



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

<b>Case Reference</b>	: CHI/43UG/LSC/2024/0116
<b>Property</b>	: Flat 10 Old Auction House, 70 Guildford Street, Chertsey, Surrey, KT16 9BB
<b>Applicant</b>	: Rebecca Wraight
<b>Representative</b>	: None
<b>Respondent</b>	: Assethold Limited (not in attendance)
<b>Representative</b>	: Eagerstates Ltd (not in attendance)
<b>Type of Application</b>	: Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985
<b>Tribunal Members</b>	: Judge H Lederman Carolyn Barton MRICS T Wong
<b>Date of hearing</b>	: 27 May 2025
<b>Date of Decision</b>	: 14 July 2025

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**Decision and reasons**

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**Communications to the Tribunal MUST be made by email to [rpsouthern@justice.gov.uk](mailto:rpsouthern@justice.gov.uk). All communications must clearly state the Case Number and address of the premises.**

## **DECISION**

1. The amount payable by the Applicant as service charges for Flat 10 Old Auction House, 70 Guildford Street, Chertsey, Surrey, KT16 9BB (“the premises”) for each of the service charge years 2019 to 2023 (inclusive) is £1520.00. No further sums are payable as £1520.00 has been paid for each of those service charge years.
2. The amount payable by the Applicant as service charges for Flat 10 Old Auction House, 70 Guildford Street, Chertsey, Surrey, KT16 9BB (“the premises”) for the service charge year January 2024 to 3<sup>rd</sup> December 2024 is £1513.63.
3. None of the costs of these proceedings are relevant costs which can be charged to the Applicant’s service charge account as service charge, pursuant to section 20C of the Landlord and Tenant Act 1985 (“the 1985 Act”).
4. None of the costs of these proceedings should be charged to the Applicant as litigation costs pursuant to paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (litigation costs) (“the 2002 Act”).
5. The Respondent shall pay to the Applicant £300.00 as reimbursement of the application and hearing fee within 14 days of the date of this Decision.

## **REASONS**

### **Background and references**

1. The Applicant is lessee of Flat 10 Old Auction House 70 Guildford Street Chertsey KT16 9BB (“the premises”) under a lease dated 12<sup>th</sup> May 2017 from Lux Homes Limited registered with title SY845314 (“the Lease”). References to page numbers in these reasons are to the Applicant’s bundle of documents numbered 1 to 77. Where reference in these reasons is made to a debit balance in respect of sums which include service charge and ground rent, the Tribunal should be taken to have excluded any consideration of ground rent from this determination.
2. The Applicant’s case was that many of the service charge demands produced by the Respondent bearing earlier dates from 2021 onwards were not in fact delivered or sent to her at those earlier dates but only in April 2025 following directions given by the Tribunal. Where the Tribunal refers to service charge demands bearing a particular date that

should not be taken as a finding that the demand was served upon her or delivered on that date. That issue has not been the subject of this determination.

3. On a date which does not appear from the evidence, Assethold Limited the Respondent acquired or purported to acquire the freehold of the Old Auction House 70 Guildford Street Chertsey KT16 9BB from Lux Homes Limited the original freeholder and developer. At the time of the previous Tribunal's decision of 25<sup>th</sup> November 2021 CHI/45UG/LSC/2021/0037 ("the 2021 Decision"), Assethold Limited had not been registered as the freeholder. For the purpose of this application the Respondent (by Eagerstates Limited) provided documents described as "Accurate and estimated service charge account" for the years ending December 2020 to December 2024, each of which contained notices, said to have been given under sections 47 and 48 of the Landlord and Tenant Act 1987, stating the Respondent was the landlord of the premises. The Tribunal was not asked to determine the identity of the relevant landlord in this application for the purpose of any other issue or application and does not do so. This determination solely relates to payability of service charges demanded or purportedly demanded by the Respondent.
4. The Applicant made an application for determination of liability to pay and reasonableness of service charges for the years 2019 to 2024 for the premises on 8 July 2024. Throughout this case, and in previous applications to the Tribunal concerning the Old Auction House the Respondent's representative has been Mr Ronni Gurvits of Eagerstates Limited ("Eagerstates"). Eagerstates (by Mr Ronni Gurvits) has acted as the managing agent for the Respondent for the Old Auction House. Eagerstates has claimed a debit balance of £8914.09 for service charges and other items.

### **The earlier Tribunal decision**

5. The 2021 Decision determined that some of the costs forming part of the charges claimed by Eagerstates on behalf of the Respondent in the year 2019/2020 were not payable by the Applicant. There was no appeal against that decision.

