

Cambridge Centre
for Housing &
Planning Research

Leasehold and Freehold Charges

Appendix D:

Analysis of leaseholder interviews

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Contents

| | |
|--|----|
| 1. Executive summary | 1 |
| 2. Introduction and methods | 3 |
| 3. Service charges | 5 |
| 4. Consultations for major works | 12 |
| 5. Permission fees | 14 |
| 6. Paying large bills..... | 16 |
| 7. Sinking funds | 17 |
| 8. Conclusion..... | 19 |
| 9. Interview guide | 20 |

1. Executive summary

This appendix summarises the opinions and experiences of the interviewed leaseholders living in leasehold houses and flats. Leaseholders were asked about their experience of service charges, consultations for major works, use of permission fees and other restrictions on their leases, paying for large bills and the use of sinking funds.

1.1. Summary of main findings

In regard to service charges and the level of information provided to the interviewed leaseholders about their service charges, it could be concluded that:

- some interviewees were more informed about their service charges and related issues, while others were less well informed. There were a few leaseholders who were not sure about the amount of the service charge that they were required to pay;
- most of the leaseholders had a good understanding of what services they were paying for in their service charge;
- some leaseholders thought that they were being overcharged or were paying for services that they did not receive;
- concerns were raised by a few leaseholders about increases in the level of service charge over time, most notably when a new management company took over the management of the building;
- some leaseholders were not happy with the level of information provided to them about their service charge. There were concerns about transparency and the accuracy of the information they received.
- Leaseholders were also concerned about the quality of the services that they received; and
- almost half of the interviewed leaseholders did not know that they would have to pay a service charge prior to purchasing their leasehold property, although for some this was because there was no service charge requirement at the time of purchase.

The interviewed leaseholders mentioned that they would like to see more transparency in the accounts they receive, as well as improved verbal and written communications about their service charges. They also wanted to have more involvement in decisions about the services they received and how the service charge was spent.

The majority of leaseholders mentioned that they had not been involved in a consultation about major works. Those who had been consulted were not happy with the consultation process. The findings suggest that the consultation process can lack clarity. Leaseholders felt that they had not been able to have any significant input and, in some cases, felt that the consultation process was not a consultation, but simply the provision of information about work that had already been decided upon by the management company or freeholder.

With respect to permission (or consent) fees, only two of the interviewed leaseholders were required to pay permission fees. The rest of the leaseholders either did not need to ask for permission or, if they needed permission, did not have to pay for it.

The study also found out that the majority of the interviewed leaseholders thought that some restrictive conditions for flats were justified in order to protect the integrity of the building and the rights of other communal leaseholders, but that it made no sense to have restrictions in place for leasehold houses.

Most of the interviewed leaseholders had a sinking fund in place, which meant that, in most cases, the cost of major works was met by the sinking fund and the leaseholders did not receive large one-off bills. Only one leaseholder, whose landlord was a local authority, had received multiple, large bills.

The study showed that leaseholders' awareness of the level of funds held in their sinking fund, and whether this amount was enough to cover future major works, was very limited. The majority of leaseholders interviewed were content to have a sinking fund in place.

2. Introduction and methods

To better understand the experience of resident leaseholders, those responding to the survey of 1,000 leaseholders¹ were asked whether they would be prepared to undertake a follow up, in-depth interview. We conducted interviews with 17 leaseholders from around the country.

All of the interviews were carried out by a researcher from the Cambridge Centre for Housing and Planning Research. The length of interviews was between 15 and 30 minutes. All the interviews were transcribed and thematically analysed according to the main themes of the research. To facilitate open conversation and protect the participants' identities, the interview quotes have been anonymised.

Interviewed leaseholders were asked for their views on the transparency of service charges, their experience of consultations for major works, use of permission fees and other restrictions on their leases, and around issues such as paying for large bills and use of sinking funds. The interview guideline is included at the end of this report.

