

Electricity - £12.34 (one 12th of £148.14)

Total: **£87.53**

2020 –

Insurance – £79.57. (one 12th of £954.91)

(Electricity figures not yet provided.)

Total: **£79.57**

TOTAL : £258.83.

Only once the remaining omissions have been remedied, by the landlord or his agent(s) serving compliant service charge demands for the relevant period, together with supporting documentation and/or the opportunity to inspect the same, will the other service charge figures for the disputed years become payable by the Tenant.

No costs nor administration charges in connection with the proceedings are recoverable by the Landlord from the tenants. (See ‘Determination’ in full below.)

The application

1. The Applicant seeks a determination pursuant to Section 27A of the Landlord and Tenant Act 1985 (“the Act”) [and Schedule 11 to the

Commonhold and Leasehold Reform Act 2002 (“the 2002 Act”)] as to the amount of service charges payable by the Applicant in respect of the service charge years 2018, 2019 and 2020. The total sum in dispute is **£1,593.15**.

2. There are also applications for limitation of landlord’s costs recoverable from the tenant under Section 20C of the 1985 Act and Paragraph 5A of Schedule 11 to the 2002 Act.

3. Given the current Covid 19 situation, no inspection of the property was undertaken. This determination has been made on the basis of documents supplied to the Tribunal by the parties.

4. The relevant legal provisions are set out in the Appendix to this decision.

The background

5. The property which is the subject of this application is a three-storey residential block comprising 12 self-contained flats. The block was built in 1977 by or on behalf of the Respondent Mr. Kenneth George Wright and his wife Jean Annette Wright.

6. In 1985 all the flats were leased on 99-year leases.

7. Mr. and Mrs K. Wright retained ownership of the freehold, and of Flats 10 and 12 in the block.

8. In March 2017 the Applicant Ms Suzanne Summerfield purchased Flat 6. A lease extension was negotiated with the landlords for a term of 999 years.

Service charge demands, responses and key correspondence.

9. On the **13th of January 2018** Mr. Wright sent a Service-charge demand to Ms. Summerfield, at Flat 6, for the period 01.01.2018 – 31.12.2018.

The demand is produced at Page 1 in the bundle, and it is set out as follows: -

<i>‘Ground Rent</i>	<i>£10</i>
<i>Service charge</i>	<i>£334.00</i>
<i>Contingency Fund reinstatement</i>	<i>£75.60</i>
<i>Insurance</i>	<i><u>£87.00</u></i>
	<i>Total £506.60’</i>

10. There was a letter of explanation with the demand, referring to the cost of Insurance and to a breakdown of ‘*Outgoings*’ and costs - ‘*...deducted from the contingency fund*’ in the previous year. It was said that there would be a saving on annual asbestos checks in future, and there was reference to repairs and maintenance work which may be required in future. There was no explanation given for the figure of £334 ‘*service charge.*’

11. It seems that Ms. Summerfield had not made provision for receipt of post from the flat, and she did not receive the demand until it was re-sent (to Flat 6

once again) on the 16th of February 2018. This time Mr. Wright asked for a contact telephone number.

12. There was no reply to the landlord's letter of 16.02.18 for over a month, until (on 23rd March 2018) Ms. Summerfield wrote to Mr. Wright, setting out her requirements for information and his statutory obligations to provide the same under the Lease, the 1985 Act and Schedule 11 to the 2002 Act. Mr Wright was required to supply the various pieces of information in order that payment could be made 'without delay.'

13. Unfortunately, at this stage instead of supplying the relevant information and documentation, Nantes solicitors wrote to Ms. Summerfield on the 10th of April 2018 on behalf of Mr Wright, giving her 14 days to pay an outstanding sum of £907 'arrears' (instead of the correct £506.60) and threatening court proceedings if she did not pay. (Page 5 of the bundle.)

14. If, once put on notice that there was a breach of statutory requirements, Mr. Wright and/or his solicitors had supplied all available supporting documentation immediately, the matter could have been resolved there and then.

15. However, during the spring, summer and autumn of 2018 there was further correspondence between the parties, and solicitors were involved on both sides. A (complete) summary of the tenant's rights and obligations was finally sent to Ms. Summerfield on the 16th of April 2018, but no other information was provided.