### **The invoicing and statement of service charge accounts**

6. One of the Applicant's grounds for this application is that Eagerstates and the Respondent did not provide statements of account or service charge invoices which reflected the 2021 decision or for any of the service charge years 2019-2024.
7. Another ground for this application was that statements of account and invoices had not been provided by Eagerstates or the Respondent and that the service charge balance alleged by them had not been explained or justified.

## **Participation in the Tribunal process by Eagerstates and the Respondent**

8. The Respondent did not attend the hearing on 27<sup>th</sup> May 2025 and was not represented by Eagerstates, or any other representative. The email correspondence from Eagerstates of 14<sup>th</sup> May 2025, 15<sup>th</sup> May 2015 and 23 May 2025, confirms the Respondent's agent was aware of the hearing, the fact a hearing bundle had been prepared and the time and date of the hearing. The Tribunal determined it was in the interests of justice to proceed with the hearing in the absence of the Respondent or its representative consistently with the overriding objective and in particular the need to make best use of resources and deal with the application fairly.
9. The Respondent's omission to attend the hearing, its failure to provide a witness statement or any documents to explain the claim to the alleged balance of £8914.09 the service charge accounts and demands produced by Eagerstates, severely hampered the Tribunal in determining those costs which are payable or reasonably incurred. To understand how this came about, and whether it was necessary or appropriate for the Tribunal to make any allowances for these omissions, the procedural history of this case is relevant.

## **Eagerstates Limited**

10. Email correspondence with the Tribunal from Mr Gurvits indicates he has an LLM qualification (a Master of Laws degree qualification). It emerged during the hearing Mr Gurvits is registered as a solicitor with the Solicitors Regulation Authority. There was no indication he was acting as a solicitor in this case. On the Residential Property Tribunal website there are 169 recorded decisions where Eagerstates has acted as a managing agent for different properties and over 280 decisions where Assethold Limited is named as a party, sometimes represented by Eagerstates, solicitors or Counsel. The significance of this is explained below.

## **The Tribunal's Directions**

11. The Tribunal issued Directions on 17 January 2025 listing the application for a case management and dispute resolution hearing on 10 March 2025. On 5 March 2025 Mr Gurvits requested "to attend the CMC remotely due to the location of the CMC and due to prior commitments on the day." No formal application to attend remotely was received. The Tribunal did not accede to that application.
12. The hearing on 10<sup>th</sup> March 2025 took place at Havant Justice Centre as directed and was attended by Rebecca Wraight the Applicant. There was no one in attendance for the Respondent. An email was received on 28 February 2025 from Mr Ronni Gurvits of Eagerstates on behalf of the Respondent attaching a blank document, to which the Case Officer

responded confirming a completed form should be re-sent to the Tribunal and the Applicant.

13. At the case management hearing in the absence of the Respondent and Eagerstates on 10<sup>th</sup> March 2025 directions were issued which included the following:

“Only evidence and documents exchanged between the parties in accordance with the timetable below shall be included within the bundle. At the hearing the Tribunal will only consider evidence previously exchanged. If a party wishes to rely upon oral evidence at the hearing they must have provided a written statement in accordance with the Directions below.”

14. It was directed the hearing of this application would take place at the Havant Justice Centre, on 27 May 2025 at 10:00 am. Further directions required the Respondent to send the Applicant a copy of the service charge accounts for each of the service charge years 2019, 2020, 2021, 2022, 2023 and 2024 by 24<sup>th</sup> March 2025. Having heard from the Applicant, and read her letter of 12<sup>th</sup> May 2025 (page 1 of the hearing bundle) the Tribunal is satisfied that documents at pages 51-65 of the Applicant's bundle (Appendix A”) were sent by the Respondent to the Applicant on 24<sup>th</sup> March 2025. Those documents were:

Eagerstates Document description	Location in hearing bundle (pdf)
Eagerstates Ltd “accurate service charge account up to December 2020”	Appendix A 51-52
Eagerstates Ltd “estimated service charge account January- December 2021”	54
Eagerstates Ltd “accurate service charge account up to December 2021”	55-56
Eagerstates Ltd “accurate service charge account December 2021/ December 2022”	57, 70-71
Eagerstates Ltd estimated service charge account January- December 2022	58-59
Eagerstates Ltd estimated service charge account December 2022- December 2023	60
Eagerstates Ltd “accurate service charge account December 2022/2023”	61-62
Eagerstates Ltd estimated service charge account January- December 2024	63
Eagerstates Ltd “accurate service charge account December 2023/2024”	64-65
Eagerstates Ltd estimated service charge account January- December 2025	66
Martin & Heller accountants Service charge account The Old Auction House 70 Guildford Street for the period ending 25 <sup>th</sup> December 2022	68-69 (appendix C)

