In the FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Tribunal Case References	:	**LON/00AY/LSC/2024/0324** **LON/00AY/LAC/2024/0014**
Properties	:	**32A Acre Lane, London SW2 5SG** **18A Trinity Gardens, London SW9 8DP**
Applicants	:	**(1) Suwanee (UK) Ltd (Flats 3 & 4, Acre Lane and Flat 2, Trinity Gardens)** **(2) Laura Sainty and Hannah Sainty (Flat 1, Acre Lane)** **(3) Juliet Bullick (Flat 2, Acre Lane)** **(4) Emmett Gracie (Flat 1, Trinity Gardens)** **(5) Gregg Raynor and Aimee Besant (Flat 3, Trinity Gardens)** **(6) Melprop Ltd (Flat 4, Trinity Gardens)**
Representative	:	**Gregsons Solicitors**
Respondent	:	**Assethold Ltd**
Representative	:	**Eagerstates Ltd**

Type of Application	**:**	**Payability of service charges**
Tribunal	**:**	**Judge Nicol** **Mr J Naylor FRICS FIRPM** **Miss J Dalal**
Date and venue of Hearing	**:**	**7th January 2025** **10 Alfred Place, London WC1E 7LR**
Date of Decision	**:**	**10th April 2025**

DECISION

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(1) The Respondent's application to lift the bar on their participation in the proceedings and to adjourn the hearing is refused. Permission to appeal those decisions is also refused.

(2) The service charges challenged in this matter and listed in the decision below and in the two attached Scott Schedules are not reasonable nor payable by the Applicants to the Respondent, save as expressly allowed therein.

(3) The Respondent shall reimburse the Applicants their Tribunal fees totalling £440.

(4) Further, the Tribunal grants orders under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 prohibiting the Respondent from seeking to recover any of their costs of these proceedings through the service charge or by charge to any individual Applicants.

(5) Either party may apply to the Tribunal for further directions in these proceedings in the event that the parties cannot agree the calculation of the revised service charges in the light of this decision.

Relevant legal provisions are set out in the Appendix to this decision.

Reasons

1. The subject property consists of 8 flats developed in 2016, together with a commercial unit currently occupied by Topps Tiles. There are two blocks and so two addresses for the one development. Between them, the Applicants are the lessees of all 8 flats. The Respondent purchased the freehold in 2020. Their managing agents are Eagerstates Ltd.

2. The Applicants applied for a determination under the Landlord and Tenant Act 1985 ("the 1985 Act") and the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the reasonableness and payability of certain service and administration charges. The Tribunal issued directions on 15th August 2024.

3. The Tribunal heard the case on 7th January 2025. The attendees were:

   - Two of the Applicants, Mr Raynor and Ms Hannah Sainty; and
   - Mr Andrew Brueton, counsel for the Applicants, accompanied by Mr Saitch, a paralegal.

4. The documents before the Tribunal consisted of:

   (a) A bundle of 1,030 pages;
   (b) Separate Statements of Case, one for the service charges and another for the administration charges – these were provided shortly before the hearing but built on existing information rather than saying anything the Respondent had not had a fair opportunity to address and so the Tribunal allowed them in;
   (c) Two Scott Schedules, again one each for the service and administration charges, neither with any comments from the Respondent; and
   (d) A skeleton argument from Mr Brueton.

5. The Tribunal has taken longer than it should to produce this decision, for which it apologises to the parties.

Proceed in absence

6. Unfortunately, the Respondent did not appear and was not represented at the hearing. Under rule 34 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal may proceed with the hearing in the absence of the Respondent if satisfied that they had sufficient notice of the hearing and it is in the interests of justice to proceed.

7. The hearing date was set out in the Tribunal's directions, which, since the Respondent later disputed compliance, had clearly reached them. The Respondent and their agents, Eagerstates, are frequent participants in matters before this Tribunal and communicate with the Tribunal often. The Tribunal is therefore satisfied that they had sufficient notice of the hearing.

8. Mr Ronni Gurvits of Eagerstates, as is common practice when the Respondent is a party before this Tribunal, appears to have run the litigation on the Respondent's behalf. He is a non-practising solicitor but has substantial experience of Tribunal proceedings. He knows what procedure to use and that he ought to use it.

9. It has also become common in recent times for the Respondent to be absent from and unrepresented at hearings. There has been no communication ahead of the hearing addressing their attendance. If the Tribunal were to adjourn, there is no reason to think it any more likely that they would attend next time. On the other hand, not proceeding would cause unnecessary and inconvenient delay for the Applicant, their members and the Tribunal.

10. Therefore, it is in the interests of justice to proceed in the Respondent's absence.

Procedural Issues

11. On 9th September 2024 the Applicants applied for specific disclosure. On 23rd September 2024, the Applicants made a further application claiming that the Respondent had failed to comply with the Tribunal's direction for disclosure in its order of 15th August 2024, let alone providing the further disclosure sought.

12. By letter dated 23rd September 2024 the parties were informed that the Tribunal was ordering the Respondent to:

    (a) comply with the Tribunal's directions by 30th September 2024, in default of which they would be debarred from taking any further role in these proceedings under rules and 9(3) and (7) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013; and
    (b) provide further disclosure by 7th October 2024, in default of which the Tribunal would consider referring the matter to the Upper Tribunal for contempt action to be taken.

13. On 8th October 2024, the Respondent having failed to disclose anything, the Applicants made yet a further application for Mrs Esther Gurvits, a director of the Respondent, to attend the Tribunal and produce the documents or, alternatively, that the matter be referred to the Upper Tribunal for contempt action to be taken and/or the Tribunal declare that the manner in which the Respondent has conducted the proceedings is frivolous, vexatious or otherwise an abuse of the Tribunal process.

14. By email dated 9th October 2024 Mr Gurvits claimed that the relevant disclosure had already been provided. He supported his claim with a screenshot of his alleged email of 30th September 2024. Neither the Tribunal, the Applicants nor their solicitors had received anything. Prompted by the Tribunal case officer, on 11th October 2024 he sent a further email with a link to the

alleged disclosure which he said was a re-sending of his previous disclosure. On the same day, the Applicants' solicitor responded by email that there were still some items missing.

15. On 17th October 2024, the Tribunal issued amended directions, deleting the requirement for the Respondent to produce their case. By covering letter, Judge Percival explained that he had considered the Applicants' application of 8th October 2024 and, the Respondent having provided some late disclosure, ordered that they should produce those items they had yet to disclose by 31st October 2024. He further noted that the Respondent stood barred as a result of their failure to make full disclosure, subject only to the outstanding disclosure requirements.

16. In the meantime, on 16th October 2024 Mr Gurvits applied on behalf of the Respondent to remove some of the Applicants on the basis that their leases had been forfeited. By letter dated 12th November 2024, the Tribunal informed the parties that Judge Vance had reviewed the case and directed that the Respondent's application was refused as being without merit, the Respondent remains barred and the case would proceed to the final hearing on 7th & 8th January 2025.

17. By email dated 12th November 2024, the Applicants reminded the Tribunal that it had yet to rule on their application of 8th October 2024. By letter dated 15th November 2024 the Tribunal replied that Judge Vance had considered and refused the application, in particular because the Respondent had already been barred and granting the application would have resulted in unnecessary delay.