Interviewed leaseholders were from around the country, living in a mixture of houses and flats, and with a range of different freeholder types. 200 leaseholders who had responded to the survey and agreed to undertake a follow up interview were contacted. Of these, 17 leaseholders agreed to participate in an interview. The table below provides background information on the leaseholders interviewed:

¹ For more information, refer to Appendix C.

| Code | Property type | Freeholder | Region |
|----------------|---------------|------------------------------|--------------------|
| Leaseholder 1 | Flat | Private individual | London |
| Leaseholder 2 | Flat | Private individual | South East |
| Leaseholder 3 | Flat | Housing association | London |
| Leaseholder 4 | Flat | Private company | West Midlands |
| Leaseholder 5 | Flat | Private company | London |
| Leaseholder 6 | Flat | Private company | South West |
| Leaseholder 7 | Flat | Private company | London |
| Leaseholder 8 | Flat | Private company | South East |
| Leaseholder 9 | Flat | Private company | London |
| Leaseholder 10 | Flat | Residents share the freehold | South West |
| Leaseholder 11 | House | Local authority | London |
| Leaseholder 12 | House | Housing association | Yorkshire & Humber |
| Leaseholder 13 | House | Not known | North East |
| Leaseholder 14 | House | Private individual | Other |
| Leaseholder 15 | Flat | Residents share the freehold | West Midlands |
| Leaseholder 16 | Flat | Private company | North West |
| Leaseholder 17 | Flat | Private company | Yorkshire & Humber |

This appendix presents a summary of the findings of the leaseholder interviews, reflecting the views and experiences of the leaseholders interviewed.

3. Service charges

3.1. Level of service charge

The amount of service charge that the interviewed leaseholders paid annually varied from £224 a year (leaseholder 1) to £2,500 a year (leaseholder 6). Service charge payments varied, some were paid monthly, some quarterly and some twice yearly; the frequency of payment was set by the freeholder or the managing agent.

Of the interviewed leaseholders:

- two leaseholders paid their service charge to a housing association who is the freeholder (leaseholders 3 and 12);
- one leaseholder paid their service charge to a local authority who is the freeholder (leaseholder 11);
- three leaseholders paid their service charge to a Right to Manage Company (leaseholders 7, 10 and 15);
- the remainder (11 leaseholders) paid their service charge to a management company.

While some interviewees were not concerned about the level of service charges, some felt that their service charges were very high:

*My service charge is very high, which concerns me. I hope over time that decreases.
(Leaseholder 12)*

Some felt that they were overcharged:

They charge too much for everything. They once charged us £70 for a light bulb - I went to B&Q and it was £6! (Leaseholder 5)

While some leaseholders were concerned about high charges, others expressed concern about increases in the amount of the service charge over the time. For instance, although leaseholder 1's service charge was the lowest amongst all the respondents (£56 a quarter), he was concerned about the rate of increase:

When we bought the property, for many years we didn't have any service charge. Around 2011, when a managing agent took over the management of the building, we

started to have service charges. At the beginning, it was £7 a quarter, then £11 a quarter, and slowly it went up and up and up, every year. It is concerning if the amount keeps rising. (Leaseholder 1)

One of the main reasons for a substantial increase in the level of service charges, as cited by a number of interviewees, was the appointment of a new management company for the building. Some suggested that they could see little justification for an increase, while others suggested that appointment of a managing agent triggered the provision of newly provided services that required additional funding:

Our service charge is a little over £170 a month [...] A new management company took over and raised the service charge by £50 per month for pretty much the same service, if not a little bit worse. (Leaseholder 5)

Our service charge increased over time because we didn't have insurance, but now they insure the property. (Leaseholder 13)

3.2. Transparency of information

All of the interviewed leaseholders were aware of the nature of the services they were paying for. The majority (10 out of 17) told us that they were reasonably happy with the level of information provided to them regarding their service charges:

They [management company] normally keep us informed. They give us a good level of detail, done by accountants, which shows how they spent the money. (Leaseholder 8)

However, just under a third of the interviewed leaseholders (5 out of 17) were unhappy with the level of information provided to them regarding their service charges. For example, one leaseholder had complained several times about the charges:

We are not happy and complained about it multiple times... They sent us four different invoices ...and we kept rejecting the invoices because the services we were being charged for were not happening ... It is quite difficult for us to figure out what is going on. (Leaseholder 4)

Another felt that they were not provided with a good service, and that the accounts to show what charges were spent on were not clear:

They don't provide us with any readings, accounts...everyone is pulling their hair out. This is why we are not happy, we feel that we are paying quite a big chunk of money every month to get a not very good service... At the end of the year they just give us... not very clear accounts. We queried them, anyone can write down things, but nothing has been provided so far. (Leaseholder 5)

Another unhappy leaseholder felt that their charges were not transparent:

We are not happy really. This year our service charge went up a bit but I haven't seen the work to justify it. When they provide the numbers or statements, they don't actually give you the actual receipts unless you ask for them. I have to dig to understand. They are not transparent. (Leaseholder 9)

One of the leaseholders mentioned that their management company only provided a basic level of information as part of an invoice rather than an explanation of the charges:

They don't do anything like explaining. They just inform us by sending accounts once a year. (Leaseholder 16)

3.3. Quality of service

In addition to concerns about high and increasing service charges, and the transparency of the service charge accounts, some of the interviewed leaseholders were concerned about the quality of the services provided by the management company or freeholder. The findings suggest that people want to know why costs are increasing when this occurs and to have an explanation or justification communicated to them.