15. The Applicant was directed to send the Respondent the following by 7<sup>th</sup> April 2025:
  - A signed and dated statement with a statement of truth which sets out each aspect of her case for each year that is in dispute, in particular identifying for each year which items of expenditure which make up the service charge claimed are in dispute and explaining why.
  - Copies of all relevant documents relied upon
  - Any witness statements; and
  - Representations on any application under Section 20C preventing the landlord from recovering the costs of the proceedings through the service charge or under Para 5A Schedule 11 preventing the landlord from recovering litigation costs from a tenant
16. The Applicant sent a detailed letter of 5<sup>th</sup> April 2025 to Ronni Gurvits at Eagerstates (appendix E to the hearing bundle at pages 72-74) setting out her request for additional information or challenges to additional items of expenditure for each of the service charge statements and invoice which had been produced by Eagerstates. Having heard from the Applicant and reviewed email correspondence from Eagerstates to the Tribunal sending an application to strike out the application on 28 April 2025 (pp 25-26) and email correspondence from Ronni Gurvits about the hearing bundle of 14<sup>th</sup>, 15<sup>th</sup> and 23<sup>rd</sup> May 2025, the Tribunal is satisfied that Eagerstates received the letter of 5<sup>th</sup> April 2025.
17. By 28 April 2025 the Respondent was required to send the Applicant a signed and dated statement with a statement of truth setting out each aspect of its case including a response to the points made by the Applicant and copies of any other relevant documents relied upon witness statements. The Respondent was directed to send representations about whether an order should be made under Section 20C of the 1985 Act preventing the landlord from recovering costs of the proceedings through service charge or under Paragraph 5A Schedule 11 preventing the landlord from recovering litigation costs.
18. The Respondent and Eagerstates did not comply with that direction.
19. On 28<sup>th</sup> April 2025 Ronnie Gurvits of Eagerstates applied to “strike out the application” on the ground that the Applicant had not complied with paragraph 22 of the directions dated 10<sup>th</sup> March 2025 requiring her to send the Respondent by 7<sup>th</sup> April 2025 a signed and dated statement with a statement of truth setting out each aspect of her case for each year in dispute, identifying for each year which items of expenditure which were in dispute and explaining why, copies of all relevant documents relied upon witness statements and Representations on any application under Section 20C preventing the landlord. On 8<sup>th</sup> May 2025, Tribunal Judge Lumby determined the Applicant had complied with that direction by sending the bundle

(copied to the Tribunal) on 5<sup>th</sup> April 2025. That decision was sent to Eagerstates on 9<sup>th</sup> May 2025.

20. The Tribunal's directions issued on 10 March 2025 required the Applicant to file and send to the other party a copy of the bundle by 13<sup>th</sup> May 2025.
21. On 13<sup>th</sup> May 2025 the Applicant uploaded a "dropbox" link with the hearing bundle to the Tribunal and sent a link by email to Eagerstates. The Tribunal downloaded the bundle successfully. Ronni Gurvits of Eagerstates sent an email on 14<sup>th</sup> May 2025 saying "We have not been able to access this". The Applicant replied saying that dropbox was a free "app". The next day, on 15<sup>th</sup> May 2025 Mr Gurvits responded by email "I understand but I couldn't access it". On 23 May 2025 (the last working day before the bank holiday weekend before the hearing) a further email was sent to the Tribunal and the Applicant by Mr Gurvits saying "We still have no access to the bundle".
22. There was no attendance by Mr Gurvits, Eagerstates the Respondent or any legal representative at the hearing on 27<sup>th</sup> May 2025 which lasted until 13.20 with a short break, having commenced at about 10.30 am. The Respondent or its agents did not communicate any reason for non-attendance or seek an adjournment. Having seen the correspondence from Mr Gurvits before the hearing, the Tribunal had arranged that a hard copy of the hearing bundle was available for use by the Respondent or its representative at the hearing had either attended.
23. At the outset the Tribunal considered whether the hearing should proceed in the absence of the Respondent or its agent. The Tribunal was satisfied the Respondent had been duly notified of the time and date of the hearing. It was in the interests of justice and the overriding objective to proceed in the absence of the Respondent or its agent in the light of the procedural history and the need to make the best use of resources. The Tribunal took into account the following.
  - A. The application had been commenced in July 2024. The Respondent was aware of some of the issues raised by the Applicant since 2024. The Respondent has not challenged the accuracy of the Applicant's assertion that Eagerstates and the Respondent did not provide statements of account or service charge invoices which reflected the 2021 decision or for any of the service charge years 2019-2024.
  - B. The Respondent is a regular litigant with access to high level legal expertise and the resources to seek specialist advice and representation;
  - C. The Respondent had not complied with the parts of the March 2025 direction which required it to set out its case;
  - D. The Respondent's implicit assertion that the Applicant had not set out her case or complied with paragraph 22 of the Tribunal's directions was unsubstantiated. If Eagerstates or the Respondent did not know the case it had to meet, they would have said so.