18. On 2nd January 2025 the Respondent applied to lift the bar and for the matter to be adjourned or struck out in the light of the ongoing county court proceedings in which the forfeiting of the Applicants' leases is being disputed (the form used is titled "Application for permission to appeal a decision to the Upper Tribunal (Lands Chamber)" but it is clearly an application as described). The Applicants responded by email on the same day but the Tribunal adjourned consideration to the morning of the first day of the hearing on 7th January 2025.

Conclusion on Procedural Issues

19. The Tribunal has already ruled on the Respondent's applications and simply repeating them does not entitle them to fresh consideration. In particular, the jurisdictional issue has been decided and any challenge must be by way of appeal. Further, no new grounds have been submitted as to why the hearing should be adjourned and so there is no reason to depart from the Tribunal's earlier refusal. To the extent that the Respondent has sought permission to appeal by using the requisite form, it is refused for because there is no reasonable prospect of the Respondent establishing that the Tribunal's decision was wrong.

20. In relation to the application to lift the bar, the Respondent put forward two grounds:

(a) The Respondent submitted that the Applicants have brought a case commenting on all the charges they wished to challenge so they must have had the documents they needed. This is spurious and circular reasoning. The Applicants have tried their best

with the material available and that is not a basis for failing to comply with disclosure orders. The Tribunal is satisfied that the Respondent did not provide any disclosure by the date ordered – the email screenshot is not credible evidence otherwise. In any event, the Respondent has to date at the very least failed to provide documents relating to service charges paid by the commercial unit, insurance schedules for 2023 and 2024 and policy for 2024 and the claims history and payments made 2022 to 2024.

(b) The Respondent further submitted that the Applicants' bundle of documents contained no prima facie case. The Tribunal is satisfied that this is not correct and the decision below shows that the Applicants succeeded on the majority of the points they raised.

21. Therefore, the Respondent's application of 2nd January 2025 was dismissed. Those present were informed verbally by the Tribunal of this at the hearing.

Service and administration charges

22. The Applicants challenge a large number of service and administration charges for all the years since the Respondent became the freeholder, listed in the two Scott Schedules. The Tribunal has put its decisions in relation to the particular service and administration charges in the Scott Schedules and they are attached as Appendices B and C.

23. The Applicants made an application to the Tribunal previously, also challenging some service charges, and a decision was issued on 7th July 2023 (and revised on 4th August 2023). The Applicants alleged that the Respondent has not complied with that decision but the Tribunal is satisfied that the points being raised in the current proceedings are not the same as those addressed in the previous decision.

24. The Applicants' evidence was thorough, coherent, credible and unopposed. Save where specifically indicated otherwise, the Tribunal accepted the Applicants' account.

Validity of demands

25. The findings set out in the Scott Schedules are subject to a further, logically precedent point, namely that the Applicants challenge the validity of the service charge demands on a number of different grounds.

26. Firstly, paragraph 21.3 of Schedule 6 to the lease requires the Respondent, as soon as reasonably practicable after the end of each service charge year, to prepare and send to each Applicant a certificate showing the service costs and charges. At paragraph 7.8 of the decision dated 7th July 2023 (and revised on 9th August 2024), the Tribunal held that the certificates issued to date were invalid because they were issued before the end of the service charge year, in contravention of the express words of the lease. As a result, Eagerstates purported to notify the Applicants of the service costs and charges for all years at the same time, under cover of a letter dated 7th May 2024 to the Applicants' solicitors.

27. The lease does not specify any formalities for the "certificate". It is notable that the form of the certificates could have been but was not considered in the previous decision. In the Tribunal's opinion, a document clearly from the Respondent's agents, setting out the purported costs and charges is sufficient, by itself, to constitute a "certificate" for the purposes of the lease since it contains all the pertinent information.

28. The next four grounds all relate to errors on particular items within the accounts:

(a) The amended account for the year ending 31st March 2022 included a cost for valuing the development for insurance purposes. This is not a service charge item because, as the previous decision confirmed, the lease treats Insurance Rent separately from the service charges.
(b) The same account included an item for Electrical Works, for which the old amount of £2,288.38 was still listed rather than the reduced amount determined in the Tribunal's previous decision of £1,427.40.
(c) The accounts failed to take account of the sum of £15,144.06 handed over at the time of the Respondent's purchase of the freehold, contrary to the previous Tribunal's decision.
(d) The Insurance Rent demands did not include the aforementioned cost for valuing the development for insurance purposes (since it was included in the service charges) but included 100% of the cost of insurance with no apportionment to the commercial unit (apportionment is considered at item 1 of the Scott Schedule of Disputed Service Charges).

29. The Tribunal agrees and confirms that these are all errors and must be corrected by the Respondent. However, in themselves they do not invalidate the certificate. The Applicants are effectively arguing that one mistake on one item within the certificate invalidates the whole certificate, including even if it makes no difference to the amount payable. Of course, the Applicants are entitled to challenge the reasonableness and payability of individual items but success on one item cannot eliminate their liability on all items.

30. The last ground of challenge is that the demands have not been sent to each Applicant but to their solicitors, Gregsons. While service on an agent can constitute service on the principal, there is no evidence that Gregsons's authority went beyond the legal proceedings. Further, the demands for service charges sent to Gregsons were not accompanied by the requisite Summary of Rights and Obligations, contrary to section 21B of the Act.

31. Therefore, the Tribunal holds that the demands for Service Charges and Insurance Rent are invalid. Like the previous Tribunal, this Tribunal has gone on to consider the other challenges in the event that valid demands are served in due course.

Costs

32. In their application, the Applicants sought three orders in relation to costs:

(a) The Applicants paid fees to the Tribunal, £110 each for two applications and £220 for the hearing. They have been incurred due to the Respondent's failure even to try to justify the service charges they sought to impose. The Tribunal is satisfied that it is appropriate to order the Respondent to reimburse the Applicants the total sum of £440.

(b) The Applicants sought an order under section 20C of the Landlord and Tenant Act 1985 to prohibit the Respondent from seeking to recover any costs incurred in the proceedings through the service charge. It is not clear, given their lack of participation, that the Respondent did incur any costs. In any event, given the Respondent's lack of engagement in the proceedings, it would be neither just nor equitable to allow them to recover anything and so the Tribunal makes the order.

(c) Further, the Applicants sought an order under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 prohibiting the Respondent from seeking to recover any costs incurred in these proceedings by direct charge to one or more of the Applicants. For the same reasons as those for the section 20C order, the Tribunal grants the order.

33. The Applicants reserved their position on whether they wished to make an application for their costs under rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

Name: Judge Nicol **Date:** 10th April 2025

Appendix A – relevant legislation

Landlord and Tenant Act 1985

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 provisions 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 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 tribunal or the Upper Tribunal, 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 a county court;
  (aa) in the case of proceedings before a residential property tribunal, to that tribunal;
  (b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
  (c) in the case of proceedings before the Upper Tribunal, 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 a 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.

Section 21B

(1) A demand for the payment of a service charge must be accompanied by a summary of the rights and obligations of tenants of dwellings in relation to service charges.

(2) The Secretary of State may make regulations prescribing requirements as to the form and content of such summaries of rights and obligations.

(3) A tenant may withhold payment of a service charge which has been demanded from him if subsection (1) is not complied with in relation to the demand.