16. From Page 117 of the bundle, in the email sent to Ms Summerfield by her solicitor on the 7th of September 2018, we can see that the two representatives had spoken to each other and there was an attempt to reach some kind of agreement. The Applicant's solicitor Gina Peters explains the situation, notes that Mr. Wright is over 80 years old, and states that there are breaches of statutory requirements '*...all over the place*' but that the block appears to be run with the agreement of all concerned '*...like one big family*.' Costs had apparently been kept down by not employing certified accountants etc., but there is a proposal that some supporting documentation could be provided as requested. Ms. Peters questions the incurring of further legal costs in light of the relatively small amount being asked for, but suggests that even if Ms. Summerfield settles the account, some action needs to be taken to bring things '*...into line*'.

17. It is not clear why negotiations stalled at that point. On Page 115 of the bundle Ms. Summerfield states that her solicitor received a letter from the Wrights' solicitor on the 5th of November 2018 asking for a list of specifically-required documents in addition to the Insurance schedule, but it is not clear whether any kind of amended list was ever supplied. Ms. Summerfield confirms in her statement to the Tribunal dated 15.10.20 that she was provided with a copy of the insurance schedule on the 27th of November 2018. The service charge bill for 2018 remained unpaid.

18. There is no further correspondence in the bundle between November 2018 and **15th January 2019**, when Mr. Wright sent out the next annual Service Charge demand. (Page 37 of the bundle). This time it was as follows: -

<i>'Ground rent</i>	<i>£10</i>
<i>Service charge</i>	<i>£320.67</i>
<i>Contingency fund</i>	<i>£31.57</i>
<i>Insurance</i>	<i><u>£74.31</u></i>
	<i>TOTAL £436.55'</i>

The 'costs incurred' for the preceding year were said to have been for replacement of security lighting* (see below, point 54) and redecoration of common parts. There was no detailed breakdown of the same.

19. On the 23rd of January 2019 Ms. Summerfield wrote to all the tenants of the property (though she did not send copies to the landlords, who retained ownership of Flats 10 and 12) setting out her position. (Pages 43 – 46 of the bundle.) She detailed the failings on the part of Mr. Wright in terms of his service charge obligations, referred to the possible sanctions, and suggested a solution to the problems by setting up a Right to Manage Company (RTM). Tenants were invited to participate in the process and volunteer for posts in the company.

20. It is apparent that there was further communication between the parties' solicitors, and on the 18th of February 2019 Mr. Wright's solicitor Michael Harvey wrote to Gina Peters confirming that his client would agree to the management of the property either being taken over by an RTM company or (Page 89 in the bundle) being subject to a majority freehold purchase.

21. This letter was followed by Mr. Harvey's letter to Ms. Peters of 27th February 2019 (Page 90 in the bundle), in which he stated that Mr. Wright no longer wished to manage the property himself and wanted to appoint managing agents to deal with it, but that he would delay doing so if an RTM company was being set up.

22. Unfortunately, matters did not proceed over the next 4 months, and on the 19th of June 2019 Mr Wright wrote personally to all tenants, stating that due to ill-health he could no longer continue managing the block and suggesting various options and alternatives. Names of possible agents were put forward and notice was given that Mr. Wright would be stepping down at the end of the year. (Page 91)

23. Again, it seems that no progress was made. On the 17th of September 2019 (7 months after the landlord had approved the proposal for an RTM company) Mr. Wright wrote another personal letter to all tenants, confirming that there was majority agreement for the setting up of an RTM; recommending an accountant who could deal with the process (with contact details supplied) and emphasising that this needed to be started immediately because, due to his illness, he would be no longer be able to be involved in any administration.

24. There is nothing in the bundle to indicate that there was any reply to this letter. Another 5 months went by. No service charge demand was sent out in January 2020.

25. On the 15th of February 2020 Mark Wright, Mr. Wright's son, wrote to all tenants confirming that his parents had withdrawn from management of the block as of 31st December 2019. (Bundle Page 94.) He informed them that the balance in the contingency fund, which was awaiting transfer to the new RTM company, would be insufficient to pay the insurance premium on 04.04.20.

26. There is no evidence of any response from the tenants.

27. On the 2nd of March 2020 Ms. Summerfield signed her Application to the Tribunal for determination of service charges. (Bundle page 56 et seq.)

