FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AU/LSC/2024/0366**
Property	**:**	**Flat 1, 3-5 Omega Place, London N1 9DR**
Applicant	**:**	**Mr R J Bier**
Representative	**:**	**In person**
Respondent	**:**	**Assethold Ltd**
Representative	**:**	**Mr Abdul Qadim, counsel**
Type of application	**:**	**Determination of the liability to pay and the reasonableness of service charges, section 27A Landlord & Tenant Act 1985**
Tribunal members	**:**	**Judge Mark Jones** **Mrs Alison Flynn MA MRICS** **Mr O Miller BSc**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of hearing	**:**	**05 March 2025**
Date of decision	**:**	**08 April 2025**

DECISION

Decisions of the tribunal

(1) The Tribunal determines that the charges claimed by the Respondent as service charges in respect of **Flat 1, 3-5 Omega Place, London N1 9DR** (*"**Property**"*) for the service charge years January to December 2022, 2023 and 2024 2022-3 as set out in a service charge demand dated 18 November 2024 are payable by the Applicant, save for:

(1.1) The charge of £13.17 allegedly carried over from 2019 is not payable.

(1.2) The entire cost of £582 for *"leak repair from dishwasher pipe"* is not payable.

(1.3) The entire cost of £2,400 for preparation and service of notice under s.146 Law of Property Act 1925 on 18 July 2024 is not payable.

(2) The Tribunal makes a s.20C Order under the provisions of the Landlord and Tenant Act 1985 ("***the 1985 Act***") and an Order under paragraph 5A of Schedule 11 of the Commonhold & Leasehold Reform Act 2002 (*"**the 2002 Act**"*) that prevents the recovery from the tenant of costs incurred by the Respondent in these proceedings.

(3) The application and hearing costs totalling £330 incurred by the Applicant in bringing this application are to be reimbursed by the Respondent, and shall be paid within 28 days of the date of this decision.

The Tribunal's Reasons

The application

1. By application dated 4 September 2024, the Applicant tenant seeks a determination pursuant to s.27A of the 1985 Act as to the amount of service charges payable by him in respect of the service charge years 1 January to 31 December 2022, 1 January to 31 December 2023, and 1 January to 31 December 2024, against demands for the period in issue totalling some £39,696.95.

2. The Applicant also sought orders under s.20C of the 1985 Act and paragraph 5A of Schedule 11 of the 2002 Act.

The Hearing

3. The Applicant, Mr Bier, appeared in person.

4. The Respondent was represented by Mr Abdul Qadim of counsel, who told us that he had been instructed relatively recently, and had consequently not had the opportunity to produce a skeleton argument.

5. We are grateful both to Mr Bier and Mr Qadim for their submissions.

6. Mr Gurvits of Eagerstates Ltd., the Respondent's managing agents, did not attend the hearing, which in any event proceeded largely on the basis of submissions.

Preliminary Matters

7. Directions in this matter were given by the Tribunal on 12 September 2024. Those required the Respondent, among other things, to send to the Applicant by 14 November 2024 copies of (i) a running service charge account for the period January 2020 to date, (ii) a full and detailed breakdown of the service and administration charges it asserts are outstanding and claims from the Applicant, and (iii) copies of all service and administration charge demands sent to the Applicant from January 2020 to date.

8. That direction was substantially complied with, albeit late, where by email dated 18 November 2023 the Respondent provided service charge accounts. A putative case management hearing provisionally listed for 21 November 2024 was cancelled upon provision of those documents.

9. There followed a series of items of correspondence from the Applicant to the Tribunal, *inter alia* complying with the directions given, by providing his schedule of what transpired to be four items in dispute, essentially repeatedly insisting that the true level of debt owed by him to the Respondent was £18,159.88. By email from the Tribunal dated 19 December 2024 it was explained that if this figure was not agreed, the next step was for the Respondent to comply with Direction no. 9 of the 12/9/24 directions, by sending its response to the schedule of items in dispute by 20 January 2025, together with copies of relevant invoices, all other documents on which it proposed to rely, accompanied by a statement of case (if not comprised within the schedule responses) and any witness statements upon which the Respondent proposed to rely.

10. The Respondent did not do so, and on 23 January 2025 the Tribunal made an unless order, debarring the Respondent from adducing evidence and asking questions of the Applicant at the final hearing, unless that direction was complied with by 6 February 2025.

