



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

**Case reference** : **LON/00AJ/LSC/2024/0338**

**Property** : **1 Kingswood Terrace, London, W4 5BN**

**Applicant** : **Kingswood Terrace Residential  
Company Limited**

**Representative** : **Daniel Jones, Counsel, instructed by  
PDC Law**

**Respondent** : **Olivia Frances**

**Representative** : **In person**

**Type of application** : **For the determination of the liability to  
pay service charges under section 27A of  
the Landlord and Tenant Act 1985**

**Tribunal members** : **Judge Bernadette MacQueen  
Alison Flynn, MA, MRICS,  
John Francis, QPM**

**Venue** : **10 Alfred Place, London WC1E 7LR**

**Date of hearing** : **24 February 2025**

**Date of decision** : **24 March 2025**

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**DECISION**

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## **Decisions of the Tribunal**

- (1) The Tribunal determines that the administration charges sought by the Applicant are not payable by the Respondent for the reasons set out below.
- (2) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the Applicant landlord's costs of the Tribunal proceedings may be passed to the Respondent through any service charge.
- (3) The Tribunal makes an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 extinguishing any liability for the Respondent to pay an administration charge in respect of litigation costs in relation to the proceedings.
- (4) Since the Tribunal has no jurisdiction over County Court costs and fees, this matter should now be referred back to the County Court.

## **The Application**

1. The Applicant applied to the County Court to recover service charges, reserve fund payments and late payment fees in relation to 1 Kingswood Terrace, London, W4 5BN (the Property). The value of the claim was stated in the claim form as being £5,811.55, together with a court fee of £455, and legal representative's costs of £100 giving a total claim of £6,366.55. The claim was issued on 24 October 2023 under claim number K89YX391.
2. By order made on 8 July 2024 by District Judge Shackleton, the matter was transferred to this Tribunal to make a determination pursuant to section 27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to whether service charges are payable, and under Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to whether administration charges are payable.

## **The Hearing**

3. The Applicant was represented at the hearing by Daniel Jones, Counsel, while Claire Waller, Property Manager for the Applicant's agent (Montalt Management Ltd) appeared to give evidence. The Respondent appeared in person.
4. Neither party requested an inspection and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

## **The Background**

5. The Property the subject of this application, was a ground floor flat and was registered with HM Land Registry under title number AGL47691. The Applicant was the management company for the Property, and had appointed Montalt Management Ltd as its agent to manage the Property. The Respondent was the tenant of the Property.
6. The relevant lease was dated 30 June 1995 and made between Laing Homes Limited, Kingswood Terrace Residents Company Limited, Graham Leonard Godwin and Lesley Paula Godwin for a term of 125 years from 1 April 1994 (the Lease). A copy of the Lease was at pages 11 to 32 of the bundle. By virtue of the Lease, the tenant was liable to pay for services by way of a variable service charge.

## **The Issues in Dispute**

7. An oral case management hearing was held on 19 September 2024. Daniel Jones, Counsel, attended that hearing on behalf of the Applicant and the Respondent attended in person. At this case management hearing, the Tribunal identified the following issues as being in dispute:
  - The reasonableness and payability of service charges and administrative charges demanded in the service charge years 2022-2023, and 2023-2024 totalling £4,186.55 made up of:

Reserve fund – £325.00 (2022-2023)

Reserve fund – £325.00 (2023-2024)

Service charges – £1,204.90 (2022-2023)

Service charges – £1,250.65 (2023-2024)
  - The reasonableness and payability of administrative charges of £270 incurred with the managing agents.
  - The reasonableness and payability of administration charges totalling £636 incurred with the debt collection company.
  - Whether an order under section 20C of the 1985 Act and/or paragraph 5A of schedule 11 to the 2002 Act should be made.
8. At this case management hearing, the Respondent confirmed that her issue with the service charge was whether her service charge account

was accurate. The Respondent explained that she had previously challenged service charges that were outstanding and this had resulted in administrative charges being removed from her account. As a result of this, the Respondent wanted to be sure that these administrative charges had indeed been removed. Therefore, it was the Respondent's position that the administrative charges that were the subject of these proceedings were not reasonable because they were levied without the Respondent being provided with sufficient information to be able to scrutinise the outstanding service charge.

9. Paragraph (7) of the directions order of 19 September 2024 (page 92 of the bundle) stated as follows:

“The tribunal notes that the Respondent has made a counterclaim. Following discussion between the parties, the counterclaim relates to the Respondent's argument that some monies she says should not be paid be deducted from the service charges allegedly owed. It appears to the tribunal that this matter can be determined by it, which will in effect extinguish the counterclaim”.