27. On the 27th of March (Bundle page 95) Mr. K. Wright wrote again to all tenants, apologising for doing so but stating that in the absence of any information about the RTM company he had been obliged to instruct a managing agent for the block. He asked for £650 service charge per flat for the year 2020, to include £150 per flat for the additional cost.

28. On the 18th of September 2020 Mr. Mark Wright wrote to the Tribunal on behalf of his parents. (Bundle pages 69 – 71.)

29. On the 15th of October 2020 Ms. Summerfield wrote to the Tribunal in response to the letter in no. 28 above.

The Lease – relevant provisions.

30. The Applicant holds a long lease of the property (a copy of which has been supplied to the FTT) which requires the Landlord to provide services and the Tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease will be referred to below, where appropriate.

31. At Clause 3(b) the Tenant covenants: - *'...to contribute and pay annually the sum of £50 or one twelfth (whichever is the greater) of the costs, expenses, outgoings and matters mentioned in the 4th Schedule hereto...'*
(Service charges.)

32. Under the same Clause, 3(b), the Tenant covenants to pay one twelfth of the cost of the maintenance and upkeep of the combined amenity area of the block.
(Service charges.)

33. Under Clause 4 the Landlord covenants to keep the property **insured**. (4(b)), and to produce to the tenant whenever required the insurance schedule and receipt for the last premium. **(Insurance.)**

34. Under Clause 4(d) the landlord covenants, *'subject to contribution and payment as hereinbefore provided...to maintain and keep in a good and*

substantial state of repair and condition the maintained property including the amenity area of the block.’

35. Under Clause 4(e) the landlord is obliged to: - ‘...as far as practicable keep **clean** and reasonably **lighted** the **hall, landings and staircases** of the maintained property.’

36. Under Clause 4(f) the landlord is obliged to **redecorate** the exterior every 3 years.

37. Under Clause 4(h) the landlord covenants to: - ‘...keep or procure to be kept proper **books of account** relating to all matters to which the tenant is liable ...to contribute...’ and to have such accounts **audited and certified** by a qualified accountant as soon as possible after the 24th of June each year.

38. Under the same Clause (4(h)) the landlord covenants to **produce** the audited accounts and certificates to the tenant ‘...on reasonable notice.’

39. The Fourth Schedule sets out the ‘...costs, expenses, outgoings and matters in respect of which the tenant is to contribute.’ Under this clause the tenant is required to contribute to the landlord’s costs of complying with his various obligations, to the rates, taxes and outgoings in respect of the property, and to the costs of management of the block and amenity area.

The issues

40. The relevant issues for determination were as follows:

a) The **reasonableness** of service charges for 2018, 2019 and 2020 namely £506.60, £436.55 and £650 respectively, which figures represent a one-twelfth share of the cost of maintenance, management, repairs and redecorations to the property;

b) **Payability**: whether the landlord/Respondent’s failure to comply with the following: -

i) Section 21 of the LTA 1985 (as to provision of service charge summaries, statements of account, accountant’s certificates and summaries of the rights and obligations of tenants),

ii) Section 22 of the LTA 1985 (as to inspection of documentation)

iv) Paragraph 2 of Schedule 3 of the LTA 1987 (as to details of insurance)

and

v) Clause 4 of the Lease

renders the service charge demand for each of the three relevant years invalid.

Applicant’s Case.

41. On the Application form dated 2nd March 2020, at Page 10 of 12 (Bundle page 66) the Applicant is asked to give a clear outline of her case, but the box

is left blank. There are no questions set out for the Tribunal to determine, nor additional comments made.

42. The Applicant responded to Mr. Mark Wright's submissions (made on behalf of the Respondent(s) by his letter to the Tribunal dated 18th of September 2020), and set out her comments in her letter to the Tribunal dated 15th October 2020.

43. Essentially, Ms. Summerfield submits that the landlord has failed to comply with his statutory obligations and with the covenants in the lease, and that therefore the service charges are not payable.

44. Ms. Summerfield concedes that she has not been successful in persuading the other tenants either to commit to an RTM company or to contribute financially to its instatement.

45. Ms. Summerfield therefore proposes that the landlord/Respondent should return the '*incorrectly collected service charge monies and futuristic charges for which there is no provision in the lease*', and that these monies should be used to set up a RTM company on behalf of all the tenants.

46. It appears that Ms. Summerfield is arguing that Mr. Wright should be penalised for his breaches of statutory regulations by forfeiting all monies paid by way of service charges during the relevant period. The Tribunal has no power to make such an order.