(4) Where a tenant withholds a service charge under this section, any provisions of the lease relating to non-payment or late payment of service charges do not have effect in relation to the period for which he so withholds it.

(5) Regulations under subsection (2) may make different provision for different purposes.

(6) Regulations under subsection (2) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

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.

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 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).

Schedule 11, paragraph 5A

(1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.

(2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.

(3) In this paragraph—
(a) "litigation costs" means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and
(b) "the relevant court or tribunal" means the court or tribunal mentioned in the table in relation to those proceedings.

Proceedings to which costs relate	***"The relevant court or tribunal"***
Court proceedings	The court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, the county court
First-tier Tribunal proceedings	The First-tier Tribunal
Upper Tribunal proceedings	The Upper Tribunal
Arbitration proceedings	The arbitral tribunal or, if the application is made after the proceedings are concluded, the county court.

SCOTT SCHEDULE OF DISPUTED SERVICE CHARGES AND INSURANCE RENT FOR YEARS 2020/21, 2021/22, 2022/23 and 2023/24 AND ON ACCOUNT CHARGES 2024/25

PROPERTY: Flats 3 & 4 32a Acre Lane SW2 5SG and Flat 2 18A Trinity Gardens SW9 8DP

Item	Cost	Tenants' Comments	Tribunal's decision
1. Service charges all years 2020/21 2021/22 2022/23 2023/24 2024/25		The Applicants (As) own all 8 flats. The development comprises 8 flats and a large commercial unit on the ground floor of 32 Acre Lane. It is leased to Topps Tiles. Under their lease they are required to pay the Tenant's Proportion of the total cost of Landlord's Expenses. The Tenant's Proportion is a fair proportion to be determined in accordance with the lease. The lease provides that the fair proportion is to be determined by the Landlord's Surveyor being the proportion that the Net Internal Area of the Property bears to the aggregate of the Net Internal Area of all lettable space in the Building. The Building is 32 Acre Lane as registered at the Land Registry under title number SGL475065. That title includes 18A Trinity Gardens so the whole development. Measurements taken by the previous landlord's surveyor determined the commercial unit's share to be 37.42% After deduction of the percentage attributable to the commercial until the flats each pay the percentage shown on the table at the foot of this schedule	The Tribunal accepts, for the reasons given by the Applicants, that the Respondent could and should have apportioned the service charges so that the commercial unit paid 37.42% but failed to do so. Therefore, the Applicants' service charges can only be payable to the extent that they constitute 62.58% of the relevant expenditure. The Tribunal accepts and endorses the figures in this Scott Schedule on this item as being correct.
2020/21	£17,010.64	R has not given any allowance for that fair proportion in the service charges it has demanded from As. The Decision made reductions to service charges for the year ended 2021 the new total being £17,010.64 all of which (save for £1.71) has been debited to As	

2021/22	£30,368.03	service charge accounts. The validity of the demands for payment are a separate issue. As submit that 62.58% is chargeable to As being £10,645.26 for 2020/21 in the proportions that their flats bear to one another by size. Attached is the percentage payable by each flat after the commercial unit's share has been deducted. The amended service charge account for 2021/22 does not reflect fully the Decision. It includes the cost of an insurance valuation which is part of Insurance Rent and the figure for "Electrical works as per section 20 notices" is wrong. The Decision reduced that to £1,427.40 (item 12 on Scott schedule). Once those corrections are made the total service charge for that year is £28,187.05. After deducting the commercial unit's % share the total payable by As in their shares is £17,369.45 and not £30,368.03. The tribunal is asked to determine that when a valid demand for payment is made, the correct calculation is as above and in consequence As are to pay the following: 18A Trinity Gardens Flat 1 £2,334.45 Flat 2 £2,570.68 Flat 3 £2,570.68 Flat 4 £1,886.32 32A Acre Lane Flat 1 £2,275.40 Flat 2 £1,846.37 Flat 3 £2,020.07	

2022/23 2023/24 2024/25		Flat 4 £1,865.48 The sums payable by As for the remaining years in dispute cannot be calculated until the tribunal determines what is payable for each year. The costs and the reductions sought by the Applicants in the items which follow are calculated BEFORE adjustment for the contribution attributable to the commercial unit which is 37.42%. When the total for each service charge year is ascertained it must be reduced by 37.42% attributable to the commercial unit and As ask that their decision makes that clear.	
2. Insurance Rent for 2020 2021 2022 2023 2020	General point £2,996.80	The residential leases have a specific definition of Insurance Rent and a separate machinery for its demand and payment obligations (see the Decision which explains the lease terms). Any calculation of As liability can only be made after deduction of the fair proportion payable or attributable to the commercial unit. That obligation is to pay the Tenant's Proportion of Insurance Costs which is to be calculated in the same way as for the service charge. Insurance Costs comprise the premium for insuring the Building including any insurance valuations. R has charged 100% of the insurance premiums, broker fees and the cost of insurance valuations to As and made no reduction for the 37.42% fair proportion payable by or attributable to the commercial unit. The only premium determined in the Decision was that for July 2020 in the sum of £2,996.80. The premium after deducting 37.42% is £1,875.40 and it is only that sum which may be demanded from As in their %	In relation to item 1 above, the Tribunal decided that the Respondent could and should have apportioned the service charges so that the commercial unit paid 37.42%. The same applies here to the Insurance Rent.

2021 2022 2023		shares. The overcharge by R is significant. For example, flat 2, 32 Acre Lane was charged £668.14 whereas the correct charge is £199.35. Once the tribunal has decided on fair premiums and any other elements of Insurance Rent payable for the other years for which demands have been made, the percentage which each flat is to pay can be calculated.	
3. Unaccounted for surplus funds	£15,144.06	The Decision determined that surplus funds credited to R when it purchased the freehold had not been accounted for. Those funds are still unaccounted for at least in part. It is clear from the accounting information provided by the previous managing agents that they operated their accounting period over a calendar year. Their last service charge accounts were to end December 2019. The accounts prepared by R included expenditure over a 15-month period 1 January 2020 to 31 March 2021 which includes £2,871.74 paid out by the previous managing agents and recorded in R's service charge account. That needs to be added back to the £15,144.06 or it is charged to leaseholders twice (once in the cash balance and again in the service charge account). The new total is £18,015.80. In Rs service charge statements of account, As have been given credit for a total of £8,443.65. We must assume that Topps Tiles has been given full credit for its payments which were £2,187.87 so making the full sum of credits £10,631.52.	The Tribunal accepts the accuracy of the Applicants' account so that the Respondent does not appear to have given full credit for part of the amounts awarded in the Tribunal's previous decision. However, the Tribunal has no part in the enforcement of its decisions and cannot make a further determination on the same issue. Therefore, the Tribunal has no power to determine what is outstanding from a previous determination.