10. The Tribunal made further directions for the exchange of evidence and listed the matter for this hearing.
11. At the start of the hearing, the Applicant confirmed that the Respondent had now paid the outstanding reserve funds and the service charges, with payment being received on or around 19 February 2025. Therefore, the outstanding issues for this Tribunal were now:
- i. The reasonableness and payability of administrative charges of £270 incurred with the managing agents.
  - ii. The reasonableness and payability of administration charges totalling £636 incurred with the debt collection company
  - iii. Whether an order under section 20C of the 1985 Act and/or paragraph 5A of schedule 11 to the 2002 Act should be made.
12. Having heard evidence and submissions from the parties and considered all of the documents provided, the Tribunal has made determinations on the various issues as follows.

**The Payability and Reasonableness of the Administrative Charges of £270 incurred with the managing agents and the Administration Charges totalling £636 incurred with the debt collection company**

## **The Applicant's Position**

13. The Applicant stated that on 12 April 2022, the service charge budget and demand for the period 1 April 2022 to 31 March 2023 had been sent to the Respondent. It was the Applicant's position that as the Respondent had failed to make payment, reminder letters had been sent on 25 November 2022 and 2 December 2022 (page 186 of the bundle). The Applicant stated that the service charge accounts for the year ending 31 March 2023 had been completed on 4 December 2023 and sent to the Respondent.
14. Further, the Applicant stated that, on 26 April 2023, the service charge budget and demand for payment for the period 1 April 2023 to 31 March 2024 had been sent to the Respondent. As the Respondent had failed to make payment, the Applicant stated that a reminder letter had been sent. The service charge accounts for the year ending 31 March 2024 had been completed on 31 July 2024 and sent to the Respondent.
15. It was the Applicant's position that, because the Respondent had failed to make payment, the credit control process had been used, and reminder letters sent. The Applicant stated that, when payment had still not been received, the matter had been referred to a firm of debt collection agents called Property Debt Collection.
16. The Applicant's position was set out in the witness statement of Claire Waller dated 14 January 2025, pages 99 to 107 of the bundle. In particular, the Applicant stated that demands had been validly made. As the Respondent had not made payments as required under the Lease, she was liable to pay the charges that arose from the late payments.

## **Respondent's Position**

17. The Respondent confirmed that she accepted that service charges and administration fees were payable under the Lease if they were reasonably incurred.
18. However, it was the Respondent's position that the administration charges as claimed by the Applicant in this case were not reasonable. The Respondent's position was set out in her witness statement dated 16 September 2024, pages 169 to 177 of the bundle. In particular, the Respondent stated that the administration charges were not payable because:
  - i. the demands had not been sent to the Respondent's correct address, and

- ii. the service charge accounts were not accurate and the Respondent's requests for the accounts had been ignored therefore preventing her from scrutinising the accounts.

### **Address Used for Service Charge Demands**

19. At paragraph 6 (page 100 of the bundle) Claire Waller stated:

"The Respondent is the tenant, and I am aware she sub-lets the Property. I note from the Agent's electronic records that the Applicant provided notification to them of her {*meaning Respondent's*} updated address for service of documents, via email, on 19 August 2020, as 5 Burlington Avenue..."

20. In reply, the Respondent told the Tribunal that she had notified the Applicant of a further change of address by a later email dated 15 November 2021. The Respondent had confirmed that the address she was to be served at was an address at Denehurst Gardens. In this email of 15 November 2021, she had also told the Applicant the email address she wished to be used for service charge matters for the Property and that this email address began "servicecharge..."
21. The email of 15 November 2021 was not before the Tribunal. The Respondent told the Tribunal that she thought that this email had been included as she had produced it as part of the documents for the case management hearing. The Applicant objected to the email being adduced at such a late stage.
22. The Tribunal determined that the email should be admitted. The Respondent had assumed that the email was before the Tribunal. The Tribunal found that there was no prejudice to the Applicant as it was an email that was sent to them. Further the Tribunal ensured that the Applicant was given further time to take instructions. In reaching this decision, the Tribunal considered the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and in particular Rule 3 to deal with cases fairly and justly. Rule 3(2)(c) provides that the Tribunal must ensure that, so far as practicable, that the parties are able to participate fully in the proceedings.
23. The email dated 15 November 2021 from the Respondent to the Applicant stated as follows:
- "... I am now residing at 14 Denehurst...and not 5 Burlington...but the official address to serve is my email address of servicecharge..."