Alternatively they would have attended the hearing to explain the problem. The Respondent's decision not to attend the hearing on 27<sup>th</sup> May 2025 prevented the Tribunal from exploring the reliability of the assertion that the Respondent "could not access" the hearing bundle.

- E. Eagerstates and the Respondent had not explained why it did not or could not seek assistance in accessing the hearing bundle from "drop box". Difficulty in accessing the hearing bundle was not a good reason for non-attendance at the hearing.
- F. The hearing bundle comprising of 77 pages consisted entirely of documents which either emanated from Eagerstates or had been sent by the Applicant and received by Eagerstates.
- G. The effect of an adjournment would have been to unacceptably delay resolution of service charge accounts outstanding since 2019 and hampered the attempts by the Applicant and other lessees to purchase the freehold.

### **The issues**

- 24. The Applicant raised the following issues in her application and in letters sent to Eagerstates contained in the hearing bundle:
  - a. The Respondent/Eagerstates had not provided her with a revised invoice or service charge statement reflecting the adjustments resulting from the Tribunal's decision of 25<sup>th</sup> November 2021;
  - b. The Respondent/Eagerstates had not provided her with annual invoice or service charge statement;
  - c. How was the figure of £8914.09 asserted as at June 2024 as an alleged balance calculated and what items it did not include.
  - d. Was the Applicant liable to pay £8914.09
  - e. Was the standard of service provided by Eagerstates in failing to provide annual service charge invoices reasonable
  - f. Following receipt of the service charge invoices and documents from Eagerstates on 24<sup>th</sup> March 2025 the Applicant questioned why the service charge balance alleged in the "accurate service charge account December 2024/2025" was £8401.21 debit and why this differed from the £8914.09 claimed in the email from Eagerstates of 4<sup>th</sup> June 2024 (appendix B);
  - g. In her letter of 5<sup>th</sup> April 2025 the Applicant questioned specific items in each of the service charge years 2020 to 2024 and on account figures. (These were considered at the hearing item by item).

### **Relevant provisions in the Leases**

- 25. The Tribunal had the benefit of an official copy of the Lease of 12<sup>th</sup> May 2017 title number SY845314 which remained on the Tribunal's files since the 2021 Decision. There were no material differences between that version of the Lease and the copy incorporated into the hearing



bundle. The Tribunal did not have to rely upon the manuscript amendments in the Applicant's copy.

26. The term is 125 years from the 1st January 2017. As to service charges, there are references to them in various parts of the lease. In the definitions section the Service Charge is defined as "the Tenant's proportion of the service costs". The Applicant is required to pay a "fair and reasonable proportion" according to the provisions in clause 1.1. The Applicant agrees her "5.09% share" is payable. All service charge demands available proceed on the basis of that proportion. The 2021 Tribunal heard evidence that other lessees in the development paid different proportions based upon facilities available to them including use of parking spaces and gates to which the applicant and the premises had no access. That part of the 2021 Decision which determined payability on the basis of that proportion was not challenged.
27. Schedule 6 to the Lease provides a service charge demand shall be "a notice giving full particulars of the Service Costs and stating the Service Charge payable by the Tenant and the date on which it is payable as soon as reasonably practical after incurring, making a decision to incur, or accepting an estimate relating to, any of the Service Costs".
28. "Service costs" are defined in clause 1.1 as

"(a) all of the costs reasonably and properly incurred (or reasonably and properly estimated by the Landlord to be incurred) of:

- (i) providing the Services; and
- (ii) complying with all laws relating to the Retained Parts;

(b) the reasonably and properly incurred costs fees and disbursements of any managing agent or other person retained by the Landlord to act on the Landlord's behalf in connection with the Building or the provision of the Services; and

(c) all rates, taxes, impositions and outgoings payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Landlords Estate"

29. "Services" are defined as:

- "(a) cleaning, maintaining, decorating, repairing and replacing the Retained Parts and remedying any inherent defect;
- (b) providing heating to the internal areas of the Common Parts during such periods of the year as the Landlord reasonably considers appropriate, and cleaning, maintaining, repairing and replacing the heating machinery apparatus and equipment;