Some leaseholders thought that they did not receive value for money and that the services they received were of poor quality:

We pay a lot for gardening but the quality is low, we have to phone them all the time about it. The work that carried out is not of a good standard. The value for money is not good. (Leaseholder 17)

Recurring problems with repair and maintenance of communal services such as lifts led some leaseholders to feel that their charges were poor value for money:

The quality of service is not good. We pay for lift repairs as part of our service charge, but the lift keeps breaking down. In two weeks, I had to report it three times. They came

and fixed it, and the next morning it was broken again. It feels like we don't get value for money. We pay for it but we do not have a properly working lift. (Leaseholder 3)

In some cases leaseholders said that they paid for services that had not been provided:

There are items in the service charge like window cleaning, but in the year and half that I've been here, nobody came to clean the windows. It has never happened. (Leaseholder 3)

We are paying for communal areas to be cleaned. When we checked, the rota said they haven't cleaned it for about 3 months. And we are paying for window cleaning but none of us have ever seen a window cleaner, and also we pay for ground maintenance for car park and that has never happened. (Leaseholder 4)

3.4. Understanding prior to purchase

In response to questions about whether leaseholders had understood their future service charge obligations before they bought the property, responses were mixed. Almost half of the interviewed leaseholders (8 of 17) knew about these charges, with the same number buying without knowledge of service charges, and a minority could not remember (1 of 17).

Leaseholders who did know about the service charges were quite clear about their level of understanding:

I knew about the general purpose of the service charge and what the sinking fund was. (Leaseholder 3)

I knew what I was buying in to. (Leaseholder 6)

Some of the interviewed leaseholders received advice from their solicitor regarding service charges:

I got the year before's accounts provided by my solicitor. (Leaseholder 9)

When I bought the property, I received an estimate of the service charge. I spoke about it to my solicitor, and he said 'if you buy a new build you don't know what the costs associated with the property are'. So I had a reasonable understanding. (Leaseholder 4)

Some of those leaseholders who did not know about the service charge when they bought their leasehold property did not have a service charge in place at the time of purchasing:

We didn't have a service charge when we bought the property. (Leaseholder 1)

I bought my property 23 years ago, we didn't have service charges then. (Leaseholder 8)

Some leaseholders did not receive an explanation of their future service charges prior to purchase:

I didn't know. No one explained it to me. (Leaseholder 13)

3.5. Future improvements

Leaseholders were asked about the changes they would like to see in order to improve communication and transparency about service charges.

Leaseholders said they would like to see more transparency in the accounts:

I would like to have proper accounts with things explained properly. We need proper communication. We would like to see what chunk of our money goes to where. (Leaseholder 5)

Leaseholders suggested that they would like to be able to easily understand the accounts provided so that they are clear on what the charges are for and what charges they owe:

I work for a property consultancy, I am used to seeing this sort of information and have a reasonable understanding of the accounts. But I found their [managing agent's] invoices are not clear, it is difficult to say what is actually owed. It usually takes three of us trying to figure out what actually we need to pay because it's not apparent. (Leaseholder 4)

Leaseholders also said they would welcome better communication from the management company or the freeholder:

General communication should be improved. For example, we are going to have some redecoration work which was supposed to happen a couple of months before. No one communicated with us about the potential delay in the work. They are vague on things; they don't give a straight answer. (Leaseholder 17)

This could include face to face meetings with the management company or the freeholder:

We used to have meetings with the previous manager but at the moment communication is not very good with the new one. We want to meet regularly. (Leaseholder 8)

A third of the interviewed leaseholders emphasised the need to give leaseholders more power to decide what services should be provided, because they felt the services provided were not always based upon their needs:

They [management company/freeholder] made the judgement beforehand. They do not prioritise the services based on leaseholders' needs. We can't influence it. In an ideal world, they would allocate the funds based on leaseholders' priorities. (Leaseholder 3)

Leaseholders also said they want to be consulted before any increase in the service charge:

Before they make any decisions, they should have to consult all the leaseholders.... When the service charge was increased, a lot of families were put in a bad position, not everyone can afford the extra £50 a month. (Leaseholder 5)

