



**FIRST-TIER TRIBUNAL**

**PROPERTY CHAMBER**

**(RESIDENTIAL PROPERTY)**

**Case Reference : LON/OOAH/LSC/2021/0270**

**Property : Red House Apartments, 269 Sanderstead Road, South Croydon,  
CR20AG**

**Applicant : Robert Noakes**

**Respondents : Assehold Limited**

**Application : For determination of reasonableness and payability of  
administration charges**

**Tribunal Member : Judge Shepherd**

**Date of Decision : 8<sup>th</sup> February 2022**

1. This is an application for a determination as to liability to pay and reasonableness of certain administration charges. The applicant is Mr Robert Noakes. He is the leaseholder of flat 4, Red House apartments, 269 Sanderson Rd., South Croydon, CR20AG (“The premises”). The Respondents to the application are Assethold limited. They are the freeholder of the premises.
2. The administrative charges in dispute value £2340. They consist of a number of administration fees and other fees. The Applicant purchased the premises on the 3rd of January 2020 and the managing agents for the freeholder at that time confirmed that all payments were paid and there were no arrears. The Applicant paid the 2021 ground rent and administration fee and emailed the managing agents to confirm this. The managing agents subsequently claimed there were arrears outstanding and sought to enforce this debt against the Applicant.
3. When he bought the premises the Applicant’s solicitor served notice of transfer on the registered owner of the freehold, Expressa Management Limited. No reply was received. On the 8th of December 2020 Eagerstates limited, the Respondent’s agents wrote a letter to the Applicant claiming that he was in breach of covenant for failing to serve a notice of transfer and stating that there were arrears of £4477.35. The Applicant’s solicitors replied stating that there were no arrears. Eagerstates did not reply. On the 29th of June 2021 Eagerstates sent a statement of account still claiming arrears. On the 7th of July 2021 the Debt Recovery Agency sent a letter claiming there were arrears of £6359.56. Although he did not receive a demand for the 2020 ground rent the Applicant paid this amount.
4. The applicant disputes the administration fees. He says that his solicitor served the correct notice of transfer on the registered landlord but received no reply. Asset hold Limited failed to register their transfer at the Land Registry and have still failed to do this, some four years after purchasing the premises. Further, he states

Eagerstates fraudulently tried to obtain £2913.77 for unpaid service charges notwithstanding the fact that they knew that these sums had already been paid by the vendor (see letter dated 19<sup>th</sup> December 2019).

5. In their statement of response the Respondents rely on the fact that the Applicant failed to serve notice of the on them of the transfer. They state that the Applicant and his solicitors were aware of the managing agents and rely on correspondence at pages 10 and 14 of the bundle. At page 10 is the letter from the debt recovery agency dated the 29th of June, 2021 which mentions Eagerstates limited and the Respondents. At page 14 is an email from the agents dated 23<sup>rd</sup> December 2019.
6. The Respondents break down the costs that they say are due. The breakdown is not entirely clear. There is a *referral* fee but it's not clear what this covered by this. The *review and correspondence* fee is equally unclear as to its provenance. The *letter before action* relates to the issue of whether the charges were valid in the first place. It is not clear why there are *administration charges* for the collection of ground rent when that sum was not even demanded – however the Applicant has paid this sum. The *notice fee* may be due and as the Tribunal understands the Applicant is happy to pay it. Again the *admin costs* associated with debt collection are only due if the collection was valid.

## **Determination**

7. The Tribunal is satisfied that the Applicant's solicitors did not fall into error when serving notice on the registered owners of the premises. The fact that Assethold had not registered their ownership was their problem. Whilst the Applicant became aware of the Respondent's agents his solicitor was not provided with

evidence of ownership by Assethold until 22<sup>nd</sup> November 2021. A registration fee for the notice of transfer will be paid according to the Applicant.

8. It is of some concern that the Respondents are seeking to justify the cost of the debt collection when they had apparently instructed the debt collectors that the Applicant had substantial outstanding service charge arrears when that patently was not correct.
9. The principal problems in this case have been caused by poor administration by the Respondents. They failed to register their ownership of the premises with the Land Registry and of more concern they sought to pursue the Applicant for sums that had already been paid. The sums that they now claim in admin fees are unclear and not justifiable. They appear to originate from the errors already cited. It is not fair or reasonable for the Applicant to pay the cost of the Respondent's errors.
10. The Tribunal has no hesitation in confirming that none of the remaining disputed sums of £2340 are due. The Tribunal also orders that no costs of the current proceedings should be added to the service charge account pursuant to s 20C Landlord and Tenant Act 1985 and Para 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

Judge Shepherd

8<sup>th</sup> February 2022

**Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have. If a party wishes to appeal this 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. 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.