- (c) lighting the Common Parts and the Parking Spaces and cleaning, maintaining, repairing and replacing lighting, machinery and equipment on the Common Parts;
- (d) cleaning, maintaining, repairing and replacing the furniture, fittings and equipment in the Common Parts;
- (e) cleaning, maintaining, repairing, operating and replacing security machinery door entrance systems and equipment on the Common Parts;
- (f) cleaning the outside of the windows and frames of the Building ;
- (g) maintaining any planted or landscaped and grassed areas of the Common Parts;
- (h) cleaning, maintaining, repairing and replacing the floor coverings on the internal areas of the Common Parts;
- (i) Cleaning maintaining and repairing the external gutters of the Building;
- (j) Cleaning maintaining and repairing the surface of the Parking Spaces
- (k) any other service or amenity that the Landlord may in its reasonable discretion (acting in accordance with the principles of good estate management provide (sic) for the benefit of the tenants and occupiers of the Building”

30. “Retained parts” are defined in the same clause. “Common parts” are defined partly by reference to hatching and cross hatching on a “block” plan incorporated into the Lease.

### **Layout**

31. The Old Auction House in Chertsey was converted in 2017 by Lux Homes Limited. 10 purpose (No7-16) built apartments were added to 6 duplex properties (No1-6) which were extended from the original Constitutional Hall built circa 1890 all residing under 70 Guildford Street postal address. It seems that further a flat was created from former office spaces on the ground floor. Flats 1-6 and 15-16 have allocated parking spaces. Flat 2 has 2 allocated parking spaces. The Applicant’s flat has no access to or though the car parking area or the gates leading to the same. The same applies to other flats numbered 7-14. Some of the flats have shared entrances.
32. A small parking area to the back was developed with only 9 parking spaces accessible by a private electronic parking gate from Heriot Road, Chertsey. These 9 parking spaces were sold in property deeds of apartments No1, No2 x 2 spaces, No3, No4, No5 and No15 and No16 as well as 70A Guildford Street. These apartments pay higher annual service maintenance payments compared to the other apartments on site as a result.
33. There are 2 additional entrances into Old Auction House, accessible by foot from Guildford Street or through the bin stores from Heriot Road. Those without allocated car parking spaces enter in this way.

34. It was determined in the 2021 decision that the upkeep of the parking area and security gates are not part of “the common parts” in the Lease to which the Applicant as lessee of the premises is required to contribute as service charge. The Respondent did not challenge that determination which is consistent with the evidence put before this Tribunal.

### **The Applicant’s position**

35. The Applicant said that for each of the relevant service charges to and including December 2023 she paid the service charges £1520.00 per annum charged in the Lease by the previous freeholder Lux Homes Limited. She had not received any adequate explanation, or itemisation for invoices justifying the alleged arrears balance of £8914.09 claimed by Eagerstates on behalf of the Respondent in various statements and most recently in an e-mail of the 4th June 2024. She had initially said in her letter of 5<sup>th</sup> April 2025 that she was disputing expenditure of £43,570.67 of which her 5.09% proportion was £6184.47, a deduction of £2217.74 from the debit balance of £8402.21. Mr Gurvits email said there was £8914.09 due on the account. In her e-mail to Mr Gurvits of Eagerstates on the 4th June 2024 she asked for an itemisation of all charges due from 11 December 2021.

### **The Respondent’s position**

36. The Respondent did not file any witness statements, statements of case or produce any vouchers invoices or other documentation to substantiate or evidence expenditure alleged to have been incurred for service charge years ending 2020 through to and including 2024 or estimated service charges for the year ending December 2025 to supplement the statements of account and service charge demands exhibited as appendix A to the Applicant’s bundle. The Respondent appears to rely upon the various service charge accounts produce by Eagerstates as evidence of sums due.
37. The Respondent also produced a document entitled service charge account for the Old Auction House prepared by Martin & Heller Chartered Accountants bearing the date 5th December 2022. That (copy) document contained a certificate signed by that firm of accountants to the effect that the account was in their opinion a fair summary of the landlord's relevant costs for that service charge and was sufficiently supported by accounts receipts and other documents produced to them. There was no witness statement or other correspondence from that firm of accountants. The Tribunal was unable to attach much weight to that document. The identity of the author and the nature of the information available to the author of that document was not clear. That document did not make it clear whether its author(s), had access to any of the relevant lease(s), Tribunal decisions, or whether the author had considered whether any of the costs were properly chargeable to the service charge account.

38. The format of that account did not indicate whether reserve funds had been collected (as some of the service charge demands made to the Applicant in the documents available indicated), the amount held and did not explicitly recognise that the funds were held on trust.