		When those credits to As and Topps Tiles are applied to the brought forward £18,015.80 there remains £7,474.28 unaccounted for. When queried with R, they simply say that the funds have been accounted for but when asked how, there has been no response. The tribunal is referred to paragraphs 6.6 to 6.13 of the Decision and particularly paragraph 6.13. Given the passage of time since R acquired the freehold and its failure to account for those funds As submit that the tribunal simply reduces the service charges payable by all leaseholders for the year end 31 March 2021 from £17,010.64 to £9,535.36 of which £5,968.85 will be payable by As in their shares. As tried to enforce the findings of the Decision in respect of this item as an award. R spent over £10,000 on legal costs contesting that. They were successful but were not awarded their costs. It is bizarre that they should spend so much trying to avoid accounting for that sum when all they need to do is comply with the Decision.	
4. Insurance premiums	General point	R's managing agent informed the tribunal that no commission was paid on insurance premiums and there are no portfolio discounts. As say that is not credible. The broker would not receive only £50 by way of commission/fees and R, which has a very large portfolio, will receive discounts and commissions. The Decision in 2023 did not accept R's submission on this same point, no confirmation having been provided by the insurers.	The Tribunal in its decision issued on 7th July 2023 (and revised on 4th August 2023) analysed the lease provisions for the recovery of the cost of insurance premiums in the form of Insurance Rent and held that the costs had been wrongly included in the service charges. On 7th May 2024 the Respondent issued demands separately for the insurance for all years as referred to in the body of the decision. The Respondent has provided the insurance

2021	£4,464.49 plus broker fee £50	The premium increased quite substantially from the previous year and very substantially since 2019. There is evidence of a modest claim which net of the excess amounted to £1,610. For the same reasons the Decision reduced the premium in 2020 (failure to provide full information about broker costs and whether the policy forms part of a portfolio policy with commissions paid) by 20% As submit the same reduction should be made. Reduce to £3,621.59	certificates for 3 years but has again failed to provide any information about broker costs or commissions. The Tribunal accepts that it is likely that commissions were paid because that is standard practice in the market and for the Respondent. It is possible that at least some of any such commissions are valid as the charge for claims handling or other services but, in the absence of any information from the Respondent, this cannot be determined. The Tribunal accepts and agrees that, in the absence of essential information from the Respondent, a modest reduction of 20% is appropriate for each year, as calculated by the Applicants.
2022	£4,811.42 plus broker fee of £50	As above. Reduce to £3,899.14	
2023	£4,114.67 plus broker fee of £50	No Schedule has been disclosed for this renewal so the only evidence of the sum paid is in the service charge account. As above. Reduce to £3,341.74	
5. Cleaning 2023/24	£2,841.20	The Decision did not make any reduction to cleaning costs which were between £2,000 and £2,500 over the period concerned. The evidence was that the cleaning did not comply with the cleaning specification and was of an exceptionally poor standard. Notwithstanding the complaints of poor service, R continues to use the same contractor Doves whose cleaning has not improved. The cost has increased from £1,993.40 in 2022/23 by 42.5% in 2023/24. As can see no	The cleaning contractor is Doves Contract Cleaning Ltd. The Tribunal accepts the Applicants' evidence that the standard of service has deteriorated over the past year, despite the increase in the cost, as measured against the specification. Together with the fact that the disclosed invoices do not add up to the amount claimed, the Tribunal is not satisfied that that amount is reasonable. A reasonable amount would be no more than £2,000.

		reasonable justification for such a huge increase and submit that the cost should be reduced to £2,000. Further, the invoices disclosed total £2,234 and not £2,841.20	
6. Roof works 2022/23 and 2023/24	 £6,852.00 £20,710.00	This development was a new conversion from commercial to residential (with commercial on ground floor) in 2018. At that time it had a new roof which was subject to a guarantee. In the 2020/21 accounts £2,195.60 was spent on repairs. In the 2021/22 accounts another £2,700 was spent on repairs. These costs were not disputed by As in the previous application so are a backdrop to what follows. The invoices for those works are included in the hearing bundle. From 2022 onwards there were constant leaks and failed attempts at repair, not by roofing contractors but by maintenance contractors, clearly unqualified and incapable of providing a competent or effective roofing repair service. They attended time and time again and the costs rose to a ridiculous level with leaks continuing throughout. They would have known after the expenditure in 2020 and 2021 that the roof needed more specialist roofing work. BML reported that a new roof was required which it wasn't. Eventually As organised their own roofing contractor	The evidence available to the Tribunal is that the Respondent used contractors (M3S Property Services Ltd, iFIX Property Maintenance, Management 2 Management, BML Group Ltd and Superior Facilities Management Ltd) who were not specialist roofing contractors and whose work was ineffective in addressing the roof leaks, despite several visits each and in contrast to the Applicants' own contractor. While the Applicants have not established that their work was without any value, a total of £27,562 over 2 years, following expenditure of £4,895.60 over the previous two years, is clearly unreasonable. In addition, there is the Respondent appeared to have added a management fee for a consultation under section 20 of the 1985 Act. One of the Applicants, Mr Raynor, admitted that there was consultation of some sort but the proposed works were superseded by the Applicants' own contractor's work. In the circumstances, the Tribunal concludes that a total reasonable charge for the two years in relation to works to the roof conducted on behalf of the Respondent

		(Wimbledon and Wandsworth Roofing) to attend and do a proper job at a cost of £10,000. A management fee was charged even though there was no section 20 consultation and As organized and supervised the works themselves. It is clearly unreasonable for As to have to pay for repeated failed attempts to investigate and repair leaks. The problem was solved by As own roofing contractor at a cost of £10,000. The costs incurred in 2020/1 and 2021/22 add to the total bill but As cannot now dispute those costs. Those costs should however be taken into consideration when the tribunal considers what is reasonable for the costs charged in the two years which followed.	would be no more than £10,000.
7. Electrical works, inspections and reports		In 2020/21 R spent £4,607.20 on electrical inspections and works. In 20201/22 R spent a further £11,884.01 on various electrical inspections and works. This new development had complete electrical sign off and EICR certificates in 2016. There were no problems identified. An EICR was carried out in 2020 and passed. It recommended re-inspection in no more than 5 years. There was also a standard audit report by BNO London in December 2020 at a cost of £1,920 and an Electrical Specification Report in January 2021 at a cost of £1,300. The Decision found that there was an overcharge in	On their face, the repeated inspections of the electrical condition of a new development despite an existing certificate require explanation. The Respondent has not provided one and the invoices (and any accompanying photos) do not provide enough details to fill the gap. The fact that the total claimed is more than the total of the invoices disclosed also requires explanation. While the Tribunal can accept that some works were done following some of the repeated inspections, there is no evidence that they were required at the time. An electrical installation does not necessarily have to comply with the latest regulatory requirements on the earliest possible occasion.

2022/23	£2,818.56	2021/22 for works it could not identify and reduced the cost by £4,216.60. The cost of all the inspections and other works to electrics were allowed amounting to £12,274.61 On 23 June 2022 BNO London carried out an Annual Inspection at a cost of £792. No report has been provided or any justification for yet another hugely expensive inspection being required. On 8 July 2022 Property Run Contracts carried out yet another EICR at a cost of £221.44. The invoice stated "failed" but the certificate dated 15 July 2022 said that the condition was satisfactory with a recommendation that paint tins be removed from the electrical cupboard. It recommended re-inspection after an interval of not more than 5 years. On 18 July 2022 Property Run Contracts charged £897.32 for various works. The invoice stated that the inspection then passed. This was quickly followed by an invoice dated 29 September 2022 from BNO London for £934.61 for various works to comply with "current regulations". As submit that there is no reasonable explanation for these repeat inspections and works. The re-inspections continued in 2023/24.	In the circumstances, the Tribunal cannot be satisfied that any of the expenditure is reasonable and disallows the whole amount challenged, save for the items conceded by the Applicants.
2023/24	£3,213.60	On 20 June 2023 BNO London charged £996 for an annual inspection and to replace some seals and security tags. Again there was no report and no justification for yet another inspection.	