Some leaseholders would like to be consulted even for small expenditures:

I think they should have to inform residents when they want to spend anything above £50. I prefer to have communication before things happen. As a resident, I feel that I don't have control over anything. (Leaseholder 9)

Even leaseholders under a Right to Manage Company felt that they did not always have control over decisions:

Although we have a Right to Manage Company, our neighbour, who has been living here longer than us, does everything, so we don't have any control. There should be more control for everybody. I don't have any say. I am paying for a gardener who is useless, I don't have any control but I'm still paying. (Leaseholder 7)

Receiving pre-purchase information about service charges was mentioned by a leaseholder as an improvement which could benefit many leaseholders:

It would be better if they explained ... these charges when we bought the property. They didn't mention anything. £800 is a lot of money for us. (Leaseholder 13)

4. Consultations for major works

Some of the interviewed leaseholders (5 of 17) had been consulted about major works to their property during the time that they have been living there. The majority (10 of 17) said that they had not been consulted about major works (presumably because no major works were carried out), and two did not know whether or not they had been consulted.

One of the leaseholders, who had not been consulted for a repair that would cost each leaseholder more than £250, told us that he had complained about the lack of consultation. Initially the management company argued that consultation was not required because they would spread the charges over time. Eventually, the management company consulted the leaseholders but the process took some time and he was blamed for delaying the repair:

The staircase needed repairs which worked out at £700 each [leaseholder]. I said to them [management company] it's above the threshold of £250 so you are supposed to consult with us and allow us to find other quotes. The managing agent came back to me and said 'We will split the £700 into four quarters which means it is less than £250 per quarter'. I said 'No, that doesn't matter, I'm still paying £700... you've got to consult'. This went back and forth for months and months and months.... In the end they had to consult. (Leaseholder 1)

If a leaseholder believes that the landlord or managing agent is deliberately splitting works to avoid section 20, they can make a challenge at the First Tier Tribunal, although none of the interviewed leaseholders had done so.

Among those leaseholders who had been consulted about major works, none were happy with the consultation process. For example, one leaseholder said that she had received a consultation letter too late in the process to be able to properly engage with it:

Our last consultation was about having a weekend concierge in addition to the weekly one, and a few residents wanted to know how much it would cost to have overnight security. I think half of the building did not receive the consultation letter... when I found out about it, we had only two days to participate in the consultation. (Leaseholder 5)

In addition to miscommunication about the consultation, Leaseholder 5 thought that the consultation was managed unfairly:

They gave us three choices: a) pay £400 more a year for a weekend concierge; b) pay £1,600 more a year for a weekend concierge and overnight security; c) stay as we are,

with no extra to pay. They said that if you don't vote for any of the last two options, it means that you are happy with option a)! This was unfair given that they did not send the consultation letter to all of us and they managed the consultation in a way so option a) would go ahead. (Leaseholder 5)

Another leaseholder who had been involved in two consultation processes felt that the consultation was undertaken simply to fulfil a legal obligation on the part of the landlord and did not reflect the leaseholders' needs or the specificities of their property:

It feels to me that they have determined what needs to be done... [its] often quite formulaic without specifically looking at our building. (Leaseholder 11)

Some leaseholders said that, instead of consultation, their management company only informed them about major works:

They have not done a consultation about how to do the work but they informed us before doing the work. (Leaseholder 12)

When there is a major work happening, we just get a letter in our mail boxes saying the work will be done next week. They just inform us. (Leaseholder 16)

Most of the interviewed leaseholders would like to be consulted about any major work:

I would like the management company to consult us in the future, because that would give us more of an input into the work that will be carried out. (Leaseholder 12)

Some leaseholders thought that more consultation could give more control to leaseholders because not all the undertaken major works were seen as necessary by the leaseholders:

I think I would like to be consulted about major expenditure like changing the carpet because as far as I was concerned, there wasn't anything wrong with the carpet. I think it was a waste of money. (Leaseholder 16)

5. Permission fees

Only two of the interviewed leaseholders were required to pay a permission fee in order to carry out work or to rent their property out. Six of them had to ask for permission but were not required to pay for that permission, and the remainder either did not have to ask for permission, or were not sure if they had to because they had not needed to ask for it.