11. Although Mr Gurvits of Eagerstates sent an email to the Tribunal on 30 January 2025 attaching various documents, the Applicant complained that it had not complied with the entirety of Direction 9. On 21 February 2025 the Tribunal confirmed that the Respondent was barred from adducing evidence or asking questions of the Applicant.

12. This debarring order was lifted on 26 February 2025 by Judge Powell, thus permitting the Respondent to participate in the hearing in the manner previously prohibited by the barring order. This notwithstanding, as noted above, Mr Gurvits neither attended the hearing nor sought to rely upon any witness statement.

13. Reference was made by the Applicant to a number of cases in which this Tribunal has criticised service charges demanded by Assethold, and Eagerstates' management and made reductions to the latter's payable fees.

14. In this regard we made it plain to Mr Bier, and he indicated that he accepted, that while of course we are aware of a large number of cases involving Assethold and Eagerstates having come before the Tribunal, in the context of them being respectively the owner and managing agents of a very large portfolio of properties, we would determine this case on its own merits, based upon our own findings as to the evidence placed before us.

15. The Applicant also referred to a series of prior cases before this Tribunal in which he had challenged service and administration charges claimed by the Respondent. These included case ref. LON/00AU/LSC/2020/0285, in which the Applicant challenged service charges claimed for the year 2020.

16. More significantly for the present application, in case ref. LON/00AU/LSC/2022/0302, in which administration charges for 2018 – 2021 were challenged, it was determined by Judge Shepherd on 22 March 2023 that various administration charges totalling £6,090 were not payable, and further ordered the Respondent to pay the Applicant's application fees of £100. A third matter, LON/00AU/LSC/2023/0161 was remitted to the Tribunal from the County Court on 28/4/23, before being transferred back to that Court on 11 July 2023 without any substantive order being made by this Tribunal.

The County Court Proceedings

17. Following the hearing, while the Tribunal was in the process of formulating this decision, it received an email from the Applicant dated 12 March 2025 attaching a notice of hearing dated 11 March 2025 issued by the Clerkenwell and Shoreditch County Court in respect of proceedings issued by the Respondent seeking forfeiture of the

Applicant's lease of the Property, to be listed on 30 April 2025. That matter proceeds under Case No. M00EC988, and the forfeiture claim is based upon alleged arrears of ground rent of (just) £455.43. The Applicant's email asked whether there were any directions the Tribunal might give in respect of that matter, referring to submissions made in the course of the hearing regarding disputed ground rent arrears.

18. This Tribunal had already explained to the Applicant at the hearing that it has no jurisdiction to consider issues in relation to ground rent. Indeed, we have no jurisdiction to make any directions concerning proceedings that are afoot in the County Court. Nevertheless, in light of the contents of the Applicant's covering email, the Tribunal directed that it be sent to the Respondent, with any response it might wish to give to be received by 20 March 2025, after which this decision would be finalised.

19. Mr Gurvits did respond, albeit (somewhat characteristically) late, by email received on 21 March wherein he stated, we find correctly, that the Tribunal has no jurisdiction over ground rent.

20. We therefore make no determination whatsoever concerning the issues raised in the Applicant's correspondence dated 12 March 2025. Consideration of that, coupled with the need to permit the Respondent to reply, has inevitably delayed finalisation of this decision, against other professional commitments of Judge Jones.

Inspection

21. 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 Property

22. The Property which is the subject of this application is a two-bedroom flat situated on the first floor of a small purpose-built block containing a number of flats with a commercial unit below, currently operated as a Sainsbury's supermarket.

23. A disputed issue as to the number of flats within the residential area of the block arose during the course of the hearing, where evidence was relied upon by the Respondent of a water leak into what was said to be a basement flat, Flat 6, addressed in more detail below. Mr Bier was adamant that the block comprised (just) 5 residential flats, numbered Flats 1-5, that there was no Flat 6 and no basement flat, whether number 6 or any other number.

24. This asserted configuration was not accepted by Mr Qadim, who pointed to the determination of Judge Shepherd dated 22 March 2023 in case ref. LON/00AU/LSC/2022/0302, in which in paragraph 1 he referred to the building as containing eight flats.

25. Mr Qadim had, however, no direct instructions on the point and, as stated above, the Respondent had elected to file no witness statement or statement of case.

