

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	CHI/43UH/LSC/2022/0109
Property	:	47b High Street, Stanwell, Staines- upon- Thames, TW19 7LJ
Applicant	:	Riverblaid Limited
Representative	:	A M Surveying and Block Management
Respondent	:	Shaun Michael Williams
Representative	:	
Type of application	:	Transferred Proceedings from County Court in relation to service charges
Tribunal member(s)	:	Judge D Whitney Ms C Barton MRICS
Date of hearing	:	20 th February 2023
Date of decision	:	13 th March 2023
DECISION		

Background

- 1. The original proceedings were issued in the County Court under Claim No. HoQZ7T88 and were transferred to the Tribunal by Deputy District Judge Beck sitting at the County Court at Guildford by order dated 12th August 2022. Following that transfer, the Tribunal is required to make a determination of the Respondent's liability to pay and the reasonableness of service charges, which are matters within the jurisdiction of the Tribunal, provided that the property in question is residential.
- 2. The Respondent filed a Defence in the court proceedings. The Applicant also claimed interest.
- 3. The Tribunal conducted a case management hearing at which both parties were represented and directions were issued on 14th November 2023. Post that hearing the solicitors for the Applicants ceased acting and the managing agents A M Surveying and Block Management have acted for the Applicant. The Respondent has represented himself throughout.
- 4. The Applicants filed an electronic bundle of documents consisting of 132 pages and references in [] are to pages within that bundle. The hearing took place at Havant Justice Centre. The Applicant was represented by Mesdames Johnson and Hope, both of the managing agent. Mr Williams appeared in person assisted by his father.

The Hearing

- 5. The hearing was recorded.
- 6. At the start Mr Williams referred to having various additional documents which had not been disclosed. The Tribunal declined to allow him to rely upon these.
- 7. Ms Hope gave evidence for the Applicant. She had given a witness statement and a reply on behalf of the Applicant [4-78]. Her statement had exhibited various documents including a copy lease and copies of the demands. She was questioned by the Tribunal and Mr Williams.
- 8. Mr Williams gave evidence relying upon the affidavit he had provided [79 and 80]. The Applicants were given the opportunity to ask him any questions they wished.
- 9. Ms Johnson summed up the case for the Applicant.

Decision

- 10. The Tribunal finds that none of the sums claimed as service charges or administration charges are currently due and payable by the Respondent.
- 11. Ms Hope explained that she had only relatively recently become the manager for this Property. The service charges demanded all related to interim charges referred to within the demands as "Expenditure Budget". The Budgets had not been disclosed and in answering questions Ms Hope was unable to explain how the amounts had been arrived at. Neither Ms Hope nor Ms Johnson could explain to the Tribunal the methodology used to apportion the service charges.
- 12. After some confusion it was confirmed that the block under management consists of 4 flats and 3 commercial units. Ms Hope advised the apportionments applied were supplied by the owner but she was unable to assist the Tribunal any further including as to the actual percentages. Ms Johnson also had no knowledge in this regard. Ms Hope did have accounts for various of the years with her, although these were not within the bundle.
- 13. The Tribunal did allow the account for the year ending 24 March 2021 to be admitted. The Tribunal noted that within that document it appears to record that the service charge costs are divided equally between all 7 units. Ms Hope was asked to explain the figures for that year to provide some indication as to what figures were being charged. The Tribunal noted she could not explain how the management fee was arrived at of $\pounds 2,164$ for the property as a whole. She explained this figure would have been determined by her manager.
- 14. On questioning by the Tribunal she was unable to explain how the reserve fund figure referred to was set.
- 15. She explained how administration charges were incurred if there were arrears. She conceded that before the current arrears it appeared that the Respondent had always paid sums demanded.
- 16. Ms Hope accepted that no balancing charges had been applied to the statement of account. Mr Williams acknowledged that during these proceedings he had now received copies of the accounts for the various years.
- 17. Ms Hope acknowledged that certain works were outstanding and had not been completed. She accepted works were required to the building and property as a whole.
- 18. Taking into account the evidence given, the Tribunal found that we could not be satisfied that the interim charges made were reasonable or had been demanded in compliance with the lease.

The Tribunal had no proper explanation as to how the sums claimed had been arrived at. As a result the Tribunal found none of the charges currently were payable. Given the Tribunal are satisfied that none of the sums claimed as service charges are payable it cannot be reasonable to impose any administration charges upon Mr Williams.

- 19. The Tribunal makes no findings in respect of Mr Williams claim to set off amounts, given the failure by the Applicant to comply with their repairing covenants. It does so given this was not necessary as it found no sums are currently payable. It is clear from the bundle that works are required to the building and have been outstanding for a considerable time.
- 20. The Tribunal explained its decision to the parties and confirmed we would issue written reasons. The parties were reminded that it may be possible for the Applicant to issue further demands on the basis of the accounts subject to any statutory time limits and requirements. Both parties should obtain their own advice.

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 by email to <u>rpsouthern@justice.gov.uk</u>
- 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.