		On 21 June 2023 Property Run Contracts charged £298.80 for a visual installation condition report which "failed". On 1 August 2023 Property Run Contracts charged £708 for a Surge Protective Device and some re-wiring. As submit that an annual inspection is unnecessary let alone two in one year. As submit that having been required to pay their share of inspection and repair costs in 2020 and 2021 they should not have to pay for re-inspections in 2023 and 2024. As do not object to the cost of the electrical sweep carried out at a cost of £102 and £102 which found no faults. The above comprises all the invoices for electrical inspections and works disclosed in the year and they total £2,206.80 not £3,213.60.	
8. Bulkhead lights 2022/23	£973	The emergency lighting testing reports identified two bulkhead lights needing replacing in their report dated 28 February 2022 and two again in their report dated 9 September 2022. A price check online indicates that these lights can be purchased at a retail cost of £48 inc VAT. To remove the faulty lights and replace with new would take	The reasonableness of the two invoices challenged here turns on what contractors would be willing to do the work for, not the cheapest calculation the Applicants can make. The Applicants did not provide any alternative quotes. The Tribunal's expert knowledge and experience does not suggest that these charges are obviously excessive. In the circumstances, the Tribunal is not satisfied that these charges are

		around one hour's labour on each occasion. Property Run Contracts invoiced for £529.19 on 11 March 2022 and Superior Facilities Maintenance invoiced for £444 on 23 September 2022. As submit both are excessive and a reasonable cost in both cases would be £150 for each invoice so £300 in total	unreasonable and so they are payable.
9. Door inspections and works 2022/23 2023/24	£550 £2,700	In November 2020 a FRA report was obtained which identified some issues to be resolved with fire doors, flat doors and cupboards. In January 2022 a Health and Safety and FRA was carried out which identified mostly the same fire safety works to fire doors, flat doors and cupboards as in the previous report. An invoice dated 24 February 2022 for £550 recommending some of the works in the report obtained only a month previously. As the invoice is paid it may be assumed that the work "recommended" was then undertaken. However a fire door inspection undertaken in July 2022 failed all 6 doors. It said that heat strips fitted only 5 months earlier should be removed so making the works done in the invoice above, worthless. This cost comprises two invoices both dated 18 May 2023, the first for £1,500 advising that smoke seals should be fitted and the second for £1,260 was to supply and install smoke seals "to the doors not pointed out in the report". All that has been added is a smoke seal to the bottom edge of two internal doors.	On their face, and for the reasons given by the Applicants, the costs for the door inspections and works require explanation but, again, the Respondent has not provided one and the invoices do not provide enough details to fill the gap. Therefore, the invoice for £550 appears to be for unnecessary and ineffective work and is disallowed in full. The two invoices for £2,700 do not appear reasonable for the work actually carried out. The Applicants sought a reduction of 20-30%. The Tribunal is satisfied that a reasonable charge would be no more than £2,000. The final invoice of £848.57 appears to be pointless, given that it was to inspect and report on doors demised to the Applicants but the Applicants were not furnished with any results. Therefore, it is disallowed in full.

	£848.57	Three invoices dated 30 March, 30 March and 20 May 2022 for fire door inspections and report. None of the findings were communicated to the leaseholders so there was no point in the inspections. Flat doors are demised.	
10. Path works 2022/23	£1,250	The invoice dated 24 February 2022 has some photographs attached which simply show a small quantity of cement applied to an uneven patch. The cost is excessive and As submit a more reasonable cost to be £250.	The photos do appear to show relatively minor repair work such that the cost requires explanation. However, again the Applicants have not provided comparative quotes. In the circumstances, the Tribunal rejects the Applicants' proposed reduction as excessive but determines that a reasonable charge would be no more than £1,000.
11. Repair of broken banister. 2022/23	£400	The invoice is dated 24 February 2022. A single spindle to the stair banister had come loose and needed refixing into place. It was not broken, just loose. From the photographs attached to the invoice above it was dealt with on the same visit as the path works. The time cost would have been negligible, perhaps 10 minutes at most to slot it back in place. As submit that a reasonable cost would be £40.	The Tribunal accepts the Applicants' analysis that a loose spindle was re-fixed on the same visit as for the path works considered in the preceding item. An additional cost of £400 is, therefore, clearly unreasonable. However, again in the absence of comparative quotes, the Tribunal reduces the charge to £200.
12. Path to 18a Trinity Gardens 2022/23	£400	The invoice is dated 24 February 2022 so was work	As with the preceding point, the Tribunal accepts the Applicants' analysis that the work was simple and done at the same time as the preceding two items, but the lack of

2023/24	£295	done on the same day as the previous two items. It involved placing a brightly coloured strip across the lip where the threshold is. The time cost would be around 20 minutes with materials at nominal cost. As submit a reasonable cost would be £60 A different contractor charged £295 to replace the strips because the previous ones were the wrong colour. That cost too is unreasonable. Only one cost should be payable and As submit it should be £60 offered above.	comparative quotes means that the Tribunal reduces the £400 charge to £200. The Tribunal agrees that it is unreasonable to charge the Applicants for the cost of correcting the previous contractor's error and so the charge of £295 is disallowed.
13. Stairways 2022/23	£900 £690 £960	This invoice is dated 12 December 2022 for a service provided on 9 December 2022 and was to repair a stair edge at 18A Trinity Gardens. The photographs give no indication as to what needed repairing or what repair was undertaken. It is a significant cost for a stair edge even assuming a stair was repaired. As do not recall any damage or any repair. On the same day a stair edge at 32A Acre Lane was also repaired at a cost which was somewhat less. As above the photographs do not assist. As do not recall any damage or any repair. This is an invoice dated 30 May 2023 and is to provide a small rubber strip to the edge of a wall. As say that it is completely unnecessary, the edge not being in any way a hazard and secondly the cost is excessive for such a minor item. As submit that none of this cost should be paid by them. It is unnecessary, excessive and unreasonable.	In relation to the first two invoices, the contractor appears to have done what the contractor for the previous three items did not do and took into account that they were already on site when compiling the second invoice. In this instance, the invoices and photos do speak for themselves. It is true that the photos only appear to show the condition of the stairs after the work was done so that it is not clear why the work needed to be done. However, the Applicants' inability to recall any issue is not enough to suggest that the contractor was going as far to charge for entirely unnecessary work. Again, there are no comparative quotes. The Tribunal can see the Applicants' argument that the rubber strips are not strictly required but it doesn't seem to the Tribunal that it is unreasonable to protect against potential future damage or accidental injury. In the circumstances, these items are