26. By contrast, Mr Bier had signed the application notice dated 4 September 2024, which bears a statement of truth. That describes the building as *"small block containing c 5 residential units and 1 commercial unit"*. Mr Bier candidly conceded he had not been to the Property for several years, management being delegated to an agent, but he stated he was sure there were not 8 flats in the building, and we note that he denied that a basement flat existed in his statement and summary dated 24 February 2025. This echoed prior correspondence from him to the tribunal to that effect, *inter alia* dated 31 January 2025.

27. We note that in the earlier decision of Judge Professor Richard Percival dated 6 May 2021 (LON/00AU/LSC/2020/0285) the Property was described as *"…a two bedroom flat in a purpose built block of five flats…"*

28. We also note that the service charge proportion payable in respect of the Property is 23%, suggestive of a block containing 4 or 5 flats.

29. In the course of the hearing Mr Bier addressed us to the effect that his son had checked the position at HM Land Registry whilst we were considering submissions on the matter, which confirmed there to be (just) 5 leasehold flats in the block. We accept that evidence, albeit that it was hearsay.

30. We do not consider paragraph 1 of Judge Shepherd's decision dated 22 March 2023 to constitute a determination of a contested issue, and it is not in any event binding upon us, in particular where it is not apparent that Judge Shepherd conducted an inspection of the property. In light of the evidence reviewed above, we conclude that that attribution of 8 flats was erroneous, most likely in consequence of mistaken information provided to the Judge by one party or another.

31. Consequently, for the purposes of this decision we accept the evidence of Mr Bier and find that the building contains 5 flats, not 8. This has implications for our finding in relation to the disputed service charge relating to an alleged leak, addressed below.

The Lease Provisions

32. The Applicant is the long lessee of the Property.

33. Although the lease was not in the bundle, a copy had been sent in by the Applicant to accompany his application. The lease is dated 4 February 2015 and is for a term of 125 years from January 2014.

34. The landlord's obligations by way of provision of insurance is defined in clause 7, and for provision of services is defined in clause 8 of the lease, and the sub-clauses thereunder.

35. The service charge year is the calendar year, from 1 January to 31 December each year.

36. Clauses 8.12 to 8.13 set out the tenants' obligations regarding the payment of service charges.

37. The operation of the service charge provisions is not unusual. The landlord is required to send the tenant details of an estimated service charge before the start of the financial year. After the end of each year, the landlord must send an account, showing actual expenditure, with a summary of the items of expenditure, and a certificate *"signed by (at the Landlord's discretion) the Landlord's account, auditor or managing agent."* Provision is made for reconciliation, by the tenant making up any underpayment on demand, and being credited for any overpayment. There is also a contractual right for the tenant to inspect the accounts, invoices and receipts.

The Scope of the Tribunal's Jurisdiction on the Application

38. The Tribunal is asked to determine the reasonableness under s.19 of the 1985 Act, and liability of the Applicant to pay service charges under section 27A of the 1985 Act for the years 1 January to 31 December 2022, 2023 and 2024. The Tribunal has only considered those service charges and other charges that are mentioned in the application. The Tribunal has not considered whether other charges that may have been levied against the Applicants are payable.

39. The Tribunal has considered whether individual service charge costs were reasonably incurred, or services provided to a reasonable standard under section 19 of the 1985 Act. It also has power to determine whether sums are payable under section 27A of the 1985 Act, whether under the terms of the lease or by another law. Where a service charge may be payable before the relevant costs were incurred, under section 19(2) of the 1985 Act the Tribunal is also permitted to consider whether the amount charged in advance is reasonable.

The Law

40. An appendix detailing the relevant legal principles appears at the end of this decision.

The Issues

41. As this case has proceeded, the issues have narrowed considerably.

42. The Applicant's application was prompted by his receipt from Eagerstates of a letter dated 18 July 2024, enclosing notice under s.146 Law of Property Act 1925 as a precursor to forfeiture of his lease, and a statement of account dated 18 July, seeking sums totalling £39,696.95, comprising arrears of service charges totalling £36,141.52, outstanding ground rent in the sum of £1,155.43, and costs of the notice itself, claimed in the sum of £2,400.

