



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

**Case reference** : **LON/00AY/LSC/2024/0740**

**Property** : **79 Kingswood Road, London sw2 4JN**

**Applicant** : **Lewis Hammond**

**Representative** : **In person and assisted by Mr & Mrs  
Hammond (parents)**

**Respondent** : **Lisa Property Limited**

**Representative** : **Blue Property Management Company  
UK Limited**

**Type of application** : **For the determination of the liability to  
pay service charges and/or  
administration charges.**

**Tribunal members** : **Judge Tagliavini  
Mr S Mason FRICS**

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

**Date of hearing** : **2 June 2025**  
**Date of decision** : **18 June 2025**

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**DECISION**

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### **Decisions of the tribunal**

- (i) Insurance premium for 2021/2022; 2022/2023; 2023/2024 and 2024/2025 are payable by the applicant.
- (ii) The commission paid to both the landlord and managing agent is each reduced to 50% for the service charge years 2021/2022; 2022/2023; 2023/2024 and 2024/2025.
- (iii) No cleaning costs are payable by the applicant during the period in dispute.
- (iv) The insurance re-evaluation fee is disallowed in full.
- (v) The accountancy fees are payable for the service charge years ending 2023 and 2024. The accountancy fees are not payable for the service charges years 2021 and 2022 as copies of these accounts have not been provided by the respondent.
- (vi) A management fee of £250 per annum for the period in dispute (2021 to 2025) is payable by the applicant in his 50% share.
- (vii) The sum of £895.12 (demand dated 26/07/2021) that was demanded in May 2023, is not payable by the applicant having been demanded more than 18 months after it was incurred.
- (viii) Administration fees and charges payable by the applicant are limited to £55 and all other sums (including the PDC charge of £468) during the period in dispute are disallowed.
- (ix) All interest charges are disallowed.
- (x) An order is made under s.20C of the Landlord and Tenant Act 1985.
- (xi) An order is made under para 5A of schedule 11 of the Commonhold and Leasehold 2002.
- (xii) The tribunal directs the respondent to reimburse the applicant the application and hearing fee in the sum of £330.

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### **The application**

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act. The tribunal has identified that the issues to be determined include the reasonableness and payability of the service charges demanded for the service charge years 2021-2025, totalling **£10,323.15**. The dispute in each of these years relates principally to challenges raised by the applicant to charges for Accountancy, Management, Building Insurance and Insurance valuation.

### **The background**

2. The property which is the subject of this application is a 3-bedroom ground floor flat in a terraced house comprising 2 flats. The applicant is required to pay 50% of the service charges. The applicant holds a long leasehold interest pursuant to a lease dated 11 April 2018 made between Freepart Limited (1) and Caroline Frances Matthews (2).
3. In the application form the applicant stated:

I bought the property on the 30/06/2021. I did not receive any communication of service charges for almost 2 years, until I received an email on 10/05/2023 to inform me of outstanding charges. During this time, I did not receive any budgets, forecasts or requests for payment in any form.

The management and accountancy fees are both significant, with these costs rising year on year, well above inflation rates. When asked why these costs had increased, the managing agents reasoning included that they had not increased them in a while.

Buildings insurance has significantly increased year on year. LPE1 form from the previous owner stated insurance totalled 8983.54 for the property. Upon investigating further, I have obtained 4 quotes for building insurance using criteria from the supplied insurance documents:

Aviva - £645.37. John Lewis Money - £8772.92. RAC - £791.90. AJ Gallagher - £1,091.72. These quotes represent totals for the entire building, and therefore any quote directly related to the property in questions would be 50% of the quoted value.

This shows considerable difference in the market rates versus the charges being applied to my account.

In addition to the high insurance premiums, the managing agents confirmed that the following commission is received upon execution of this insurance policy. Direct earnings for commission equal the following: £972.68 for the agent, freeholder receives £680.88, £340.44 for this unit in question.

Additional information was requested 10/10/23 and a response from the managing agent was not received until 28/03/2024, almost 6 months later.

### **The hearing**

4. The tribunal was provided with a digital bundle of 220 pages. The applicant attended in person. The respondent did not attend and was not represented the tribunal having been informed by Mr Arjun Nath that *'I do not believe that Blue Property Management will be attending today to defend their Service Charge expenses and therefore the Tribunal should go ahead and make the determination in their absence.'*

5. The issues were identified by the applicant as:

The amount of accountancy fees that are deemed reasonable.

The amount of management fees that are deemed reasonable.

The amount of Buildings Insurance that is deemed reasonable.

The amount of cleaning costs that are deemed reasonable.

The amount of the insurance re-evaluation fee that is deemed reasonable.

The amount of administration charges that are deemed reasonable,

Whether any or all of the sums demanded were outside s20B of the Landlord and Tenant Act 1985 ('the 18 month rule').

6. The applicant did not provide a witness statement but instead included a copy of his Positioning (sic) Statement he had prepared for a mediation. However, the tribunal considered that none of this (mediation) documentation should have been included in the bundle and therefore, disregarded it for the purpose of the final hearing. The applicant also provided an alternative quote for buildings insurance from NIG on which he relied as a 'like for like' quote and which he had

‘pro-rated’ backwards from a figure of £2,494.90 to provide a figure for each of the service charge years in dispute. The tribunal also had copies of the service charge demands.