Those who were required to ask for permission without incurring a fee usually had to write to their management company or landlord to ask for the permission. For many of this group, the process had been straightforward and permission was obtained without any issue:

When we moved in, we wanted double glazing. We asked the freeholder and they agreed and said that as long as it matches the rest of the block, it is ok. (Leaseholder 1)

Even in a case where a leaseholder wanted to do a major alteration, he got the permission without a fee:

When I moved in, I wanted to do some quite big alterations, I wanted to remove walls. I sent a letter [to the management company] asking for permission; I got permission back to go ahead. I knew I'd get it because the guy next door had done the same... I did not to have to pay for the permission. (Leaseholder 2)

For those leaseholders who had to pay a permission fee, one had to pay a fee in order to let his property:

I let my property in the past, there is a fee of £120 which should be paid to the management company for the property letting. (Leaseholder 15)

But the other one said they had to pay for any kind of permission:

It didn't cost me anything for permission [when I double-glazed my windows on first moving into the property] but people now have to ask for permission to put in central heating, make any changes.... they have to pay a fee to get the permission.... I think its about £90. (Leaseholder 8)

A couple of interviewed leaseholders believed that they should be free to do whatever they wanted in their property because they were the property owner:

I don't think that's fair at all... I'm meant to be the owner [but] I feel more like a tenant. Why would they care about me changing a wall in the flat? I think that's a really restrictive and outdated kind of ownership. (Leaseholder 9)

However, the majority of interviewed leaseholders thought that asking for permission was justified where the change might affect the structure of the building or other leaseholders:

It is understandable if they [freeholder/management] want to know about structural works and things that might affect other leaseholders, or if it affects the integrity of the building. But if it does not affect the structure, I don't think we should have to ask for permission. (Leaseholder 3)

Even someone who used to think that they should be able to do whatever they want in their property said she had realised it is necessary to have some regulations in place:

It is justified when it is a structural change. There have to be some rules and regulations. I used to think that I should be able to do what I want to do in my property but now I think it's good that they check if the alteration would affect the structure. (Leaseholder 8)

However, leaseholders interviewed felt that these regulations should be reasonable:

As long as they are reasonable, I'm fine with them to protect people living communally. (Leaseholder 11)

Interviewees felt that restrictions more typically placed on flats should not be applied to houses, where changes would not affect another property, for example, having a restriction to prevent the leaseholder from replacing the carpet with a wooden floor. One leaseholder who owns a house expressed their concern after their experience of the freeholder of the house refusing permission to keep a pet:

A few years ago I wanted to have a pet in the house but the freeholder said I couldn't. That's not fair! (Leaseholder 13)

6. Paying large bills

The majority of interviewed leaseholders (12 out of 17) said that they had not been issued with a large bill for major works either because they had a sinking fund in place or simply because the building had not needed any major work:

*We have not received any large bill yet... maybe that's because the building is new.
(Leaseholder 5)*

Five leaseholders had been issued with a large bill. One of the leaseholders who lives in a house, with a local authority as landlord, told us about her experience:

We pay bills of £3,000 to £4,000 for major works. ... I know that people have received bills over £10,000. (Leaseholder 11)

Even leaseholders who paid into a sinking fund as part of their service charge sometimes also received large one-off bills:

We have a sinking fund but we don't have much money in it. So for re-doing the roof, everyone had to pay £1,000. (Leaseholder 2)

Paying a large bill sometimes put the leaseholders in a difficult financial position which was very distressing:

A few years ago, we were each asked to pay £1,000 more for a major work. We had an old neighbour who was crying because she didn't have the money. This is bad management. (Leaseholder 8)

Although interviewees were asked what support they might want in paying a very large bill, there were no clear views on this issue.

7. Sinking funds

More than half of the interviewed leaseholders (9 out of 17) said that they had a sinking fund in place.

None of the leaseholders knew how the level of sinking fund was calculated, and only one leaseholder (who was a director of the Right to Manage Company) knew how much money was currently held in the sinking fund:

There is about £3,000 in the sinking fund now, which is not enough to pay for the roofing job that we want to do. (Leaseholder 2)

One leaseholder was able to check his service charge statement and establish what proportion of his service charge would go in to the sinking fund:

This year they estimate that £594 of our service charge will go to the sinking fund. (Leaseholder 3)

With two exceptions (Leaseholders 1 and 11, who do not currently have a sinking fund in place and do not want to have one), leaseholders thought it prudent to have a sinking fund in place to pay for emergency payments:

It is sensible to have a sinking fund. We had the roof done, then we had some trees taken down, we had one emergency during the night.... It has taken [the sinking fund] down to very little now. (Leaseholder 2)