43. The application, and accompanying statement complained, amongst other matters, that:

    (i) The Respondent/Eagerstates had refused to credit the Applicant's account with the sum of £6,090 adjudged by Judge Shepherd as not being payable on 22 March 2023.

    (ii) No breakdown had been provided to justify the sums claimed, despite persistent requests. The correspondence is characterised by multiple requests by the Applicant for clarification of his service charge accounts and disputing various items, which were habitually either ignored or brushed off by Eagerstates.

    (iii) Further administration charges had been demanded for non-payment of sums Eagerstates claimed were owed, that were not in fact owed (on his case).

    (iv) He had unjustifiably been served with the s.146 notice, and his mortgagee had been written to, asserting that he was in breach of the terms of his lease.

44. Mr Gurvits, somewhat optimistically, wrote to the Tribunal on 11 September 2024 in response to the Application, asserting that as the lease was forfeit, the application could not proceed. That suggestion was rejected by Judge Vance in giving the first set of directions, who explained that forfeiture of a residential lease can only be achieved by making of a possession order by a court, which did not appear to have taken place (and which, now, appears to be the subject matter of the hearing listed in Clerkenwell and Shoreditch on 30 April).

45. On 18 November 2024 Eagerstates sent Mr Bier a revised statement of account, seeking (now) £21,789.98 by way of service charges, ground rent and administration charges. No explanation was provided for why the sum demanded in July, £39,696.95, had been reduced by some

£17,906.97. The new demand seems to have removed the £6,090 previously adjudged not to be payable, but has removed significant further sums in addition.

46. In the absence of any explanation from the Respondent, the Tribunal draws the logical inference that this very substantial reduction was in consequence of the application having been made, and of the submissions made by Mr Bier in his accompanying statement, augmented by the observations of his solicitors in 2024, Hamlins, whose correspondence we have seen.

47. The irresistible inference is that having been confronted with the Applicant's statement, Eagerstates acknowledged that he had been overcharged by £17,906.97. It is regrettable that no explanation to that effect accompanied the revised statement of account.

48. Against that revised statement, Mr Bier was able to narrow and better to particularise his grounds of complaint, so that by the time of Judge Powell's final series of directions, on 26 February 2025, the remaining extent of the dispute had narrowed to that set out in the schedule of disputes and the Applicant's Statement and Summary dated 24 February 2025, including:

    (i) The payability and reasonableness of four items, namely:
        a) A charge of £13.17 (which appears to be the balancing charge at the foot of page 1 of the service charge account dated 2.12.2019, described as "debit from last year" on page 2),
        b) A charge of £230 (which appears to be the ground rent said to be still outstanding on page 2 of the service charge account dated 2.12.2019),
        c) A charge of £582 (which appears to be the total amount with VAT appearing on page 2 of an invoice from BML dated 16.1.2022), and
        d) £2,400 (which appears to be an administration charge for the costs of serving the section 146 notice dated 18.7.2024),
    (ii) A request for a refund of Tribunal and court fees of £100, £205 and £110, and
    (iii) A determination *"that the amount of £18,159.98 is the correct outstanding amount on the service charge account"*.

49. The parties confirmed at the commencement of the hearing that these were, indeed, the issues that remained in dispute which required determination.

50. The Tribunal relied upon this summary as the primary identification of the disputed items. At the hearing this was effectively deployed as an

agenda, with each item discussed sequentially, and evidence taken from Mr Bier on the disputed items, while counsel for the Respondent was able to put questions through the Tribunal.

The Charge of £13.17

51. This comparatively small sum appears in the statement of account dated 18/11/24 as *"02/12/2019 Balance brought forward £13.17"*.

52. Mr Bier's case is to the effect that he does not know what this relates to. It appears in no statement he received at any time prior to November 2024 and, as far as he is aware, he paid all sums due in 2019. He states that he has asked repeatedly what this relates to, to no avail. In summary, he alleges that Eagerstates continually overcharge and insert items in his service charge demands without justification or explanation.

53. Mr Qadim, in response, submits that it is for the Applicant to set out what elements he disputes, and justify his objections. He refers to what he describes as an accurate account dated 2 December 2019 [bundle p.120], which ends with a debit balance of £13.17.

54. The Respondent's explanation in the schedule completed by the parties is unedifying. Against Mr Bier's statement that he has no idea what the item relates to, the Respondent's response is, unhelpfully, *"Please refer to the attached account"*. That rather begs the question.

