



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

**Case reference** : LON/00AH/LSC/2024/0603

**Property** : 23 Alexandra Road, Croydon, CR0 6EY

**Applicant** : Gleanne Purcell-Brown (Flat A), Eric Elliott (Flat B), CCA Lettings Ltd (Flat C)

**Representative** : Mr Anyanwu, Director of Third Applicant, on behalf of all Applicants

**Respondent** : Assethold Ltd

**Representative** : Ronni Gurvits of Eagerstates Ltd

**Type of application** : An application under section 27A  
Landlord and Tenant Act 1985

**Tribunal** : Tribunal Judge I Mohabir  
Mr M Bailey FRICS

**Date of Decision** : 11 September 2025

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**DECISION**

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## ***Background***

1. Unless stated otherwise, the references in square brackets are to the pages in the Applicant's hearing bundle.
2. On 4 February 2025, the Applicants issued an application seeking a determination under section 27A of the Landlord and Tenant Act 1985 (as amended) ("the Act") as to whether service charges are payable for the years 2023 and 2024. The service charges disputed for these years is dealt with below.
3. The Applicants also seek an order for the limitation of the landlord's costs in the proceedings under section 20C of the Act and an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs, under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.
4. The Applicants are the leaseholders of Flats A, B and C respectively at 23 Alexandra Road, Croydon, CR0 6EY ("the property"). This property is described as being a residential house that has been converted into 3 flats.
5. The leases granted in respect of each flat were on the same terms. Reference is made to the relevant terms of the leases below.
6. On 19 February 2025, the Tribunal issued directions. Pursuant to the directions, the Applicants completed the schedule attached to the directions and filed and served their evidence in a hearing bundle comprised of 173 pages. The Respondent has not filed or served any evidence. Therefore, the case proceeded on the basis of the Applicants' evidence contained in their hearing bundle.

## ***Relevant Law***

7. This is set out in the Appendix annexed hereto.

## ***Hearing***

8. The remote CVP hearing in this case took place on 9 September 2025. The Applicants were represented by Mr Anyanwu, who is a Director of the Third Applicant. The First Applicant was also in attendance but did not play a significant part in the hearing.
9. The Respondent did not attend and was not represented. Nevertheless, the Tribunal was satisfied that the Respondent was on notice as to the hearing and decided to proceed in its absence.
10. Mr Anyanwu confirmed that he had authority to act on behalf of all of the Applicants. He also confirmed that their hearing bundle had been served on the Respondent in accordance with the Tribunal's directions and that no evidence had been served by the Respondent on them.

11. By way of clarification, the Tribunal explained that it did not have jurisdiction to make an determination for the overpayment of service charges in the sum of £872.88 made by Flat C as well as the refund sought by all of the Applicants for service charge contributions made by them in respect of the cost of drain repairs, which was met by the buildings insurance policy. The reason is that these amounts are not “service charges” within the definition in section 18 in the Act. They are in fact a debt owed by the Respondent and have to be pursued separately as such in the event that no refund was made.
12. It was common ground that the Applicants could not seek a determination in respect of disputed service charges for 2025 because it was not within the scope of this application.
13. The Tribunal then heard submissions from Mr Anyanwu.

### ***Decision***

#### ***20023 (and 2024)***

##### ***Buildings Insurance Management Fee***

14. This fee is also challenged by the Applicants for 2024 on the same basis. It was, therefore considered together by the Tribunal.
15. The fee claimed by the Respondent for 2023 and 2024 in relation to all 3 flats was £519.69 and £401.81 respectively. Apparently, this fee relates to the placing of the buildings insurance policy annually, albeit with the use of an insurance broker [45 & 66-67].
16. Mr Anyanwu submitted that the amount was excessive and contended for a figure of 50% of the total. When asked by the Tribunal, he said that there was no particular basis for proposing this percentage.
17. What is apparent from the Respondent’s demands is that it charged a management fee calculated as 18% of the premium and broker fee in 2023 and 15% pf the premium and broker fee in 2024. Using its own knowledge and experience, the Tribunal found that a management fee rclaculated as 7.5% of the premium (excluding the broker fee) was reasonable. It, therefore, concluded that a management fee of £212.79 for 2023 and £197.01 for 2024 was reasonable.

#### ***20023 (and 2024)***

##### ***Gardening Cost***

14. This fee is also challenged by the Third Applicant only for 2024 on the same basis. It was, therefore considered together by the Tribunal.
15. The fee claimed by the Respondent for 2023 and 2024 in relation to Flat C only and was £700.92 and £1,564.68 respectively for the cost of gardening carried out by the Respondent.