			allowed.
14. Internal decorating 2022/23	£3,120 (£3,681 in the service charge account)	This invoice is dated July 2022 for work done in June 2022 and was to remove flaking paint and to decorate with three coats of white emulsion in 32A Acre Lane. This was at a time when the roof was leaking so insurance claims were being made. The service charge account states that a section 20 consultation was carried out but it wasn't. Had As been consulted they would have informed R that it should claim these repair and redecoration costs on insurance. If As had received notice of these costs and an explanation given as to why they could not be claimed on insurance they would have obtained their own quote as this cost is extremely high.	In relation to the first two invoices, the Tribunal accepts that no consultation was carried out. The Respondent has not applied for dispensation from the consultation requirements and so the total costs, inclusive of the management fee, are limited to a maximum of £250 per leaseholder. The Applicants' claim that the internal decoration works in the next two invoices were connected in some way to the roof leaks is not supported by the evidence. The photos appear to show impact damage at a low level rather than water damage from above. The photos also do not suggest a complete absence of any need for redecoration as the Applicants claimed. Again, there are no comparative quotes. Therefore, the invoices for £1,620 and £954 are allowed. In relation to the final three invoices, all in 2023/24, the Applicants' objection is that the Respondent is in breach of their repairing obligations in relation to the roof. That is not an issue of the reasonableness of service charges but a claim for damages (see *Continental Property Ventures v White* [2007] L&TR 4). While the Tribunal can determine a properly formulated counterclaim for such damages, none has been so formulated. The Applicants' remedy
	£561.60	R's disclosure has included an invoice for management fees for the consultation of £561.60 which As say is not payable as there was no consultation.	
	£1,620	This invoice is for work said to have been done on 9 December 2022 and is to repair a wall and ceiling where cracked in 18A Trinity Gardens. The photographs show two small areas of flaking paint. This cost is excessive given that the roof was still leaking and so damage was continuing.	
	£954	On the same day the same task was said to have been carried out in both places. The photographs show no works were needed and As submit this invoice is not reasonably payable. Also, the same point is made about continuing damage due to leaks.	

2023/24	£1,170 £1,260 £4,230	In the service charge year 2022/23 there is no insurance claim shown and R's disclosure shows payments by insurers for a claim in 2020 An invoice for redecoration following a leak dated 23 June 2023. An invoice to touch up communal area "where needed" dated 5 July 2023 An invoice dated 30 November 2023 for extensive works of renovation to the areas damaged by the leaking roof. The service charge account for 2023/24 shows all three costs and also two insurance payouts, one for £1,300 and the other for £2,430 so leaving £2,930 claimed as service charge. R has not disclosed (as ordered) the claims history or given any explanation as to why only an excess is charged. It is clear from email exchanges with As that a claim was made and approved by the insurer in 2023. Eagerstates informed Laura Sainty on 16 November 2023 that the full cost was £1,800 with the payout being for £800 the excess for "flood" being £1,000. As submit that all they should not be required to pay any cost. The claims on insurance were because the roof had not been repaired in a timely fashion as it should have been. Had it been, then there would have been no damage, no insurance claim and no cost to leaseholders for an excess or internal re-decoration.	lies in the county court. In the meantime, there are no grounds to disallow the costs arising from the three invoices.
15. Render			The photos clearly show the scaffolding was

repairs 2022/23	£2,544 and scaffolding cost of £1,020	This cost comprises two invoices, one for £990 and the other for £1,554 for two attendances on 27 January and 3 February 2023. The scaffolding cost was separately charged for. The photographs do not show what work was done or why two attendances were justified. They show scaffolding and the render looking in good shape. As cannot recall seeing any damaged or cracked render let alone any which might be considered dangerous so submit that this is yet another charge for either work not needed or work not done.	erected, some cracks were filled in and the façade was in a satisfactory condition after the works, in clear contrast with the similar façade next door. The Applicants' observations of an area two storeys above ground level which they would have had no reason to look at closely before cannot carry much weight. There are no grounds for thinking these costs were unreasonably incurred and so the charges are allowed.
16. Unblocking front hopper 2022/23	£600	This invoice is dated 6 February 2023 and is to unblock the front hopper and to remove debris to stop it falling into the hopper. It is an extraordinarily high cost for a simple task. If it took one man hour that would be a surprise. As do not object to the hopper being cleared but submit a cost of £150 would be reasonable.	Again, the reasonableness of this invoice turns on what contractors would be willing to do the work for, not the cheapest calculation the Applicants can make. The Applicants did not provide any alternative quotes. The Tribunal's expert knowledge and experience does not suggest that this charge is obviously excessive. In the circumstances, the Tribunal is not satisfied that it is unreasonable and so it is payable.
17. Signage 2023/24	£288	This cost comprises two invoices each for £144 one dated 3 April and the other 11 May 2023. In February 2022 London Fire Prevention Ltd carried out a Fire Risk and Health and Safety Assessment. Their invoice includes the cost of fire safety signage at a cost of £30 plus VAT. As say that is a reasonable cost and not £288.	The estimate of the cost for fire safety signage in the assessment would have been just for the signage itself, not for its fitting. Again, the Applicants did not provide any alternative quotes and the Tribunal's expert knowledge and experience does not suggest that this charge is obviously excessive. Therefore, the Tribunal is not satisfied that the charge is unreasonable and so it is payable.

		Signage was not required as it had already been provided by a company specialising in fire prevention.	
18. Miscellaneous services 2023/24	£264 £264 £300	This is an invoice dated 11 May 2023 (so the same date as the second invoice above and from the same contractor) and is the cost to disable a deadlock. The poor photograph gives no indication as to what work was actually carried out if any at all. The same contractor on the same date (11 May 2023) charged this cost for removal of items in the gas cupboard. The photograph shows a broom and a broom handle. A totally unreasonable cost for doing next to nothing. The same contractor but a day earlier on 10 May 2023 charged this for removing combustibles from the electrical cupboard but the photograph doesn't show any there. It should be noted that this was the date on which this contractor charged £960 to put the rubber strip on the stairway wall.	These 3 charges do not appear unreasonable on their face, taken in isolation and in the absence of any alternative quotes. However, they are all from the same date as one of the invoices for work in the preceding item, apart from one which appears to be such minor work that it could and should have been done on the same date too. It would appear that each item has been separately invoiced in order to justify charging the full cost as if the contractor were not already on site. This is unreasonable. The Tribunal reduces each invoice by £100.
19. Boundary works 2023/24	£1,500	This is an invoice for cleaning down the metal boundary fence and door treatment with a rust solution	In the absence of any contrary evidence from the Respondent, the Tribunal accepts the Applicants' description of this work. Therefore, the work was next to useless and worthless. The charge arising from this cost

		and redecoration. As say all that was done was some paint was slapped on to a rusting area of gate. As the metalwork was not prepared with the rust sanded off, the paint has flaked off as shown in the photograph in the bundle taken in November 2024. There is no benefit to As for this cost and they submit it is not a cost which they should be required to pay.	is not payable.
20. Holes in ceiling to entrance lobby and electric cupboard 2022/23	£450 £450 £750	These are three invoices from the same contractor, two for £450 and one for £750 all dated 24 February 2022. It appears from the photographs that nothing was done at all. The holes are still there. (Some of the photographs include the small area of cement applied to the uneven area of path. See items 10, 11 and 12 above. Same contractor charging at total of £2,950 in one day. This contractor was highly criticized for overcharging and charging for works not done in the recent BBC expose of this R).	Again, in the absence of any contrary evidence from the Respondent, the Tribunal accepts the Applicants' description of this work. Since the work was not done, the charge arising from these costs are not payable.
21. Monthly testing 2022/23	£1,588.80	In 2020/21 the annual cost of monthly testing of lighting and AOV was £540. In 2022/23 it increased to £1,588.80. That was principally because R changed contractors from EFP (monthly charge £44.88) to	It is an error to assume that, when a charge goes up, the original charge is the baseline and any large increase must be unreasonable. The original charge could have been an undercharge for the level of service wanted. However, such a large