55. This is because the (first) difficulty with Mr Qadim's submission and the Respondent's comment is that the arithmetic in the 2 December 2019 account is contradictory. Against a demand for what is said to be the Applicant's share of all applicable sums due of £3,129.52, it records receipt of payment on account for the year to December 2019 of £3,739.02. On its face, that demonstrates an *overpayment* of £610. It certainly does not support an underpayment of £13.17.

56. The service charge demand dated 7 December 2020 [bundle p.108] contains no reference to this sum, inexplicably if it was genuinely carried over from the previous year. The accounts dated 6 December 2021, 5 December 2022 and 6 December 2023 similarly omit the figure.

57. The statement of account dated 18 July 2024, served as apparent justification for the s.146 notice, contains no itemised breakdown showing this figure, albeit that the method of calculation of the alleged arrears of service charges is wholly impenetrable.

58. Lastly, in this regard, we accept Mr Bier's evidence that the basis for this sum has never been explained to him, against his belief that he had

paid every penny due for the year 2019, which is entirely supported by the contents of the 2 December 2019 demand.

Decision

59. We find that Eagerstates' presentation of sums due in its service charge demands has been (put charitably) opaque, and against the concession it has implicitly made, as we have found, that some £17,906.97 demanded was not, in fact lawfully due, we have no hesitation in concluding that it has habitually demanded extremely substantial sums that are not, in fact, due from the Applicant.

60. Bluntly, this Tribunal finds Eagerstates' accounting procedures in this particular case, lamentable.

61. Against all of the above evidence, and most notably Eagerstates' service charge demand in December 2019 demonstrating an overpayment of some £610 in that year, we find that the sum of £13.17 allegedly carried over to the 2024 service charge year is neither due, nor payable.

Ground Rent

62. As addressed above, the Tribunal has no jurisdiction to pronounce on disputes concerning contractual ground rent obligations.

63. We accordingly make no determination of this issue, which is a matter for the County Court.

64. We do, however, note that against a ground rent demand of £350 said to have been made in respect of rent due in January 2020, the 18/11/2024 statement of account records payment received in precisely that sum on 21 January 2020, albeit that the sum has been credited to the Applicant's service charge account, as opposed to his ground rent account.

The Alleged Dishwasher Leak

65. The 18/11/24 demand contains a charge, apparently levied in 2022, for *"leak repair from dishwasher pipe"* in the sum of £582. No corresponding entry in respect of this item can be discerned in the December 2022 and December 2023 accounts, which is surprising if the expense had indeed been incurred in 2022.

66. Mr Bier challenges this item, as he puts matters in his schedule, thus: *"I have no idea what this is. There has never been a leak repair by the landlord for my dishwasher."*

67. Eagerstates' explanation is to the effect that there had been a leak from the dishwasher pipe in the Property that had caused damage to another flat. It alleges that there was no response, presumably to some attempt to make contact seeking to resolve the issue, that has not been disclosed, so that the landlord had to carry out the works to prevent further damage, and recoup the costs.

68. In support of this expense, the Respondent relies upon an invoice dated 16 January 2022 from BML Security and Facilities Management in the sum of £582 in respect of work said to have been carried out at 03-06 Omega Place London N1 9DR . The building in issue is 3-5 Omega Place, albeit that the difference might be explained by simple human error.

69. The narrative description contained in the invoice states that attendance was made to investigate a leak in a basement flat, Flat 6. It then goes on to explain various investigative works carried out in Flat 1, said to be directly above Flat 6. The invoice is accompanied by a series of photographs, showing signs of water penetration through a ceiling by a window and pendant light fitting, a bathroom, and then a kitchen and pipework therein, inside a cupboard.

70. All of this might make for a solid body of evidence, were it not for the fact that, as we have found, there is no basement flat in the building, and there is no Flat 6. Our findings in this regard are explained at §§22-31 of this decision, based upon Mr Bier's evidence, which we accept.