### **Reserve fund demands**

39. The 2021 Decision determined the Lease did not authorise Service charge demands for reserve fund. The Tribunal agrees with that determination. The definition of “service costs” in the lease does not extend to making provision for future items of capital expenditure, non-recurring costs or unexpected future costs of the kind that would ordinarily be contemplated by a reserve fund - see example in the Service Charge Residential Management Code.
40. The Respondent’s demands for interim or “on account” service charges made in advance for the service charge years ending December 2021 December 2022, December 2023, December 2024 and December 2025 each included an amount for “reserve fund”. From the information provided by the Respondent, it is not possible to ascertain which parts of the alleged debit balance of service charge include reserve fund contributions. For each of these service charge years and the “on account” demands for service charge year ending December 2025, the Tribunal finds that these reserve fund contributions were not payable, and are not payable under the terms of the Lease.

### **Service charge accounts and accounts produced by Eagerstates**

41. The Respondent’s demands interim or “on account” service charges made in advance for the service charge years ending December 2021, December 2022, December 2023 December 2024 and December 2025 are the foundation of its claims to service charges.
42. The Respondent’s demands interim or “on account” service charges made in advance for the service charge years ending December 2021 December 2022, December 2023 December 2024 and December 2025 each included an amount for accountant’s fees. In principle such fees if reasonably incurred for the purposes of calculating service charge are payable under the terms of the Lease. The Tribunal has only seen one set of service charge accounts for the year ended December 2022. The Tribunal cannot be satisfied that such costs have been reasonably incurred for accountant’s fees for other service charge years in the light of its findings made below about costs claimed for each of the service charge years. The Tribunal is not in a position to reach a finding that specific cost for such fees were not reasonably incurred. Nevertheless the Tribunal has not been persuaded that the accountant’s fees should be included in the calculation of any service charges which the Respondent alleges are payable by the applicant in the absence of reliable evidence that such expenditure has been incurred.

43. Each of the Respondent's service charge demands in Appendix A relied upon by the Respondent raise questions of whether the sums demanded accurately accounted for costs incurred and included cost which were payable. These questions have not been adequately addressed by the Respondent.

### **Overview**

44. The Respondent's omission to provide written or other evidence to explain or confirm the service charge accounts and demands for each of the service charge years in issue raises questions about the accuracy of the accounts provided by Eagerstates and the sums claimed as service charges. The omission to produce copies of accounts prepared by qualified accountants for most of the service charge years when it is clear that the cost of such accounts have been charged within service charge, or the underlying invoices or receipts has troubled the Tribunal.

### **Service charges for the premises for service charge year January 2019 to December 2019**

45. The Respondent has not produced evidence which substantiates or explains the £1183.66 claimed as a debit for that service charge year in the service charge account prepared by Eagerstates of 7<sup>th</sup> December 2020 (pp 51-52 and appendix A). The further sum of £1183.66 is not payable insofar as it includes *service charges* for the service charge years ending December 2019 or December 2020. (The Tribunal makes no findings about ground rent payable).
46. The amounts payable by the Applicant for the service charge years January 2019 to December 2020 and the demand for service charge for that period should exclude the 5.09% proportion of service charge costs for "call out and repair to gate" (£3775.20) "Various electrical repairs" (£4701.44), "Intercom and doorbell call out" (£282.00), Scaffolding alarm scaffolding Roof valley works Insulation to lofts & cover holes" (£7741.20). The Respondent has not produced evidence that the costs listed in the document dated 7<sup>th</sup> December 2020 from Eagerstates were incurred or payable as service costs *for the premises* within paragraph 4 of Schedule 6 to the Lease.
47. The Applicant questioned and asked for more information about these costs in a letter to Eagerstates on the 5<sup>th</sup> April 2025 found at appendix E page 72. The Applicant says no response was received. The Tribunal accepts her evidence about this which is consistent with the reluctance of the Respondent and Eagerstates to provide information and documents, throughout this its response to this application.
48. In all likelihood the sums charged for "call out and repair to gate" relate to the security gate to the parking area to which cost the Applicant is not required to contribute. That area does not appear clearly on the plan incorporated into the Lease. The Respondent's service charge demands are unclear, and do not provide "full particulars" of the service costs as

paragraph 4 of Schedule 6 to the Lease requires. On the balance of probabilities the sums claimed for various electrical repairs and intercom and doorbell call out relate to parts of the development to which the Applicant is not required to contribute as service charge.