24. The Tribunal adjourned over lunch to allow the Applicant time to consider the service charge accounts and also to consider the email that the Respondent had sent to the Applicant on 15 November 2021.
25. Following the adjournment, the Respondent confirmed her position that demands had been sent to the wrong address and further, had she been provided with service charge accounts so she could scrutinise them, the matter could have been resolved.
26. Claire Waller gave oral evidence to the Tribunal that, although the documents at pages 207 and 208 of the bundle had the address of 5 Burlington..., they had actually been emailed to the Respondent's "servicecharge" email address. The document at page 207 was dated 13 April 2022 and was titled "application for payment" and was for service charge and reserve fund for the period 1 April 2022 to 31 March 2023. The document at page 208 was dated 26 April 2023 and was titled "application for payment". This document had a brought forward balance of £1,799.90 and also included service charge and reserve fund amounts for the period 1 April 2023 to 31 March 2024.
27. The Respondent told the Tribunal that she did not receive these documents at her "servicecharge" email address.
28. Further the Respondent stated that, although the Applicant had sent the pre-action protocol letter of 14 February 2023 to three addresses, she did not receive these letters. One letter was sent to a 15b... address (page 42 of the bundle), another was sent to the 5 Burlington address, (page 45 of the bundle) and a further letter (page 48 of the bundle) was sent to the Property. The Respondent's evidence was the letter had not been sent to the Denehurst address, and the letter sent to the Property had not been passed to her by her tenants.
29. It was the Applicant's position that at no material time was the Applicant or its managing agents advised of an address at 14 Denehurst (page 83 of the bundle) or the correct email address. The Applicant stated that it had complied with the pre-action protocol for debt collection and service had been completed correctly as set out in the Applicant's particulars of claim.

### **Tribunal Finding – Address for Service**

30. The Tribunal accepts the evidence of the Respondent that she had notified the Applicant of the 14 Denehurst address on 15 November 2021, but that this address had not been used by the Applicant. The relevant documents within the bundle showed that the following documents were served:

Date	Documents sent	Address Used
25 November 2022 (bundle page 198)	Administration Charge (25 December 2022 – late payment fee totalling £90)	5 Burlington Avenue
13 April 2022 (bundle page 207)	Application for payment of service charge and reserve fund April 2022 to March 2023	5 Burlington Avenue
26 April 2023 (bundle page 208)	Application for payment of service charge and reserve fund April 2023 to March 2024	5 Burlington Avenue
8 February 2023 (bundle page 199)	Administration Charge Referral to solicitor fee and VAT £180 (10 March 2023)	5 Burlington Avenue
17 April 2024 (bundle page 209)	Application for payment – service charge and reserve fund for period 1 April 2024 to 31 March 2025	14 Denehurst
23 January 2025 (bundle page 196)	Account Statement – 28 June 2021 to 23 Jan 2025	14 Denehurst

31. The 14 Denehurst address had been used on 17 April 2024 to send the application for payment; however, this document had just stated service charges and reserve fund that were payable. The document had not set out the administration charges. It was not until 23 January 2025 that an account statement had been sent showing administration charges; however, this was provided to the Respondent after proceedings had been issued in the County Court.
32. Claire Waller, on behalf of the Applicant, told the Tribunal that, although the service charges at pages 207 and 208 of the bundle had

the address of 5 Burlington, they had also been emailed to the Respondent's "servicecharge" email address. However, the Tribunal notes that the documents were not marked as being served by email. The Tribunal therefore accepts the Respondent's evidence that she did not receive the service charge requests by email and the application for payment at pages 207 and 208 were sent to the 5 Burlington address.

33. Whilst the correct procedure for Pre-Action Protocol may have been followed, the issue for this Tribunal is the reasonableness of the administration charges. The Tribunal finds that the administration charges were not reasonable as the Respondent was not provided with the demands at the address she had nominated. As set out above, this meant that she was not given sufficient opportunity to scrutinise the accounts before administration charges were applied to the account. The Tribunal finds that this was not reasonable.

### **Accuracy of Service Charge Accounts**

34. The Respondent's position was that, following a previous Tribunal hearing in 2019, all late payment charges and fees should have been removed from her account; however, it was the Respondent's position that this did not happen.
35. The Respondent told the Tribunal that she should have received a credit for the sum of £270 but that this amount was never credited to her account. The Respondent stated that when she became aware of the current claim made by the Applicant in the County Court, she immediately emailed Montalt Management and requested a service charge statement. The Respondent told the Tribunal that she was told by the agent that the account was now with solicitors and they were unable to give her any further information.
36. In her written statement, particularly at pages 171 to 175 of the bundle, the Respondent set out the requests that she had made for her service charge account to be provided to her so she could see how the figure that the Applicant said was outstanding was calculated.
37. The Respondent told the Tribunal that it was only in response to directions made by the Tribunal that the Applicant had sent to the Respondent the service charge accounts from when the Respondent acquired the Property on 30 April 2014. These were sent to her on 23 October 2024 (page 181 of the bundle). The Respondent told the Tribunal that it was only on receipt of this information that she had been able to consider the accounts in full to determine whether previous administration fees and late charges were still on her account in error.