71. Mt Bier considered the photographs and, while he candidly conceded that he had not visited the Property for a few years, he stated in response to questions from the Tribunal that he recognised neither the bathroom nor the kitchen in the photographs accompanying the BML invoice. He observed that no tenant would have changed the kitchen units without permission, which we accept as substantially more likely than not to be true. He also stated that he was aware that there had at some point been a leak in the common parts of the building, which on investigation had proved not to be attributable to the Property. The Tribunal notes items for leak tracing and repair in the December 2021 account, wall, ceiling and stair edge repair in the 2022 account, and roof leak and minor repair in 2023, any of which might be related to the event recalled by Mr Bier.

72. Mr Bier also gave evidence that he had received a letter around 3 months prior to the hearing alleging that water had leaked from the Property into the Sainsbury's store below. He had cleared that matter up by reference to the plans of the building, which demonstrated that the supermarket was not, in fact, beneath the Property.

Decision

73. Based upon our conclusions as to the physical configuration of the building, where we find there is no basement flat and no flat 6, reinforced by Mr Bier's evidence that the pictures of a kitchen and bathroom do not to the best of his recollection show the Property, together with the inexplicable omission of this sum from any service charge account or demand before us for the years 2022 and 2023, we are far from satisfied on a balance of probabilities that the matters raised in BML's invoice dated 16 January 2022 in fact relate to any defect within the Property for which Mr Bier is liable.

74. Accordingly, we determine that the sum of £582 claimed by way of service charge for this item does not relate to work reasonably incurred or carried out to a reasonable standard (or at all), and that the price charged is in any event unreasonable, and we determine that nothing is payable in respect of this item.

£2,400 for Preparation and Service of a s.146 Notice

75. As summarised above, on 18 July 2024 Eagerstates served a service charge demand in the sum of £39,696.95, accompanied by a s.146 notice alleging arrears of service charges totalling £36,141.52, outstanding ground rent in the sum of £1,155.43, and costs of the notice itself, claimed in the sum of £2,400. The total sum sought appears to include the £6,090 adjudged not to be payable, and makes no adjustment for the £100 fees ordered to be credited to the Applicant by §7 of Judge Shepherd's determination of 22 March 2023.

76. Upon being challenged, repeatedly requested to take account of Mr Biers' observations and to produce an account showing the sums actually due, on 18/11/24 Eagerstates sent Mr Bier the revised statement of account in the sum of £21,789.98, thus reducing the sums sought £17,906.97.

77. It follows that the s.146 notice was itself based upon grossly inflated sums that were not, in fact, properly chargeable, some £6,090 of which had been expressly determined as not payable, more than 18 months previously.

78. The charge of £2,400 for preparation and service of that s.146 notice remains in the revised statement of account.

79. The tribunal sought to explore the provenance of the charge, inquiring of Mr Qadim whether he could point to an invoice from 3rd party solicitors engaged in its preparation. He could not, conceding that he had no instructions as to the manner of preparation of the document, or of the charges, or indeed as to the how the alleged debt owed by Mr Bier had suddenly and without explanation dropped by £17,906.

80. The Tribunal finds that the Respondent, Assethold and its managing agent, Eagerstates are each experienced and knowledgeable property professional companies. The Tribunal is aware that Mr Gurvits of Eagerstates is a qualified solicitor, having been admitted on 20 March 2023 and is, therefore, an officer of the Court. The tribunal finds it substantially more probable than not that the s.146 notice was prepared by Mr Gurvits, or an employee of Eagerstates at his direction, using a template.

81. The *Guide to the Summary Assessment of Costs 2021 Edition* as approved by the Master of the Rolls, includes guideline hourly rates for solicitors, updated annually. Being based in London NW11, Eagerstates, if treated as a solicitors' firm, would be in the London 3 band, for which the published guideline rate for a Grade C fee earner, as Mr Gurvits would be with less than 4 years' post-qualification experience, was £197 per hour in 2024.

82. Against that helpful yardstick, Eagerstates – which does not appear to be VAT registered – seeks to charge Mr Bier the equivalent of over 12 hours' work for a qualified solicitor, for completion of a 2-page proforma and postal service. The completed document demands at least £17,906 that Eagerstates now, as we have found, concedes was not lawfully due.

Decision

83. The Tribunal finds that both the contents of the s.146 notice and the sums claimed for its preparation verge on the outrageous.

84. Although claimed as a service charge, the Tribunal finds that it should more properly be viewed as an administration charge. In either event, whether under section 19 of the 1985 Act or Schedule 11 of the 2022 Act, the sum claimed is wholly unreasonable, and the Tribunal determines that it is not payable, whether wholly or in part.