16. Mr Anyanwu submitted that this flat belonged to his company and the garden was demised to it under the lease and the obligation to maintain the garden fell on the leaseholder not the Respondent. The Tribunal accepted that submission as being correct for the following reasons.
17. The lessee's covenant to pay a service charge contribution is found in clause 4(2) in the lease [38]. It is to pay a one third contribution for the costs and expenses incurred or to be incurred by the lessor as set out in the Fourth Schedule.
18. The Fourth Schedule [42] only permits the lessor to recover expenditure pursuant to its obligations under clauses 5(2) and (4) as well as the cost of managing the building.
19. Clause 5(2) obliges the lessor to insure the building [38]. Clause 5(4) obliges the lessor to repair and maintain the external parts of the building and the communal areas by reference to area coloured blue on the plan annexed to the lease [39].
20. Clause 1 in the lease of Flat C demises the garden areas coloured green in the plan [35]. This forms part of the demised premises. By clause 3(c) in the lease, the lessee is obliged to "maintain uphold and keep the demised premises", which includes the demised garden area.
21. It follows, therefore, that the lessee has no contractual liability to pay the costs incurred by the lessor in maintaining the garden area for Flat C and those costs cannot be recovered by it as relevant service charge expenditure.

#### **2024**

#### ***Grit Application***

22. The Respondent claimed the sum of £134.52 for allegedly gritting the front path at the property [129].
23. The Tribunal found that this sum was not recoverable as relevant service charge expenditure because it is beyond doubt from the photographic evidence supplied by the Respondent to the Applicants [137-140] that the gritting was carried out to a different property altogether.
24. In addition, the Tribunal was satisfied that any such expenditure did not fall with the scope of the expenditure permitted in the Fourth Schedule in the Applicants' leases (see above). As such, the Applicants have no contractual liability to pay these costs.

#### ***Fire Door Inspection***

25. The Respondent claimed the sum of £141.60 for a proposed fire door inspection to communal doors on 29 October 2024 [141]. When the Applicants pointed out that there are in fact no communal doors at the

property [145], the Respondent agreed that no inspection was necessary [142]. Nevertheless, the Respondent went on to demand this sum on 19 November 2024 [146].

26. The Tribunal accepted the Applicants' evidence and found that there are no communal (or other) fire doors in the property and that no inspection in this regard had been carried out by the Respondent. It follows, that the Tribunal was satisfied that this item of expenditure had not been reasonably incurred by the Respondent and is disallowed entirely.

### ***Ground Rent Management Fee***

27. The sum of £72 per flat is claimed by the Respondent as an annual management fee for the preparation and service of the ground rent demands.
28. The Applicants accepted that this fee is contractually recoverable under paragraph 2 in the Fourth Schedule to the leases as a cost of managing the building. However, Mr Anyanwu submitted that the cost was unreasonable for the preparation and service of what are straightforward demands [162-163].
29. The Tribunal agreed with that submission and found the demands themselves are no more than demands in letter form to which the tenants' template statutory rights and obligations are attached.
30. However, the Tribunal did not accept the Applicants' submission that nothing should be allowed for the cost of preparing and serving the demands. Using its own knowledge and experience in these matters, the Tribunal found that an annual fee of £25 for each flat was reasonable.
31. In conclusion, where the Tribunal had either disallowed or reduced the service charges in issue, the Respondent should apply the appropriate credit to each of the Applicants' service charge accounts.

### ***Costs & Fees***

32. On the basis that the application has succeeded almost entirely, for the avoidance of doubt, the Tribunal makes an order under section 20C of the Act and under paragraph 5A in Schedule 11 of the Commonhold and Leasehold Reform Act 2002 that the Respondent is not entitled to recover any costs it may have incurred in these proceedings whether through the service charge account or as administration charges. The Tribunal did not consider it just or equitable to do so.
21. For the same reasons, the Tribunal orders the Respondent to reimburse the Applicants the fees of £337 they paid to have the application issued and heard. This sum is to be paid within 28 days of this decision being issued to the parties.

**Name:** Tribunal Judge I Mohabir

**Date:** 11 September 2025

### **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

## **Appendix of relevant legislation**

### **Landlord and Tenant Act 1985**

#### **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 27A**

- (1) An application may be made to a leasehold valuation 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 a leasehold valuation 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.

## **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.

## **Commonhold and Leasehold Reform Act 2002**

### **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) ...

## **Leasehold Valuation Tribunals (Fees)(England) Regulations 2003**

### **Regulation 9**

- (1) Subject to paragraph (2), in relation to any proceedings in respect of which a fee is payable under these Regulations a tribunal may require any party to the proceedings to reimburse any other party to the proceedings for the whole or part of any fees paid by him in respect of the proceedings.
- (2) A tribunal shall not require a party to make such reimbursement if, at the time the tribunal is considering whether or not to do so, the tribunal is satisfied that the party is in receipt of any of the benefits, the allowance or a certificate mentioned in regulation 8(1).