47. There is no statement as to which elements of the service charge – if any - are in issue, and for what reason.

48. Ms. Summerfield has not stated that she has suffered any prejudice as a result of the failure to comply as above.

Respondent's Case.

49. The Respondent's submissions, as set out by Mr. Mark Wright as above, begin by stating that Mr. K. Wright is 88 years old and suffers from Parkinson's disease.

50. It is argued that the building and its outgoings have always been dealt with by agreement between the landlords and tenants without issue, and that it has been in the interests of all concerned to keep the costs low by comparison with other similar blocks in the area.

(Note: we were provided with a letter from the tenant of Flat 11, Vicki Box, to Mr. and Mrs. K. Wright dated 29.08.2019 (Bundle page 92), in which she put forward suggestions for future management of the property and thanked the Wrights of managing the block over the years and for keeping the costs down.)

51. Mr. M. Wright explains that he, as a builder by trade, has undertaken much of the maintenance and repair work at the property over the years, for which he receives payment '*for some of his time*' but for which he can provide some necessary equipment (e.g. scaffolding) free of charge.

52. Mr. Wright sets out the chronology of correspondence and the apparent lack of progress in establishing an alternative management strategy for the property at the time of his parents' retirement due to age and ill-health. He cites the letters dating back to at least June 2019, when the RTM 'route' was approved and agreed by Mr. Wright Senior, and refers to the stress caused to his parents as a result of the ongoing and unresolved situation.

53. Significantly, Mr. Wright exhibits with his letter the electricity bills for the years 2018 and 2019, the Insurance schedules and receipts for payment of the premiums in 2018, 2019 and 2020, and an Invoice for LED security lights dated September 2018 for the sum of £79.00.

The Law - Considerations: -

54. It is right that the landlord has failed to comply with the various requirements as to provision of information in respect of Service charges.

55. It is correct that there is no provision in the lease for creation of any 'contingency' or 'sinking' fund, and that the landlord has not supplied any information as to where the contingency monies were held.

56. There is no application before the Tribunal for appointment of a manager for the property.

57. As the Supreme Court has ruled in a number of recent cases, the question any Tribunal must ask itself is what mischief the legislation is designed to address. In this particular instance the intention of the statutes is to prevent a tenant from being confronted unexpectedly and unfairly by a substantial bill for service charges without justification or explanation, and without supporting documentation. The Tribunal bears this in mind when reaching a decision in the subject case.

DETERMINATION.

58. Firstly, the Tribunal finds that the landlord/Respondent had acted in good faith and in the interests of all concerned in keeping costs to a minimum during his years of managing the property. It is accepted that the service charges were relatively low for a block of this nature in the locality.

59. Secondly, the Tribunal finds that there was no authority in the lease for the creation of a contingency fund. The fact that it may have been in the interests of the tenants for such a fund to be created in order to provide for possible substantial costs in the future, does not justify departure from the Lease. Any such proposal should have been agreed between the parties, the lease could have been varied accordingly, and any monies collected for this purpose should have been held on trust in a separate bank account.

60. Thirdly, the Tribunal finds that the landlord should have had the annual accounts audited and certified by a qualified accountant for each of the relevant years.

61. Fourthly, it is accepted that the Landlord, on being required to supply information and supporting accounts and documentation in respect of the service charges for the years 2018, 2019 and 2020, had an obligation to do so.

62. Fifthly, it is agreed that the tenant Ms. Summerfield had a right to withhold payment of her service charges in the light of Mr. Wright's failure to comply with his obligations.

63. However, the Tribunal finds that the difficulties between the parties could and should have been resolved without the need for escalating legal expenses, if there had been a measure of goodwill on all sides and a mutual effort to reach agreement.

64. It is accepted that there should have been some explanation given for the global figures for '*service charge*' in the demands for each of the relevant years.

From the evidence before the Tribunal, and in the light of the provisions of the lease, it appears that this figure includes charges for cleaning and lighting of the interior common parts, for maintenance of the 'common amenity areas', and for general management, maintenance, repairs and redecorations.

