FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00BG/LRM/2025/0015**
Property	:	**Blocks B, C, D Maltings Close, London E3 3TE**
Applicants	:	**Maltings Close Residents Management Company Ltd (RTM Company No 16168187)**
Representative	:	**Mr Amar Lodhia**
Respondents	:	**(1) London and Quadrant Housing Trust** **(2) Twelve Trees (Bromley by Bow) Management Company Ltd** **(3) Chime Properties Ltd**
Representatives (counsel)	:	**(1) Mr Stephen Evans** **(2) Mr Aggrey-Orleans** **(3) Ms Katherine Traynor**
Type of application	:	**Application in relation to the denial of the Right to Manage**
Tribunal members	:	**Judge Timothy Powell &** **Mrs Elizabeth Ratcliff, Regional Surveyor**
Venue	:	**10 Alfred Place, London WC1E 7LR**
Date of decision	:	**22 September 2025**

DECISION STRIKING OUT THE APPLICATION

DECISION

1. London and Quadrant Housing Trust and Twelve Trees (Bromley by Bow) Management Company Ltd are joined as respondents to the right to manage application, LON/00BG/LRM/2025/0015. For the sake of clarity and for consistency with earlier service charge proceedings, LON/00BG/LSC/2024/0266, London and Quadrant Housing Trust

will be the first respondent, Twelve Trees (Bromley by Bow) Management Company Ltd will be the second respondent and Chime Properties Ltd, the original respondent to the application, will be the third respondent.

2. The application is struck out under Rule 9(2)(a) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, because the Tribunal does not have jurisdiction in relation to the proceedings or case.

3. No order is made in respect of the linked appointment of manager application, LON/00BG/LAM/2025/0012, as it was withdrawn on 29 July 2025.

REASONS

Background

(1) The development at Maltings Close, London E3 ("Maltings Close") comprises four blocks, Blocks A, B, C and D. The freeholder for the development is the third respondent, Chime Properties Ltd ("Chime"). The whole of Block A is subject to a head lease granted to the first respondent, London and Quadrant Housing Trust ("L&Q"), and Block A is ignored for the purpose of the application under consideration.

(2) There are about 170 residential units in Blocks B, C and D. Some are let on long tripartite leases, with (1) Chime as the freeholder landlord, (2) Twelve Trees (Bromley by Bow) Management Company Limited ("Twelve Trees") as the management company responsible for the delivery of services and levying of service charges, and (3) individual residential leaseholders. Other units are let on long tripartite leases involving (1) Chime and (2) Twelve Trees, with (3) L&Q being the long leaseholder. Altogether, L&Q holds the leasehold interest to some 36 residential units, of which 24 have shared ownership underleases and 12 are retained and let to short-term tenants (though, as will be seen below, Mr Lodhia later submitted there were 29 shared ownership underlessees).

(3) Some residential leaseholders of Maltings Close have been unhappy with the management of their development, by Twelve Trees and their managing agents, Urang. On 1 July 2024, one of the shared ownership leaseholders, Mr Amar Lodhia, issued proceedings on behalf of himself and other leaseholders, challenging actual and estimated service charges for the years 2021/22 to 2024/25 levied by Twelve Trees (and, for insurance, by Chime). Those proceedings were later limited to the actual charges for 2021/22 and 2022/23 and occupied the Tribunal for

four days on 12 and 13 May and 18 and 19 August 2025, with a further three days to come on 22 and 23 October and 6 November 2025.

(4) Subsequent to the service charge application in 2024, on 25 February 2025 an application for recognition of Maltings Close Residential Association (Bromley-by-Bow) was made by Mr Lodhia, who then issued two further, linked applications:

(i) The first in time was the right to manage application, being issued on 26 March 2025. That was an application issued by Mr Lodhia on behalf of Maltings Close Residents Management Company Limited (the "RTM Company") under section 84(3) of the Commonhold and Leasehold Reform Act 2002 ("CLRA") for a decision that, on the relevant date, the RTM Company was entitled to acquire the right to manage premises known as Blocks B, C and D Maltings Close.

(ii) The second in time was an appointment of manager application, issued on 14 April 2025 by Mr Lodhia on behalf of himself and other leaseholders, seeking an order for the appointment of a Tribunal manager in respect of Blocks B, C and D Maltings Close, under section 24 of the Landlord and Tenant Act 1987.