Leaseholders mostly (14 out of 17) thought it prudent to have a sinking fund to pay for major expenditures to avoid large one-off bills:

We are happy to have a sinking fund so if some big expenditure comes up like re-roofing, we won't need to pay extra charges. (Leaseholder 6)

If, in ten years' time, the courtyard wall falls down, I don't want to have to pay £1,000 suddenly, especially if I'm not living there anymore and I rent it out to tenants. (Leaseholder 9)

The leaseholders who said they preferred not to have a sinking fund explained their reasoning. One of them said they do not need a sinking fund as their building does not need any major expenditure:

Our lease does not allow a sinking fund. Even if we could have one, I would prefer not to as we don't have much major work to do. (Leaseholder 1)

And the other one was concerned about the way the money in the sinking fund would be spent by the local authority who is their freeholder:

If you are living in a property over a long period of time, then yes, a sinking fund might be a good idea. But if it's a sinking fund on a large scale, like in a borough, it could go to who knows what, and I would be a little bit hesitant about that. (Leaseholder 11)

8. Conclusion

This appendix looked at the opinions and experiences of leaseholders living in both leasehold flats and houses. We asked leaseholders about service charges, consultation for major works, permission fees, restrictions on their leases, paying for large bills and sinking funds.

Some interviewees were more informed about their service charges and related issues than others. Most of the leaseholders had a good understanding of what services they were paying for in their service charge. Some leaseholders thought that they were being overcharged or were concerned about increases in the level of service charge over time. There were also concerns about transparency and the accuracy of the information that they received and the quality of the services.

Not knowing about the obligation to pay a service charge prior to purchasing a leasehold property, was raised as an issue in the interviews.

Leaseholders would like to see more transparency in the accounts, improved verbal and written communications about their service charges and more involvement in decisions about the services they received and how the service charge was spent.

The majority of leaseholders had not been involved in a consultation about major works and those who had been consulted were not happy with the consultation process.

Permission fees were not considered as a major issue by the interviewed leaseholders probably because most of the leaseholders either did not need to ask for permission or, if they needed permission, did not have to pay for it.

The majority of the interviewed leaseholders thought that some restrictive conditions for flats were justified in order to protect the integrity of the building and the rights of other communal leaseholders, but that it made no sense to have restrictions in place for leasehold houses.

Most of the interviewed leaseholders told us that they had a sinking fund in place and in most cases, the cost of major works was met by the sinking fund and the leaseholders did not receive large one-off bills. However, leaseholders' awareness of the level of funds held in their sinking fund, and whether this amount was enough to cover future major works, was very limited. With two exceptions, all leaseholders interviewed were content to have a sinking fund in place.

9. Interview guide

The following questions were used as a topic guide to steer the conversations with leaseholders. Not all interviewees could answer every question:

Introduction

1. Do you live in a house or a flat?
2. Is the property a new build, shared ownership, ex-council?
3. How long have you lived there?

Transparency of service charges

4. How much is your service charge annually?
5. Who do you pay the service charge to?
6. Are you happy with the level of information provided to you regarding your service charges?
7. Do you know what services you are paying for?
8. Did you understand these charges before you bought the property?
9. What, if any, changes would you like to see to improve communication and transparency about service charge information?

Consultation for major works

10. Have you ever been consulted about major works to your property/block?
11. What was this process like, and how did you engage with it?
12. How could this process have been improved and what would make it easier for leaseholders to participate in consultation on major works?

Administration charges, permission fees and covenants

13. Have you ever been charged an administration or permission fee? If so, what for?
14. When do you think use of these charges is justified?
15. Do you disagree with any covenants placed on your property – why not?
16. Did you know about administration charges, permission fees or covenants when you bought the property?

Paying for large bills

17. Have you ever been issued with a particularly large service charge or bill for major works?
18. What do you think could be done to avoid a large bill in the first place?
19. Might you want support in paying a very large bill, if so, what support could be helpful?

1.1.1. Sinking funds

20. Do you contribute to a sinking fund for your property/block?
21. Do you know why you pay into a sinking fund?
22. Are you happy to have a sinking fund in place?
23. Do you know how the level of sinking fund is calculated?
24. Do you feel the amount retained in the sinking fund is at about the right level?
25. Sinking funds collect funds over time to help pay for items of major works (e.g. like repairs to a roof or the replacement of a lift) rather than charging a single large bill, and they also seek to smooth costs so that for example, a newer buyer isn't faced with bills for works that have been built up by previous owners. If you do not have a sinking fund – would you want one, and if so, why or why not?