49. In relation to Roof valley works Insulation to lofts & cover holes, the 2021 Decision concluded in paragraph 38(d) that costs of loft insulation work were not payable by the Applicant and that works to roof and valleys had not been the subject of consultation in accordance with section 20 of the Landlord and Tenant Act 1985. This part of the service charge demand is vague and does not provide “full particulars”. The Respondent has not taken the opportunity to attend and provide clarification. Doing the best it can on the limited evidence available, the Tribunal concludes it is more likely than not that these costs were the same costs that were disallowed in that part of the 2021 Decision.
50. The Tribunal bears in mind the Applicant complained from the outset at page 11 of her application form (page 12) that she had not received an updated invoice for service charges which reflected the outcome of the 2021 Decision. The Respondent and its agents have not answered that point. The inclusion of a £200 item for reserve fund in the estimated service charges for 2021 at page 54 (an item specifically disallowed by the 2021 Decision) is consistent with the Respondent not taking account of the findings of that decision.

**The amount payable by the Applicant as service charges for the premises for the service charge year January 2021 to December 2021**

51. The Respondent has not produced evidence which substantiates or explains the £1183.66 claimed as a debit for that service charge year in the service charge account prepared by Eagerstates of 6<sup>th</sup> December 2021 (pp 55-56 and appendix A). The sum of £1183.66 and the total debit calculated at page 56 at £1770.92 is not payable for the service charge year ending December 2021 insofar as it includes service charge. (The tribunal makes no findings about ground rent payable).
52. The Applicant questioned and asked for more information about these costs in her letter to Eagerstates on the 5<sup>th</sup> April 2025 (appendix E page 72). The Applicant says no response was received. The Tribunal accepts her evidence about this which is consistent with the reluctance of the Respondent and Eagerstates to provide information and documents, throughout this its response to this application.
53. The Applicant challenged the following items in the document dated 6<sup>th</sup> December 2021 in her letter of 5<sup>th</sup> April 2025. “multiple call outs for light not working & Repairs and replacements”, “securing timber post in car park” “Gate works as per section 20 notice”, Investigation into water ingress, insurance excess for redecorating, supply and installation for aerial, decorating after water damage, a total deduction of £700.79. The

Respondent has not responded to that letter. The section 20 notice has not been produced by the Respondent.

54. The Respondent has not produced evidence that the costs listed in the document dated 6<sup>th</sup> December 2021 were incurred or payable as service costs within paragraph 4 of Schedule 6 to the Lease.
55. The Tribunal concludes that no further sum is payable as service charges for the year ended December 2021 in addition to any sums paid by the Applicant in respect of this service charge year.

**The amount payable by the Applicant as service charges for the premises for the service charge year January 2022 to December 2022**

56. The Respondent has not produced evidence which substantiates or explains the £1957.53 claimed as a debit for that service charge year in the service charge account prepared by Eagerstates dated 5<sup>th</sup> December 2022 (pp 58-59 and appendix A). The total debit calculated at page 59 at £1957.23 is not payable insofar as it includes service charge for the service charge year ending December 2022. (The Tribunal makes no findings about ground rent payable). No further sum is payable by the Applicant as service charge for this service charge year.
57. The Applicant drew attention to the discrepancy between the total sum of £74,499.25 itemised in the Martin & Heller service charge account for the service charge year ending December 2022 (pp 67-68) and the total expenditure itemised in the service charge demand at p59 as £69,467.35. The Respondent did not adduce any evidence to clarify this.
58. The Applicant challenged the following items in the document dated 5<sup>th</sup> December 2022 from Eagerstates at pp 58-59 in her letter of 5<sup>th</sup> April 2025 and said the Respondent should have excluded the following as costs used to calculate amounts payable by the Applicant for the service charge year January 2022 to December 2022 (a) installation of sealant to capping of balcony, (b) repointing work post damp issues, (c) decorating after leak, (d) damp investigation, (e) moisture testing, (f) leak emergency callout (g) replacement of plasterboard as internal works for particular flat. The Respondent has not produced evidence that those costs were incurred or payable by the Applicant as service charge under the Lease, provided further information or sought to respond to those challenges. The Tribunal is not satisfied the Applicant is or was liable to contribute to these costs as service charge.

**The amount payable by the Applicant as service charges for the premises for the service charge year January 2023 to December 2023**

59. The Respondent has not produced evidence which substantiates or adequately explains the £5186.11 claimed as a debit for that service charge year in the service charge account prepared by Eagerstates dated

5<sup>th</sup> December 2023 (pp 61-62 and appendix A). The total debit calculated at page 62 at £5186.11 is not payable insofar as it includes service charge for the service charge year ending December 2023. (The Tribunal makes no findings about ground rent payable). No further sum is payable as service charge for this service charge year.