65. The unspecified '*service charge*' figures of £334 (2018) and £320 (2019) equate to less than £6.50 per week for each of the 12 flats. The Tribunal finds that such a figure represents an extremely **reasonable** weekly charge to cover all those elements, but that the landlord should have provided a breakdown of how the figures were arrived at. If cleaning, repairs and redecoration were done either by Mr. Wright Junior or by independent contractors, it should have been possible to provide invoices and receipts for the same.

66. The Tribunal finds that Mr. Wright had an obligation to provide details of the **insurance** cover for the building and receipts for payment of the premiums. Now that such information has been provided – albeit belatedly – the tenant's contributions are **payable**: the landlord's failure to provide information does not expunge the duty to pay altogether.

67. The same applies to the **electricity** contributions, but no electricity bills for 2020 have yet been provided.

68. In relation to the breaches of Sections 21 (of the 1985 Act), it is determined that **no service charge becomes payable until the statutory requirements have been complied with**. Mr. Wright may wish to consider serving compliant service charge demands for the disputed years, with audited and certified accounts.

69. As noted above the insurance information, summary of tenant's rights and obligations and some of the electricity bills have now been provided.

70. In future the landlord should maintain clear records of annual income and expenditure and make such records available to all concerned in accordance with the RICS code of practice and the Act.

Application under S20C and Paragraph 5A of Schedule 11 for limitation of landlord's costs and Administration charges.

71. The Applicant, together with the tenants of the other 9 flats (excluding Flats 10 and 12) has applied for an order under Section 20C to limit the landlord's ability to recover the costs of the proceedings.

72. The same 10 tenants have applied for an order limiting the landlord's ability to recover administration charges in respect of the proceedings.

73. The tribunal determines that, in the light of the Landlord's breaches of his statutory and contractual obligations, no administration charges nor costs of the proceedings are recoverable from the tenants.

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 18

- (1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
 - (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
 - (b) the whole or part of which varies or may vary according to the relevant costs.
- (2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.
- (3) For this purpose -
 - (a) "costs" includes overheads, and
 - (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period -
 - (a) only to the extent that they are reasonably incurred, and
 - (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;and the amount payable shall be limited accordingly.
- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 20C – Limitation of landlord's costs.

- (1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

- (2) The application shall be made—
 - (a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
 - (aa) in the case of proceedings before a residential property tribunal, to that tribunal;
 - (b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
 - (c) in the case of proceedings before the Upper Tribunal, to the tribunal;
 - (d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.
- (3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Section 21- Service charge information

- (1) The appropriate national authority may make regulations about the provision, by landlords of dwellings to each tenant by whom service charges are payable, of information about service charges.
- (2) The regulations must, subject to any exceptions provided for in the regulations, require the landlord to provide information about—
 - (a) the service charges of the tenant,
 - (b) any associated service charges, and
 - (c) relevant costs relating to service charges falling within paragraph (a) or (b).
- (3) The regulations must, subject to any exceptions provided for in the regulations, require the landlord to provide the tenant with a report by a qualified person on information which the landlord is required to provide by virtue of this section.
- (4) The regulations may make provision about—
 - (a) information to be provided by virtue of subsection (2),
 - (b) other information to be provided (whether in pursuance of a requirement or otherwise),
 - (c) reports of the kind mentioned in subsection (3),
 - (d) the period or periods in relation to which information or reports are to be provided,
 - (e) the times at or by which information or reports are to be provided,

(f) the form and manner in which information or reports are to be provided (including in particular whether information is to be contained in a statement of account),

(g) the descriptions of persons who are to be qualified persons for the purposes of subsection (3).

(5) Subsections (2) to (4) do not limit the scope of the power conferred by subsection (1).

“associated service charges”, in relation to a tenant by whom a contribution to relevant costs is payable as a service charge, means service charges of other tenants so far as relating to the same costs.

Section 21A- Withholding of service charges

A tenant may withhold payment of a service charge if—

(a) the landlord has not provided him with information or a report—

(i) at the time at which, or

(ii) (as the case may be) by the time by which,

he is required to provide it by virtue of section 21, or

(b) the form or content of information or a report which the landlord has provided him with by virtue of that section (at any time) does not conform exactly or substantially with the requirements prescribed by regulations under that section.

Section 21B - Notice to accompany demands for service charges

(1) A demand for the payment of a service charge must be accompanied by a summary of the rights and obligations of tenants of dwellings in relation to service charges.

(2) The Secretary of State may make regulations prescribing requirements as to the form and content of such summaries of rights and obligations.

