

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY) &

IN THE COUNTY COURT at Bromley sitting at 10 Alfred Place, London WC1E 7LR

Tribunal reference	:	LON/00AT/LSC/2020/0110
Court claim number	:	F06YY067
Property	:	Flat 124 Trinity Square, 23 – 59 Staines Road, Hounslow TW3 3GE
Applicant/Claimant	:	GHL Trinity Square GP Limited (1) AG Trinity Square Limited (2)
Representative	:	William Heath & Co solicitor
Respondent/ Defendant	:	Esther Lartey-Mingle
Representative	:	In person
Tribunal members	:	Judge Dutton
In the county court	:	Judge Dutton
Date of decision	:	8 June 2021 following a paper determination
DECISION		

Covid-19 pandemic: description of hearing This has been a remote determination on the papers which has been consented to by the parties. The form of remote hearing was. P:PAPERREMOTE. A face-to-face hearing was not held because it was not practicable and all issues could be determined on paper. The documents that I was referred to are in a bundle of 126 pages, the contents of which I have noted. The order made is described at the end of these reasons.

This decision takes effect and is 'handed down' from the date it is sent to the parties by the tribunal office:

Summary of the decisions made by the Tribunal

- 1. The following sums are payable by the Esther Lartey-Mingle to the Applicants on a joint and several basis by 14 July 2021
 - (i) A late payment Administration charges: £120

Summary of the decisions made by the Court

(ii) Legal costs under the Fourth Schedule paragraph 14(2) of the lease: £700 are payable by the Respondent/Defendant by 14 July 2021

The proceedings

- 2. Proceedings were originally issued against the respondent on or about 12 September 2019 in the County Court under claim number F06YY067. The respondent filed a Defence in the form of a position statement dated 4 November 2019. The proceedings were eventually transferred to this tribunal by the order of Deputy District Judge Slaney sitting at the County Court at Bromley dated 17 February 2020.
- **3.** Directions were issued on 19 March 2021 and the matter eventually came

The background

4. The respondent holds a long lease of the subject property at flat 124 Trinity Square, 23 – 59 Staines Road, Hounslow, which requires the landlord to provide services and for the lessee to contribute towards their costs by way a variable service charge. The specific provisions of the lease will be referred to below, where appropriate.

The issues

- 5. The sums claimed by the Applicant were as follows:
 - (i) A late payment administration fee incurred on 11 March 2019 in the sum of £120;
 - (ii) Interest of £14.31 to 1 September 2019 and continuing at 20p per day until judgment and legal costs pursuant to CPR 44.5 by reference to the lease.

County court issues

6. After the proceedings were sent to the tribunal offices, the tribunal decided to administer the whole claim so that the Tribunal Judge at the final hearing performed the role of both Tribunal Judge and Judge of the County Court (District Judge). No party objected to this.

Decisions and reasons

7. Documents in the hearing bundle are referred to by their page number.

Administration charge of £120

- 8. It is necessary to set out a brief chronology taken from the tribunal bundle at pages 75 onward. On 14.2.19 the agent for the Applicant Property Management Matters Limited (PMM) emailed the Defendant requesting payment of the January part of the ground rent and the interim service charge payment, both due under the lease on 1 January 2019.
- 9. On the same day the Defendant emailed PPM explaining that the delay was caused by arrears of rent from her tenant and confirming that payment would be made by 1 March 2019. (Page 76). It would appear that no payment was made on that date as on 8 March 2019 PMM emailed the Defendant saying that part payment should be made by 3pm on 8 March 201 as the sums claimed related to invoices sent in November 2018 and payable by 1 January 2019.
- 10. There does not appear to have been any response and a letter before action was sent by William Heath & Co solicitors on 11 March 2019. With this letter it would seem a statement of account was sent, together with the tenants' summaries of rights and obligations. This showed that the sum of £1,061.48 was outstanding for the January rent and service charge and a sum of £120 was added for the solicitors costs of the letter. In fact this sum was not sought from the Applicant until an invoice dated 16 April 2019 was sent from William Heath.
- 11. The response on the same day from the Defendant was dismissive and stated that she would be paying \pounds 1,061.48 on 15 March 2019, apparently as advised to PMM.
- 12. Bow Fitzsimons of Galliard Homes sent an email to William Heath (Mr Fleming) confirming that the Defendant had contacted her saying a payment would be made on 15 March 2019 but that this was not acceptable as the sums had been outstanding since the start of year (page 84). The sum of £1,061.48 is shown as having been paid on 15 March 2019 by reference to page 9.

- 13. There then followed exchanges of emails in August 2019 (pages 86 to 91.) It is noted that in the last email from PMM dated 28 August 2019 the Defendant was given 7 days to make the payment then due which now included the July ground rent and service charge monies being £126.25 and £930.47 respectively. When credit was given for the balancing charge for the year ending December 2018 of £282.77, the amount claimed in the court proceedings was £894.45.
- 14. On 22 August 2019 the Defendant wrote to PMM that she would not be paying the £120 administration fee although subsequently she admitted that the balance of £774.45 was payable and it seems attempted to pay it but the Applicant would not accept the sum.

