



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

Case reference : **LON/00AP/LSC/2020/0318
LON/00AP/LSC/2020/0319**

**HMCTS code
(Paper)** : **P:PAPERREMOTE**

Property : **Flats 1A & 1B Barnard Hill, London N10
2HB**

Applicants : **(1) Ms Cristina Palmer-Romero (Flat 1A)
(2) Ms Jemma Prittie (Flat 1B)**

Representative : **In person**

Respondent : **Avon Estates (London) Ltd**

Representative : **Mr J Ost, property manager**

Type of application : **Section 27A Landlord & Tenant Act 185**

Tribunal members : **Judge Tagliavini
Mr Ian Holdsworth**

**Venue & date
of determination** : **10 Alfred Place, London WC1E 7LR
P: PAPERREMOTE
17 February 2021**

Date of decision : **17 February 2021**

DECISION

Covid-19 pandemic: description of hearing

This has been a remote video hearing 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 in a remote/paper hearing.. The tribunal was referred to the applicant's bundle of pages 1 to 123 on which the parties relied. The order made is described at the end of these reasons.

Summary of decisions of the first-tier residential property tribunal

- (1) The tribunal finds that the sums claimed for the insurance premiums by the landlord for the service charge years 2017 to 2020 (inclusive) are reasonable and payable.**
- (2) The tribunal makes no findings on the insurance charge for 2021 as a figure to be claimed was not provided by the applicants.**
- (3) The tribunal makes no findings as to the reasonableness of the managing agents fees as these did not form part of the application or provided for in the tribunal's directions. No evidence was provided by the applicants as to why the sums claimed were not payable or unreasonable and no opportunity was provided to the respondent to explain these charges for the service charge years 2015 to 2019 (inclusive).**
- (4) No order is made under section 20C of the Landlord and Tenant Act 1985 and Schedule 11 paragraph 5 of the Commonhold and Leasehold Reform Act 2002.**
- (5) No order is made for the reimbursement of the application and hearing fees.**

The applications

1. These are two consolidated applications seeking the tribunal's determination as to the payability and reasonableness of the landlord buildings insurance premiums for the service charge years 2017, 2018, 2019, 2020 and 2021

Background

2. The subject premises comprise a end of terrace Victorian house converted into flats. By a lease dated 7 March 2007 Ms Prittie is the long leaseholder of the ground floor flat for a term commencing on 1 January 2007 for a term of 125 years. By clause 4.5 of this lease, the landlord is required to insure the subject building to cover full reinstatement costs and an adequate sum to cover professional fees and site clearance and to maintain insurance against public

liability to which the first applicant is required to contribute a proportionate part of the service charges which is calculated at 50%. By a lease in substantially identical terms dated 5 December 2007 Ms Palmer-Romero is the long leaseholder of the first floor flat for a term of 125 years commencing 1 January 2007.

The applicants' case

Insurance charges

3. Neither applicant asserts that the cost of buildings insurance is not payable under the terms of their respective leases, both applicants assert that the landlord's insurance costs are too high and are therefore unreasonable in amount. The applicants asserted that the insurance cover was for commercial premises and not a residential property; that the public liability cover at £10m was too high
4. In support of the applicants' the tribunal was provided with a bundle of documents on which they relied. The applicants provided the tribunal with a schedule of the disputed insurance costs and asserted that they would each be prepared to pay 50% of the insurance premium for the service charge years 2016, 2017, 2018, 2019 and £271.20 of the £616.00 charged to each applicant for 2020. No figure was provided for the costs of the insurance in 2021.
5. The applicants provided alternative insurance quotations from Towergate, CIA Insurance, Axa and Privilege. These provided annual insurance figures of £479.61, £542.40, £652.80 and £73.92 respectively.

Management charges

6. These charges had not been disputed in the applications made and the tribunal gave no directions in respect of them. In a schedule of disputed charges the applicants asserted that all management fees were unreasonable for the service charge years 2015, 2016, 2017, 2018 and 2019 and therefore no sums were payable although no detailed explanation for this assertion was provided.

The respondent's case

7. The respondent relied upon a signed statement dated 7 January 2021 of Mr Jack Ost property manager employed by the respondent company. Mr Ost stated that he had been the property manager through the period in dispute and that all service charge demands, insurance papers and service charge accounts had been sent by email to the applicants. Ms Ost asserted that the insurance charges were reasonable and the alternative quotations relied upon

by the applicants were not ‘like for like’ as they did not reflect the claims history for the subject building or the level of public liability insurance obtained by the landlord. Therefore, the alternatives could not be relied upon as providing evidence of the reasonable level of insurance.

8. The respondent also relied upon the Reinstatement Cost Assessment from Ciaron Myers a director of IPS Limited dated 30 August 2019 in respect of the subject building. This assessment recommended that the building is insured for a minimum of £550,000.
9. Ms Ost also stated that the £150 per annum charge to each applicant for managing agents fees was reasonable and payable under terms of the leases.

The tribunal’s findings and decision

10. The tribunal finds that the applicants did not seek to dispute their liability to pay the insurance premium or their proportion but sought only to dispute the amounts payable. The tribunal finds that the clauses in the lease as to the landlord’s requirement to obtain insurance are detailed and comprehensive. The tribunal finds that the insurance obtained by the landlord for the disputed periods provided cover for the subject building as a residential property and not commercial premises as alleged by the applicants.
11. The tribunal finds that the applicants have failed to establish that the insurance cover for the subject building has been unreasonably inflated or in excess of what is required by the leases to be covered by the landlord. The tribunal finds there is insufficient evidence on which it can make historic reductions to the insurance premium.
12. The tribunal finds that the alternative quotations relied upon by the applicants are unreliable as the full history of previous claims was not provided to these insurance companies and therefore do not provide a ‘like for like’ quote. Further, as the terms of the leases require the landlord to take out cover for the cost of rebuilding and Public Indemnity, the tribunal does not find it unreasonable for the landlord to factor into the cost of rebuilding professional fees or to seek a level of Public Indemnity insurance with which it feels is appropriate.
13. Therefore, the tribunal finds that the sums claimed for the insurance premiums by the landlord for the service charge years 2016 to 2020 (inclusive) are reasonable and payable. However, as no figure for insurance premium for the 2021 service charge year was provided, the tribunal makes no findings on the amount of insurance charge except to repeat its findings in respect of the other years in dispute that apply generally to the landlord’s obligation to insure the subject building.
14. The tribunal makes no findings as to the reasonableness of the managing agents fees as these did not form part of the application or provided for in the tribunal’s directions. No evidence was provided by the applicants as to why the sums

claimed were not payable or unreasonable and no opportunity was provided to the respondent to explain these charges for the service charge years 2015 to 2019 (inclusive).

15. No order is made under section 20C of the Landlord and Tenant Act 1985 and Schedule 11 paragraph 5 of the Commonhold and Leasehold Reform Act 2002.
16. No order is made for the reimbursement of the application and hearing fees.

Name: Lorna Tagliavini

Date: 17 February 2021

Rights of appeal from the decision of the tribunal

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.

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.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).