(3) A tenant may withhold payment of a service charge which has been demanded from him if subsection (1) is not complied with in relation to the demand.

(4) Where a tenant withholds a service charge under this section, any provisions of the lease relating to non-payment or late payment of service charges do not have effect in relation to the period for which he so withholds it.

(5) Regulations under subsection (2) may make different provision for different purposes.

(6) Regulations under subsection (2) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.]

Section 22- Request to inspect supporting accounts &c.

(1) This section applies where a tenant, or the secretary of a recognised tenants' association, has obtained such a summary as is referred to in section 21(1) (summary of relevant costs), whether in pursuance of that section or otherwise.

(2) The tenant, or the secretary with the consent of the tenant, may within six months of obtaining the summary require the landlord in writing to afford him reasonable facilities—

(a) for inspecting the accounts, receipts and other documents supporting the summary, and

(b) for taking copies or extracts from them. ...

(4) The landlord shall make such facilities available to the tenant or secretary for a period of two months beginning not later than one month after the request is made.

(5) The landlord shall—

(a) where such facilities are for the inspection of any documents, make them so available free of charge;

(b) where such facilities are for the taking of copies or extracts, be entitled to make them so available on payment of such reasonable charge as he may determine.

(6) The requirement imposed on the landlord by subsection (5)(a) to make any facilities available to a person free of charge shall not be construed as precluding the landlord from treating as part of his costs of management any costs incurred by him in connection with making those facilities so available.

Section 25- Failure to comply with s. 21, 22 or 23 an offence.

(1) It is a summary offence for a person to fail, without reasonable excuse, to perform a duty imposed on him by section 21, 22 or 23.

(2) A person committing such an offence is liable on conviction to a fine not exceeding level 4 on the standard scale.

Section 27A – Application to Tribunal for Determination

(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to

-

(a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

- (3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
 - (a) the person by whom it would be payable,
 - (b) the person to whom it would be payable,
 - (c) the amount which would be payable,
 - (d) the date at or by which it would be payable, and
 - (e) the manner in which it would be payable.

- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.
 - (a) if relevant costs incurred under the agreement exceed an appropriate amount, or
 - (b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

Commonhold and Leasehold Reform Act 2002

Schedule 11 Paragraph 5A:

Limitation of administration charges: costs of proceedings

5A. (1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.

(2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.

(3) In this paragraph—

(a) “litigation costs” means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and

(b) “the relevant court or tribunal” means the court or tribunal mentioned in the table in relation to those proceedings.

Section 166 - Requirement to notify long leaseholders that rent is due

(1) A tenant under a long lease of a dwelling is not liable to make a payment of rent under the lease unless the landlord has given him a notice relating to the payment; and the date on which he is liable to make the payment is that specified in the notice.

(2) The notice must specify—

(a) the amount of the payment,

(b) the date on which the tenant is liable to make it, and

(c) if different from that date, the date on which he would have been liable to make it in accordance with the lease,

and shall contain any such further information as may be prescribed.

(3) The date on which the tenant is liable to make the payment must not be—

(a) either less than 30 days or more than 60 days after the day on which the notice is given, or

(b) before that on which he would have been liable to make it in accordance with the lease.

Landlord and Tenant Act 1987 - Schedule 3.

Rights of tenants with respect to insurance.

2(1) Where a service charge is payable by the tenant of a dwelling which consists of or includes an amount payable directly or indirectly for insurance, the tenant may require the landlord in writing to supply him with a written summary of the insurance for the time being effected in relation to the dwelling.

(2) If the tenant is represented by a recognised tenants' association and he consents, the request may be made by the secretary of the association instead of by the tenant and may then be for the supply of the summary to the secretary.

(3) A request is duly served on the landlord if it is served on—

(a) an agent of the landlord named as such in the rent book or similar document, or

(b) the person who receives the rent on behalf of the landlord;

and a person on whom a request is so served shall forward it as soon as may be to the landlord.

(4) The landlord shall, within one month of the request, comply with it by supplying to the tenant or the secretary of the recognised tenants' association (as the case may require) such a summary as is mentioned in sub-paragraph (1), which shall include—

(a) the insured amount or amounts under any relevant policy, and

(b) the name of the insurer under any such policy, and

(c) the risks in respect of which the dwelling or (as the case may be) the building containing it is insured under any such policy.