### **The tribunal’s decision**

7. In reaching its decision the tribunal took into account the oral and documentary evidence provided by the applicant as the respondent failed to comply with the tribunal’s direction and provide a response to the application. The individual demands for payment of service charges did not itemise the services provided. However, these were set out in the copies of the accounts provided as

#### **Expenditure**

Cleaning Communal Areas  
Accountancy Fees  
Management Fees  
Client Money Protection  
Fire Risk Assessment Health and Safety Risk Assessment  
Building insurance  
Insurance Valuation  
Disbursements

8. In addition administration charges of:

£50.00 – 27/08/2021  
£50.00 – 15/11/2021  
£55.00 – 12/05/2023  
£55.00 – 18/10/2023  
£55.00 – 17/04/2024  
£55.00 – 02/11/2023  
£99.00 – 25/11/2024

AND

£741.40(interest) – 25/11/2024

*2 credits of £55.00 were subsequently re-credited to the applicant.*

### **Section 20B of the Landlord and Tenant Act 1985**

9. In the absence of any challenge to the applicant’s evidence the tribunal accepts Mr Henderson was not sent a demand for payment of service charges until May 2023 by way of a demand dated 26/07/2021 for a

sum said to have been due on 08/06/2023 for the period 15 May 21 to 28 Sept 21 in the sum of £895.00. Therefore, the tribunal finds this sum is not payable by the applicant as it has been made more than 18 months after the sum has been incurred.

### **Accountancy fees**

10. The applicant did not assert that accountancy fees were not payable and the tribunal finds they are provided for by Part 2 of Schedule 7 of the lease. The tribunal finds the applicant has been provided with copies of the accounts and that the fees have been reasonably incurred by the landlord and are payable by the applicant for the service charge years ending 2023 and 2024.

### **Insurance**

11. It was not disputed by the applicant that the landlord had an obligation under the lease to obtain buildings insurance. The tribunal found the alternative quote relied upon by the applicant of limited assistance as Mr Henderson accepted he had not provided a claims history. The tribunal was informed that the applicant's 50% share of the insurance was:

2021-2022: £1,081.30 and valuation fee; £180.00

2022-2023: £1,189.43

2023-2024: £1,966.50

2024-2025: £2,160.89

12. The applicant told the tribunal obtained 4 quotes for building insurance using criteria from the supplied insurance documents of Aviva - £645.37. John Lewis Money - £772.92. RAC - £791.90. AJ Gallagher £1,091.72 of which his share would be 50%. In addition to the insurance, the applicant stated he had been informed by the managing agent that commission was paid to the agent with a sum to the freeholder. However, the applicant accepted he had not provided a claims history in obtaining his alternative quotes.
13. The tribunal is an expert tribunal and is aware that buildings insurance has increased significantly over the last 5 years. The tribunal is satisfied that an insurance policy was in place and this was not challenged by the

applicant. Although, the tribunal considered the insurance premiums to be high, it was not provided with the claims history or confirmation that the prospective insurance policies would be in similar terms to the freeholder's. Therefore, on balance, the tribunal considered the insurance premiums are reasonable and payable by the applicant.

14. The tribunal finds that the commission paid to the freeholder and the agent are high, particularly in the case of the agent, although its fees are low. The commission amounts in total to 38% of the latest premium and as the tribunal does not know what the landlord or agent do for this commission, the tribunal considers it reasonable to reduce it by 50% for both the landlord and agent for the period in dispute.

### **Insurance re-valuation**

15. The tribunal disallows this sum as the respondent provided no evidence of the valuation report.

### **Cleaning costs**

16. The tribunal accepts in the absence of any evidence to the contrary, that no cleaning has been provided by the respondent and therefore disallows these costs in full.

### **Management fees**

17. The tribunal finds the management fees of £381,(2022) £484 (2023) and £532 (2024) to be excessive in view of the very limited amount of management that has been provided to the applicant during the period in issue. The tribunal consider a sum of £250 per annum to be reasonable of which the applicant is required to pay a 50% share.

### **Administration fees**

18. The tribunal is satisfied that a number of demands for payment were sent late and 'are out of time,' The applicant however, accepted he had withheld payment of service charges and that certain sums were payable. However, in the circumstances and having regard to the respondent's failure to engage with the applicant's enquiries, the tribunal considers only the latest administration fee of £55.00 is reasonable and payable by the applicant. Therefore, it disallows the other administration charges in view of the delay by the respondent in sending its first demand for payment and the administration fees it added thereafter. Further, the tribunal finds the interest although payable under the terms of the lease, is not payable in the sum claimed

by the respondent, having regard to the sums disallowed by the tribunal to which the claim for interest is attached.

19. In the application form and at the hearing, the applicant applied for an order under section 20C of the 1985 Act. Having heard the submission from the applicant and taking into account the determinations above, the tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.
20. The applicant also made an oral application under para 5 of Schedule 11 of the 2002 Act and for the same reasons as above at paragraph 26, the tribunal determined it was just and equitable to make the order sought, so that none of the fees, costs or interest could be added to the applicant's service charge account as administration costs.
21. The tribunal also directs the respondent to reimburse the applicant's application and hearing fee to £330.00.

**Name:** Judge Tagliavini

**Date:** 18 June 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).