Decision on Administration charge

15. Under the terms of the lease at Clause 5 (xiii) it says as follows:

Any proper legal costs incurred by the Landlord in relation to:

(2)(if the Landlord so elects) the enforcement of any lessee's obligations:

- 16. The lease at the Fourth Schedule paragraph 11 requires the tenant to pay on 1 January and 1 July such estimated amount at the landlord shall properly consider is required.
- 17. The Defendant did not pay the interim demand for the ground rent and the service charge until 15 March 2019, after the letter before action dated 11 March 2019, had been sent by William Heath. In my finding it was at this point that the cost was incurred, although the invoice is not produced until April. The proceedings show that the payment of the January sums was made on 15 March 2019, but the Applicant did not agree this delay and was, in my finding, entitled to send the letter before action, which is recoverable under clause 5 (xiii) of the lease. The amount is, I find reasonable, and I therefore determine that the Defendant shall pay the Applicant the sum of £120.

Costs

- 18. The Applicants seek costs under the terms of the lease relying on the Fourth Schedule paragraph 14 (a) (ii).
- 19. The costs are set out on a summary which accompanies a letter from William Heath & Co dated 15 May 2021, the contents of which I have noted. The costs are not claimed as an administration charge but rather as a contractual right under the lease. The costs total £3,025 including VAT

Decision on costs

- 20. I accept that the lease allows the recovery of costs on a contractual basis. I accept that the Applicants have been successful but bear in mind that the sum in dispute is only £120 and that proportionality must apply. I consider that I am not constrained by the costs rules relating to small claims actions.
- 21. The hourly rate charged by Mr Fleming, is not in my finding unreasonable. I note also that the Defendant has not made any submissions on the question of costs.
- 22. The schedule of work done indicates to me that some should have been undertaken by a lower grade fee earner, certainly the application for judgment, which I do not think was proceeded with, the preparing of the bundle and collation of same could have been done by a lower grade fee earner.
- 23. As to the correspondence much was by email and 1.75 hours on the client seems excessive for a claim of this nature. The same applied to the attendances on the Defendant. Taking a broad-brush approach, I consider that the sum allowed for correspondence and attendance should be reduced to £480 and the costs in respect of the schedule reduced to £900 for the reasons I have stated above.
- 24. I must then consider proportionality and apply CPR44.3(2) and CPR 44.3(5). In this case the sum involved is £120. The Defendant did pay the sums demanded albeit somewhat late in the day but certainly by the time the matter reached the court it was the July 2019 charges which were being pursued. Further the Defendant has offered to pay the balance then due of £774.45, but this was refused.
- 25. Taking these matters into account I find that there must be a substantial reduction to reflect the proportionality of the case. This was not a difficult case with complex legal arguments. The actions of the Defendant did not cause costs to be increased. It is a pity that the Defendant took the approach she did, but wise counsel might have suggested to the Applicant that proceedings for £120 made no sense once the Defendant had offered to pay the balance claimed. I do not consider that either side comes out of this litigation with any great merit.
- 26. Taking into account the matters I have set out above I do not consider that a costs I have reduced to £1,330 plus VAT are proportionate. I consider that the proportionality point is more important that reasonableness and I therefore allow costs of £500 plus VAT and the Court fee of £100 making a total of £700.

Interest

27. The Applicants seek interest under the claim. However, they refused to accept the offer of the Defendant to pay \pounds 774.45 and the only sum I was required to consider was the administration charge of \pounds 120.

Decision on Interest

28. Interest under the County Court Act 1984 section 69 is discretionary. In exercising my discretion, I take into account the sum involved and the acceptance by the Defendant that a sum of \pounds 774.45 was payable and an offer to pay it (see page 11). I find that given the small amount involved that no interest should be paid by the Defendant.

Conclusion

- 29. By way of conclusion, we make the following awards in favour of the landlord:
 - (i) Administration charge : £120;
 - (ii) Legal costs under the Fourth Schedule paragraph 14(2) of the lease: £700;
- 30. The landlord has asked for the order to be made as an order of the county court so that it can be directly enforceable without further application having to be made to the court. I will accede to this request and have drawn a form of judgment that will be submitted with these reasons to the County Court sitting at Bromley to be entered in the court's records. All payments are to be made by 14 July 2021.

Name:Judge DuttonDate:8 June 2021

ANNEX - RIGHTS OF APPEAL

Appealing against the tribunal's decisions

- 1. A written application for permission must be made to the First-tier Tribunal at the Regional tribunal office which has been dealing with the case.
- 2. The application for permission to appeal must arrive at the Regional tribunal office within 28 days after the date this decision is sent to the parties.

- 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 state the grounds of appeal, and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers
- 5. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.

Appealing against the County Court decision

- 1. A written application for permission must be made to the court at the Regional <u>tribunal</u> office which has been dealing with the case.
- 2. The date that the judgment is sent to the parties is the hand-down date.
- 3. From the date when the judgment is sent to the parties (the hand-down date), the consideration of any application for permission to appeal is hereby adjourned for 28 days.
- 4. The application for permission to appeal must arrive at the Regional <u>tribunal</u> office within 28 days after the date this decision is sent to the parties.
- 5. The application for permission to appeal must state the grounds of appeal, and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers.
- 6. If an application is made for permission to appeal and that application is refused, and a party wants to pursue an appeal, then the time to do so will be extended and that party must file an Appellant's Notice at the appropriate <u>County Court</u> (not Tribunal) office within 14 days after the date the refusal of permission decision is sent to the parties.
- 7. Any application to stay the effect of the order must be made at the same time as the application for permission to appeal.

Appealing against the decisions of the tribunal and the County Court

In this case, both the above routes should be followed.