60. The Tribunal does not accept the accuracy of the service charge account prepared by Eagerstates bearing the date 6<sup>th</sup> December 2023 insofar as it suggests that £2837.23 was received on the account from the Applicant. This was not substantiated by any other documentary evidence and conflicted with the Applicant's evidence before the Tribunal. The Applicant gave evidence in an intelligent and frank way. The Tribunal found her to be reliable and honest witness.
61. The Applicant challenged the following items in the document dated 6<sup>th</sup> December 2023 in her letter of 5<sup>th</sup> April 2025 (a) Leak and damp detection service (£1074.00) (b) Felt works due to leak (£2940.00) (c) Repair work due to leak £870.00 (d) Decking lifting and repair cracks in balcony £1620.00.
62. The Respondent has not produced evidence that those costs were incurred or payable by the Applicant as service charge under the Lease or sought to respond to the Applicant's challenges. The Tribunal is not persuaded that these costs were incurred for the purposes of or are payable under the terms of the Lease. No further sum is payable as service charge for this service charge year in addition to the sums paid by the Applicant for that year to date which amounted to £1520.00 per annum – see page 11 of the Application form.

**The amount payable by the Applicant as service charges for the premises for the service charge year January 2024 to December 2024**

63. The Respondent has not produced evidence which substantiates or adequately explains the £8402.21 claimed as a debit for that service charge year in the service charge account prepared by Eagerstates dated 3<sup>rd</sup> December 2024 (pp 64-65 and appendix A). The total debit calculated at page 65 as £8402.21 is not payable, insofar as it includes service charges for the service charge year ending December 2024. (The Tribunal makes no findings about ground rent payable).
64. The Tribunal does not accept the accuracy of the service charge account prepared by Eagerstates bearing the date 3<sup>rd</sup> December 2024 insofar as it suggests that £5866.11 was received on the account from the Applicant. This was not substantiated by any other documentary evidence or any independent accountancy records or evidence. It is possible that this is some form of running account figure, but insofar as it conflicts with the evidence of the Applicant who attended the hearing and was willing to answer questions about her evidence, the Tribunal prefers her evidence.



65. The Applicant challenged two specific items in the service charge account bearing the date 3<sup>rd</sup> December 2024. These were: installation of new waste pipe and remove damaged decking and installation new boards and decking.
66. On 24<sup>th</sup> March 2025 the Applicant questioned why the service charge balance alleged in the “accurate service charge account December 2024/2025” was “£8401.21” debit and why this differed from the £8914.09 claimed in the email from Eagerstates of 4<sup>th</sup> June 2024 (appendix B). The Respondent and Eagerstates have not sought to provide answers or otherwise respond to these challenges.
67. The Respondent has not produced evidence that those costs were incurred or payable by the Applicant as service charge under the Lease or sought to respond to those challenges. The Tribunal is not persuaded that these costs were incurred for the purposes of or are payable under the terms of the Lease.
68. Doing its best on the information available, taking account of its concerns about the unreliability of the accounts produced by Eagerstates, the Tribunal finds that the £1450.00 claimed for waste pipe after removing decking and £3290.00 claimed for removal of damaged decking and installation new boards and decking were not service charge items payable under the Lease. The Applicant’s 5.09% share of those service charge costs is £241.67. The sum payable for year ended December 2024 is £1513.63 (£1755.30 less £241.67).

**Section 20C - Costs of Tribunal proceedings as relevant cost to be taken into account to calculate service charge**

69. The Tribunal does not make any determination upon whether any of the legal costs incurred in these proceedings fall within the service charge provisions of the Lease.
70. The Applicant has been largely successful in this application. This is an important consideration.
71. The Respondent as freeholder and its agent Eagerstates with responsibility for management could and should have taken steps to regularise the service charge accounts, produce relevant documents and receipts and respond to the questions raised. It is not just or equitable that the Applicant should have to contribute to the legal and other costs of these proceedings by way of service charge.

**Litigation costs**

72. These proceedings are the second set of proceedings relating to service charges for the premises. The Respondent and its agent have not provided any satisfactory reason for their failure to comply with the Tribunal’s directions, produce copies of service charge accounts for which charges have been made or produce relevant documents and

receipts and respond to the questions raised. It is not just or equitable that the Applicant should have to pay any of the litigation costs of this set of proceedings or any litigation costs which may arise from these proceedings.

**Reimbursement of fees**

73. The Tribunal considers it just and equitable to order the Respondent to reimburse the Applicant for the application fee and the hearing fee for the same reasons as given in relation to the decision under section 20C of the 1985 Act. It was necessary for the Applicant to incur the hearing and application fees to achieve the Decision of this Tribunal.

H Lederman  
Tribunal Judge

14 July 2025

### **RIGHTS OF APPEAL**

1. 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.
2. 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.
3. 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.
4. 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.