38. In reply, in oral evidence to the Tribunal and at paragraph 25(b)(ix) of her witness statement (page 105 of the bundle), Claire Waller confirmed that all late charges and administration fees in relation to the previous claims had been removed. It was the Applicant's position that the administration charges payable were those that were the subject of these proceedings, and that these charges had been incurred as the Respondent had not paid the service charge and reserve fund amounts on time.
39. At the hearing, the Tribunal heard oral evidence from Claire Waller and the Respondent regarding the service charge accounts which were at pages 193 to 195 of the bundle. The document was described as a detailed ledger for flat 1 Kingswood Terrace and the entries were from 1 January 2015 to 1 April 2021.
40. It was the Respondent's position that she was not able to reconcile the accounts. The Respondent took the Tribunal to page 194 of the bundle and the entry of 23 January 2019 where a fee for £90 had been added to the account as an administration charge. It was the Respondent's position that this amount should have been removed from the account because of the previous proceedings, but she could not identify where in the accounts this had happened.
41. Further, the Respondent stated that the accounts showed that on 18 February 2019 a fee of £180 had been added to the account. A further £180 had been added to the account on 18 February 2019 and also on 12 April 2019. However, also on 12 April 2019, £180 had been deducted from the account, and on 2 March 2020 a further £180 had been deducted. However, the Respondent questioned the entry of 2 March 2020 as this had been marked as "service charge credit note". It was therefore not clear if this was a credit or a removal of the administration costs.
42. The Respondent also took the Tribunal to the entries made on 12 April 2020. There was an entry marked "service charge rec'd £90" and on the same date (12 April 2020) another entry marked "Service Charge rec'd £180". There were then four subsequent entries which were marked as "wrong amount".
43. The Respondent further confirmed that she had calculated what she had been billed, which amounted to £4,683.40, and the amount she had paid, which was £4,954.30. It was the Respondent's evidence that the difference was £270.90 and that this therefore showed that there was £270 relating to previous administrative charges that should have been removed from her account.
44. The Applicant was unable to provide any further detail about the accounts but confirmed that it was its position that administrative fees from previous years had been removed from the account.

## **Tribunal Decision - Statement of Account**

45. The Tribunal accepts the Respondent's evidence that she asked for details as to how her account was calculated as she wanted to be sure that previous administration charges were removed.
46. This information was not provided to the Respondent until after proceedings had commenced and administration fees had already been added to her account for late payments.
47. Further, the Tribunal finds that even when the accounts were provided by the Applicant these were difficult to follow. It was not possible to say with certainty that previous administration charges had been correctly removed from the account. In particular, the Tribunal notes that at page 196 of the bundle there was an entry dated 23 January 2025 which stated "credit for Admin Fees for account period 2017/18" and the credit appears to be £90.
48. In light of this, the Tribunal finds it is not reasonable for administrative charges for late payment to be added to the account when the Respondent was not provided with accounts in sufficient time to enable her to scrutinise them and be satisfied about the amounts that she owed had been charged correctly.
49. In any event, the Tribunal has not been provided with a clear explanation as to how the figure of £636 from the debt collection company has been arrived at.

## **Decision**

50. The Tribunal finds that the administration charges are not reasonable and therefore not payable by the Respondent. As set out above, this is because the Respondent notified the Applicant of the postal address and email address to send service charge demands to; however, the Applicant did not use these addresses in a timely way and so the Respondent was denied the opportunity of scrutinising the accounts before administration charges were added. Further, the Respondent had asked for information about the account but no reply had been received. Finally, when the Respondent did receive the relevant service charge accounts, the entries were not clearly set out and the amounts difficult to follow to the extent that the Respondent could not understand the reason for the amount she was said to owe. This was magnified by the entry of 23 January 2025 marked as "credit for admin fee for account period 2017/2018".
51. In light of all of this, the Tribunal finds that the administration charges are not reasonable and therefore not payable.

### **Future Steps**

52. Parties are encouraged to work together to ensure that the Respondent's service charge account is now accurate and reflects the decision of this Tribunal. Parties are urged to take this action so that difficulties with paying future service charges can be avoided.

### **Whether an order under section 20C of the 1985 Act and/or paragraph 5A of schedule 11 to the 2002 Act should be made**

53. The Respondent applied for an order under section 20C of the 1985 Act. Having heard the submissions from the parties and taking into account the determinations above, the Tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Applicant may not pass any of its costs incurred in connection with the proceedings before the Tribunal to the Respondent through the service charge.
54. The Tribunal makes an order under paragraph 5A of Schedule 11 to the 2002 Act extinguishing any liability for the Respondent to pay an administration charge in respect of litigation costs in relation to these proceedings.

### **The next steps**

55. The Tribunal has no jurisdiction over County Court costs and therefore this matter should now be returned to the County Court.

**Judge Bernadette MacQueen**

**Date: 24 March 2025**

### **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.

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).