Tribunal and Court Fees

85. The Applicant then requests a refund of Tribunal and court fees. Upon inquiry, these transpired to be:

(i) £100, ordered to be paid by the Respondent by Judge Shepherd on 22 March 2023;

(ii) £205, being a fee incurred in County Court proceedings between the Applicant and Respondent, and

(iii) £110, being the application fee for the present application.

86. Of those sums:

(i) Has already been ordered by the Tribunal. It is self-evidently payable by the Respondent to the Applicant.

(ii) Is a matter for the County Court. This Tribunal has no jurisdiction to determine that sum.

(iii) Is at large, contingent upon our determination of the present application. We will, in fact order that it is payable, addressed under the heading "*Reimbursement of Tribunal Fees"*, below.

Determination of the Correct Sum Outstanding

87. It is not for this Tribunal to carry out definitive revised accounting exercises: against individual service and/or administration charge entries we have determined what is, or is not payable by the Applicant.

88. Part of the difficulty of the proposed exercise can be seen on the face of the 18/11/2024 account, where ground rent has been included with service charges in the statement of account, and at least one payment in the sum of £350 on 21/01/2020 appears to correspond to a demand for ground rent in that sum made earlier that month, but has been credited to the Applicant's service charge account and not ground rent.

89. We do however note that it is in the interests of all parties to seek to resolve their differences and to fix upon an agreed sum payable by the Applicant to clear his account by a given date.

90. Doing the best we can to assist, once entries for ground rent are removed, and the sums of £13.17, £582 and £2,400 that we have determined not to be payable are similarly removed, the running balance for service charges stated to be due as at 18/11/2024 may be calculated as follows:

07/12/2020	*actual costs for 2020*	£3,217.54
06/12/2021	*actual costs for year 2021*	£3,629.48
05/12/2022	*actual costs for year 2022*	£4,534.14
06/12/2023	*actual costs for year 2023*	£7,248.98
2024	*service charges Dec/June 2024*	£2,052.80
29/05/2024	*service charges June/Dec 2024*	£2,052.80

£22,735.74

91. The Applicant has paid, and has been credited to his service charge account, the following sums:

21/01/2020	£350 (albeit that this *may* be properly attributable to ground rent, as discussed above)
24/06/202	£1,408.68
06/08/2020	£951.85
04/01/2022	£1,685.83
	£4,396.36

92. Subject to the proper treatment of the £350 entry, the sum payable as against the account dated 18/11/2024 would be £22,735.74 – (£4,396.36) = £18,339.38.

93. That sum may be subject to further revision if, for example, the £100 ordered to be paid by Judge Shepherd has not been credited, which it does not appear to have been. Subject to that, and any other expenses that may have been incurred between November 2024 and 31 December of that year that would be the subject of a final account, such is the Tribunal's view of what *appears* to be due against the 18/11/2024 account.

Applications under s.20C and paragraph 5A

94. The Applicant has applied for orders under section 20C of the 1985 Act, and under paragraph 5A of Schedule 11 to the 2002 Act.

95. A Section 20C application is for an order that the whole or part of the costs incurred by the Respondent in connection with these proceedings cannot be added to the Applicant's service charge. A paragraph 5A application is for an order that the whole or part of the costs incurred by the Respondent in connection with these proceedings cannot be charged to the Applicant as an administration charge under his lease.

96. In this case the Applicant has been successful in relation to every issue for which the Tribunal possesses jurisdiction, and further the application appears to have been instrumental in securing the substantial revision between the July and November 2024 service charge accounts demanded of him by the Respondent.

97. Taking into account the submissions of the parties, the Applicant points out that after solicitors' letters at the outset, he has represented himself, and submits that it would be unfair for him to have to pay the Respondent's costs, having demonstrated the unreasonableness of many charges levied against him. Mr Qadim for his part reminds us of the contractual entitlement to costs contained in the lease.

98. Taking into account our 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. The Tribunal therefore makes an order in favour of the Applicant that none of the costs incurred by the Respondent in connection with these proceedings shall be added to his service charge.

99. For the same reasons, the Tribunal determines that it is just and equitable in the circumstances for an order to be made under paragraph 5A of Schedule 11 to the 2002 Act. The Tribunal therefore makes an order in favour of the Applicant that none of the costs incurred by the Respondent in connection with these proceedings can be charged to the Applicant as an administration charge under the lease.