2023/24	£744	contractors which charged more than double at £96 per month and did not even provide testing reports. The six-monthly tests cost £264.90 when done by EFP but that increased to £750. As submit that possibly some inflationary rise would be reasonable from £540 to £595 and that is their offer. There are only two invoices for this service charge year which together total £336. If testing was carried out throughout the year, then evidence of that must be produced. EFP left a log recording their visits. There is no log kept by the current contractor and so no evidence of their attendance or of what tests they carried out, if any.	increase, as in this case, does demand an explanation but none has been provided by the Respondent. Having said that, again the Applicants provided no comparative quotes. The Tribunal's expert knowledge and experience does not enable it to see any justification for this particular increase. In relation to 2023/24, it is notable that the claimed cost has gone down but it is concerning that not all the invoices were disclosed for such recent costs. The Tribunal concludes that a reasonable charge would be no more than £700 for each of the two years.
22. Inventories 2022/23	£72 £72	There are two invoices each for £72 to purportedly undertake an inventory for both of the communal areas with reports communicated to leaseholders. There is nothing to inventorise and there were no reports. As submit this is not a reasonable charge to incur and is not reasonably payable.	For some properties, the Tribunal can see that such an expense would be reasonably incurred. The Respondent has a large portfolio and inventories would doubtless be sensible for some of their properties. However, it would be wrong to apply this approach across the entire portfolio without giving consideration to the needs of each property. The Tribunal accepts the Applicants' evidence that they received no reports and that there is nothing to inventory. Therefore, these charges were not reasonably incurred and are not payable.
23. Locks and keys 2022/23	£222.60 £978	The first two invoices are dated 23 March and 24 April 2022. The first is for a new lock and 15 new keys. The	The descriptions on the two invoices seem to provide a sufficient explanation. The second invoice refers to a lock being damaged which could have happened since the first invoice. Also, to describe the £270

2023/24	£264	second (a month later) is for a number of items including a new lock and 14 new keys. £270 for a look around cannot be reasonable £345 for new lock and keys is not payable as As were only ever provided with new keys on one occasion not two and so accept the invoice for £222.60 The £195 for a repair to the riser cupboard is also accepted. As submit that they should not be required to pay £345 and £270 plus VAT totaling £738 This invoice is dated 11 May 2023 and is a recommendation that a deadlock should be disabled or keys removed. There was no work done and it cannot be reasonable to charge As this cost	charge as being for "a look around" does not match the detailed description of the work on the invoice. Again, the Applicants have not provided any comparative quotes and the Tribunal's expert knowledge and experience cannot fill the gaps in the evidence. The Tribunal is not satisfied that these costs have been unreasonably incurred and so the charges are payable.
24. Accountancy 2022/23 2023/24 2024/25	 £690 £690 £900	 There is one invoice only for the service charge year 2022/23, no invoice for the service charge year 2023/24 and the proposed charge of £900 is in the budget for the current year. The accounting is as bad as it has always been. It is no more than a list of expenses. The percentage attributable to the commercial unit is omitted. The accounts do not comply with the leases or with TECH 03/11. As submit that they should not be required to make any contribution to costs for such a woefully bad service.	The Respondent has used their standard accounting format in this case which, as the Applicants said, it consists of just a list of expenses, uncategorised and without any detail. The amounts charged are what the Tribunal would expect from an accountant submitting proper accounts. There is nothing wrong with the Respondent using a simpler format but the cost should reflect this. A reasonable charge for the accounts actually produced would be no more than £100 each.
25. Management fees			As is apparent from the Tribunal's previous decision and the rest of the current one, the service provided by Eagerstates, a sister

2022/23 2023/24	£2,544 £2,544	Only one invoice has been disclosed for the earlier of the two years. Excessive cost for exceptionally poor service, undisclosed commissions and failure to consult. Much duplication of pointless inspections and works. Failure to account for surplus service charge funds. Failure to comply with the Decision. The close relationship between the Respondent and its managing agent requires particular scrutiny. They are owned and run by the same family. Eagerstates are not professional independent managing agents and there was no tender process prior to their appointment or since. It beggars belief that a competent professional managing agent could manage a development in the manner of Eagerstates. To fail so spectacularly to offer a service even close to reasonable is a constant concern to As. R uses the same incompetent and potentially fraudulent contractors who are clearly not doing work charged for and overcharging where minor works are undertaken. Perhaps the worst aspect is the failure to demand service charges which take into account the contribution attributable to the commercial unit. 37.42% is a significant proportion and to charge all costs to the residential leaseholders is alarming. No demands for service charges have been sent to any leaseholder since the Decision and yet one was sued for non-payment and paid under protest; the leaseholders of five flats faced and still face claims for possession on grounds of forfeiture; and the other two	company to the Respondent is poor. For the amount charged, the Tribunal would expect to see a competent service delivered but Eagerstates have fallen well short. The previous Tribunal deducted 60% and the current Tribunal sees no reason to depart from that approach. Therefore, a reasonable fee for Eagerstates's management would be no more than £1,000 for each of the two years in dispute.

		paid under protest before threatened action was taken. The pressure and stress suffered by all As cannot be overstated. Before the substantial overcharging emerged, the previous Decision reduced management charges by 60%. The evidence before this tribunal is that the service over the years in dispute has been even worse and a higher reduction ought to be made.	

Percentage of service charges and insurance rent payable per flat after deduction of the percentage attributable to the commercial unit

Property	**Name**	**Sq. ft.**	**Percentage share**
Flat 1 18A Trinity Gardens	Gracie	640	13.44%
Flat 2 18A Trinity Gardens	Suwanee	705	14.80%
Flat 3 18A Trinity Gardens	Besant and Raynor	705	14.80%
Flat 4 18A Trinity Gardens	Melprop	517	10.86%
Flat 1 32 Acre Lane	Sainty	624	13.10%
Flat 2 32 Acre Lane	Bullick	506	10.63%
Flat 3 32 Acre Lane	Suwanee	554	11.63%
Flat 4 32 Acre Lane	Suwanee	511	10.74%
			100%