Reimbursement of Tribunal Fees

100. The Applicant has also applied under paragraph 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 for an order that the Respondent reimburse his application fee of £110.00 and the hearing fee of £220.00.

101. As the Applicant's claim has been successful to a considerable degree, we are satisfied that it is appropriate in the circumstances to order the Respondent to reimburse these fees.

Name: Judge M Jones **Date:** 08 April 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).

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 18

(1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent—

(a) which is payable, directly or indirectly, for services, repairs, maintenance , improvements or insurance or the landlord's costs of management, and

(b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose—

(a) "costs" includes overheads, and

(b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19

(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period—

(a) only to the extent that they are reasonably incurred, and

(b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard; and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 27A

(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to— (a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—

(a) the person by whom it would be payable,

(b) the person to whom it would be payable,

(c) the amount which would be payable,

(d) the date at or by which it would be payable, and

(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which—

(a) has been agreed or admitted by the tenant,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject of an application under subsection (1) or (3).

(7) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of this section is in addition to any jurisdiction of a court in respect of the matter.

Section 20

(1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—

(a) complied with in relation to the works or agreement, or

(b) dispensed with in relation to the works or agreement by (or on appeal from) the appropriate tribunal.

(2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.

(3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—

(a) if relevant costs incurred under the agreement exceed an appropriate amount, or

(b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

(5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—

(a) an amount prescribed by, or determined in accordance with, the regulations, and

(b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

(6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.

(7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

Section 20ZA

(1) Where an application is made to the appropriate tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works or qualifying long term agreement, the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.

(2) In section 20 and this section—

"qualifying works" means works on a building or any other premises, and "qualifying long term agreement" means (subject to subsection (3)) an agreement entered into, by or on behalf of the landlord or a superior landlord, for a term of more than twelve months.

(3) The Secretary of State may by regulations provide that an agreement is not a qualifying long term agreement—

(a) if it is an agreement of a description prescribed by the regulations, or

(b) in any circumstances so prescribed.

(4) In section 20 and this section "the consultation requirements" means requirements prescribed by regulations made by the Secretary of State.

(5) Regulations under subsection (4) may in particular include provision requiring the landlord—

(a) to provide details of proposed works or agreements to tenants or the recognised tenants' association representing them,

(b) to obtain estimates for proposed works or agreements,

(c) to invite tenants or the recognised tenants' association to propose the names of persons from whom the landlord should try to obtain other estimates,

(d) to have regard to observations made by tenants or the recognised tenants' association in relation to proposed works or agreements and estimates, and

(e) to give reasons in prescribed circumstances for carrying out works or entering into agreements.

(6) Regulations under section 20 or this section—

(a) may make provision generally or only in relation to specific cases, and

(b) may make different provision for different purposes.

(7) Regulations under section 20 or this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Section 20B

(1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 20C

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court , residential property tribunal2 or leasehold valuation tribunal or the First-tier Tribunal3 , or the Upper Tribunal4 , or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—

(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to the county court ;

(aa) in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;

(b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal;

(ba) in the case of proceedings before the First-tier Tribunal, to the tribunal;

(c) in the case of proceedings before the Upper Tribunal4 , to the tribunal;

(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to the county court.

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

(1) In this Part of this Schedule "administration charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—

(a) for or in connection with the grant of approvals under his lease, or applications for such approvals,

(b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,

(c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or

(d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.

(2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.

(3) In this Part of this Schedule "variable administration charge" means an administration charge payable by a tenant which is neither—

(a) specified in his lease, nor

(b) calculated in accordance with a formula specified in his lease.

(4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

Schedule 11, paragraph 2

A variable administration charge is payable only to the extent that the amount of the charge is reasonable.

Schedule 11, paragraph 5

(1) An application may be made to the appropriate tribunal for a determination whether an administration charge is payable and, if it is, as to—

(a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which it is payable.

(2) Sub-paragraph (1) applies whether or not any payment has been made.

(3) The jurisdiction conferred on [the appropriate tribunal]1 in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.

(4) No application under sub-paragraph (1) may be made in respect of a matter which—

(a) has been agreed or admitted by the tenant,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject matter of an application under sub-paragraph (1).