SCOTT SCHEDULE OF DISPUTED ADMINISTRATION CHARGES AND INTEREST

PROPERTY: 32a Acre Lane SW2 5SG and 18A Trinity Gardens SW9 8DP

Item	Cost	Tenants' Comments	Tribunal's decision
Introduction		Please refer to the statement of case with which this schedule and the evidence relied upon below must be read. The disputed interest and administration charges are detailed below on a flat-by-flat basis. The documentary evidence relied upon is in the hearing bundle in the relevant section.	Since the Tribunal has decided that the service charges have not been validly demanded (paragraph 31 of the main body of the decision), then none of the administration charges below incurred in pursuing the alleged debt can be payable.
Flats 3 and 4, 32A Acre Lane and Flat 2, 18A Trinity Gardens (owned by Suwanee (UK) Limited) **Flat 1, 32A Acre Lane (owned by Laura and Hannah Sainty)** **Flat 4, 18A Trininity Gardens (owned by Melprop Limited)**	**£2,400 x 3** **£2,400** **£2,400**	The Applicants own the five flats referred to. None has received any demand for payment of ground rent or service charges since the Decision. The Respondent initially said that demands had been sent to each leaseholder on 7 May 2024 but later appeared to accept that no such demands had been made (as not a single leaseholder had received a demand) and instead said it relied upon the letter with enclosures dated 7 May 2024 forwarded by email to Gregsons on 21 May 2024 (see bundle item 29) Under cover of a letter dated 27 June 2024 the Respondent sent Suwanee (UK) Limited a letter which enclosed a copy of the letter to Gregsons of 7 May 2024 with its enclosures. It was not sent to any other leaseholder.	Further and in any event, in the absence of contrary evidence from the Respondent, the Tribunal accepts the Applicants' evidence that they did not receive demands for payment of ground rent or service charges, other than the letter dated 27th June 2024 to Suwanee (UK) Ltd. Yet further, the Tribunal accepts the Applicants' evidence that the court proceedings were issued by the Respondent without justification and prematurely. The Tribunal's current decision concludes that some of the charges were payable but also much of them were not and it is inappropriate to issue proceedings for a debt the greater proportion of which is not owing.

		Also, on 27 June 2024 the Respondent served a section 146 notice in respect of each of the five flat leases on grounds of alleged non-payment of ground rent. No ground rent demands have been sent to any leaseholder since the Respondent purchased the freehold in July 2020. Ground rent for some years had been paid in some cases but not in all and every leaseholder then paid all ground rent not already paid whether demanded or not. The Respondent then (following payment) issued possession claims in respect of each of the five flats on grounds of alleged forfeiture in July 2024. Those claims are defended and reference is made to the Particulars of Claim and the Amended Defences and Counterclaims in each case in the hearing bundle. The litigation costs in the County Court claims will be resolved in those proceedings. The Applicants seek a determination of this tribunal that if the court finds that the Respondent was entitled to serve a section 146 notice, that the costs of £2,400 charged in each notice by the managing agent are excessive to an eye watering degree. It is a moot point as to whether these are professional fees at all (see lease provisions) but if they are and are potentially payable as such, the Applicants submit that a fee of £50 plus VAT per notice would be a reasonable fee in place of the £2,400 charged, in the	The Tribunal also accepts the Applicants' submissions that, even if any administration charges were owing, the amounts the Respondent sought to impose were unreasonable in amount. Given the above findings, there is no need to determine the precise amount.

		event that the court finds that the Respondent was entitled to serve s.146 notices.	
Flat 2, 32A Acre Lane (owned by Juliet Bullick)	**Interest 1.07.24 £113.67** **Letter before Action 3.07.24** **£243** **£474** **£480** **Statement of account 24.09.24** **Interest £54.93** **£630** **£636** **£360** **Court fee £455**	Juliet Bullick was not originally part of the group which made the first application to the tribunal. She joined shortly before the final hearing. The Respondent made a demand for payment for the service charge year 2022/23 in March 2023, later determined to be invalid in the Decision. The amount demanded was paid under protest. There was no demand for payment in May 2024 but Mrs Gurvits sent emails on behalf of Eagerstates demanding payment or there would be "escalation". Ms Bullick protested that she had not received any account or demand but instead of sending her a valid demand and valid accounts, the Respondent made a Money Claim Online. A Defence was filed and served and payment was made under protest. The Respondent informed the court that the claim had "settled" which it very obviously has not. As it was a Money Claim Online the court's automated system has effectively closed down the claim and with it the Defence to it. There was, however, no admission of liability and no judgment of a court or tribunal. Ms Bullick did not receive and has still not received a demand for payment since the Decision. She only has had sight of the information provided to Gregsons.	See the Tribunal's comments above.

		As no demand has been made whether valid or otherwise, she cannot be in breach of her lease so engaging the costs clause and cannot be late with a payment so engaging the interest clause. Ms Bullick seeks a determination that no interest and no administration charges are payable by her. If the tribunal determines that she was in breach of her lease, then it is asked to determine what a reasonable administration charge would be. There is no information available to the Applicant or to the tribunal to justify the charges as the Respondent has chosen not to comply with directions and is debarred. It has not applied to lift the bar and has not disclosed any information regarding the charges.	
Flat 1, 18A Trinity Gardens (owned by Emmett Gracie)	**Interest £128.17** **£243** **£474** **£480** **£630**	As in the case of the other leaseholders Mr Gracie did not receive any demand for payment following the Decision. The only information he had was a copy of the letter to Gregsons of 7 May 2024 with its enclosures forwarded to him and his fellow leaseholders on or about 21 May 2024 upon receipt by Gregsons. Mr Gracie contacted Eagerstates to say he had not received demands. A copy of the documents sent to Gregsons were then forwarded to him on 28 June 2024. Mr Gracie acknowledged and said he would review the same. Mrs Gurvits sent Mr Gracie another email on 28 June 2024 threatening him with "thousands of pounds" of costs if he didn't pay that	See the Tribunal's comments above.

		day. This was followed on 3 July 2024 with a threatening letter from DRA demanding payment in 7 days. The statement of account attached to it had interest debited of £128.17 but also: DRA referral fee £243 DRA collection fee £474 Admin costs £480. Rather than resist the claim as he was entitled to do, Mr Gracie paid most of the demand under protest and sent an email to Eagerstates on 8 July 2024 setting out his position. A further email exchange followed with Mrs Gurvits maintaining that every leaseholder as well as Gregsons had been sent demands for payment having sent them by first class post on 7 May 2024. Not a single leaseholder received any such correspondence and the letter sent to Gregsons was not received by post but had to be forwarded by email on 21 May 2024. Mrs Gurvits did not relent in any way and a further letter was sent by DRA demanding further sums. The statement of account attached to that letter had a further admin cost: £630 described as DRA pre-legal correspondence. This was pursued once again by Mrs Gurvits in a further bullying email. It took a “cease and desist” email from Gregsons to Mrs Gurvits to put a stop to it.	

		As no demand has been made whether valid or otherwise, Mr Gracie cannot be in breach of his lease so engaging the costs clause and cannot be late with a payment so engaging the interest clause. Mr Gracie seeks a determination that no interest and no administration charges are payable by him. If the tribunal determines that he was in breach of his lease, then it is asked to determine what a reasonable administration charge would be. There is no information available to the Applicant or to the tribunal to justify the charges as the Respondent has chosen not to comply with directions and is debarred. It has not applied to lift the bar and has not disclosed any information regarding the charges.	
Flat 3, 18A Trinity Gardens (owned by Gregg Raynor and Aimee Besant)	**Not known**	These Applicants do not know what interest and administration charges have been debited to their account. They did not receive any demand for payment; they had correspondence with Mrs Gurvits which was most unsatisfactory; and they paid in full under protest. As the other Applicants have had administration charges and interest debited to their accounts these Applicants will likely have had the same treatment. The only service charge statement of account they have is that dated 7 May 2024 which pre-dated the efforts by Eagerstates to force them to pay service charges which had not been demanded.	See the Tribunal's comments above.

		The Applicants seek a determination that no interest and on administration charges may be debited to their account as they have not been in breach of their lease and have not been late in making payment.	