(5) As the two most recent applications both sought the removal of responsibility for the management of the development from the respondents, they were listed together for a case management hearing on 15 July 2025. The parties were informed that one of the issues that concerned the Tribunal was the validity of various notices served by Mr Lodhia to start the RTM and the appointment of manager procedures. The three respondents were invited to serve position statements, which they all did, as did Mr Lodhia on behalf of himself, other leaseholders and the RTM Company.

(6) At the hearing on 15 July 2025, Mr Lodhia appeared as the applicants' representative. L&Q was represented by Mr Stephen Evans of counsel, Twelve Trees by Mr Aggrey-Orleans of counsel and Chime by Ms Katherine Traynor of counsel.

(7) Before the issue of this decision, Mr Lodhia and other leaseholders gave formal notice on 29 July 2025 to withdraw their application for the appointment of a manager. A Consent to Withdrawal was issued on 31 July 2025, so this decision now only concerns the RTM application.

(8) On 30 July 2025, before the Tribunal had issued its decision in this case, the Court of Appeal issued its decision in *Avon Freeholds Ltd v Cresta Court E RTM Company Ltd* [2025] EWCA Civ 1016 ("*Cresta*").

On 1 August 2025, the Tribunal wrote to the parties inviting further submissions on the Court of Appeal decision, which were received on or before 29 August 2025.

The Right to Manage ("RTM") application

(9) The RTM procedure has been beset by problems, defects and confusion.

(10) So far as can be ascertained from the parties' position statements and the documents, including certificates of service, in the Applicant's Evidence bundle (prepared for the case management hearing), and further submissions following the *Cresta* decision, the key dates and events are as follows.

First Notice of Intention to Participate ("NIP")

(11) On 7 January 2025, a company called Maltings Close Residents Association Limited was incorporated with company number 16168187. On 8 January 2025, the company passed a resolution to change its name to Maltings Close Residents Management Company Limited (the "RTM Company"), which resolution was registered at Companies House on 24 January 2025.

(12) On 9 January 2025, Mr Lodhia acting for "Maltings Close RTM Limited (t/a Maltings Close Residents Association)" – a non-existent company – sent a letter and Notice of Invitation to Participate ("NIP") under section 78 of CLRA to all leaseholders on the development and to L&Q. The letter invited qualifying tenants to "vote for the new RTM company" online and complete a contact form.

(13) There were several defects in the NIP, which are dealt with below.

First Claim Notice

(14) On 13 January 2025, Mr Lodhia sent a claim notice under s 79 of CLRA addressed to and naming only Chime, the freeholder and third respondent. However, a copy of the claim notice was sent to all three respondents. It is understood from paragraph 10 of Chime's position statement that Chime "issued a counter-notice, on several grounds, including that the RTM did not have the requisite number of members, and had failed to serve Notices of Invitation to Participants".

(15) The respondents questioned the validity of the first claim notice, and this is dealt with below. However, it was understood from the hearing on 15 July 2025 that, on a date unknown, Mr Lodhia withdrew the first NIP and first claim notice and notified all parties concerned.

Second NIP and second Claim Notice

(16) On 22 February 2025, Mr Lodhia sent by post a corrected claim notice, a corrected NIP and corrected Articles of Association for the RTM Company to Rradar solicitors (who act for **Twelve Trees** in the service charge proceedings). It is agreed this second claim notice was deemed served on 24 February 2025 and was followed up by email on 25 February 2025.

(17) Also on 25 February 2025, Mr Lodhia sent by email the corrected claim notice, the corrected NIP and corrected Articles of Association to all **leaseholders** on the development and to the respondents, stating in his most recent chronology that this was the "start of the formal claim process". On 26 February 2025, these were sent again to those that had not opened their emails.

(18) On 28 February 2025, the corrected claim notice, the corrected NIP and corrected Articles of Association were sent to **L&Q** by email, together with a letter for L&Q to serve on their tenants (shared owners).

(19) On 5 March 2025, L&Q circulated the corrected NIP to shared owners by email.

(20) On 6 March 2025, the corrected claim notice, the corrected NIP and corrected Articles of Association were sent by recorded delivery to (1) **Chime** at its registered address, at 140 Aldersgate Street, London EC1A 4HY, (2) **Twelve Trees** at the registered address of its managing agent, Urang Property Management Limited, at 196 New Kings Road, London SW6 4NF, and (3) **L&Q** at 29-35 West Ham Lane, E15. Mr Lodhia said in his recent submission that the date of deemed service of these documents was 7 March 2025.

(21) The only change in the second NIP was to correct the name of the RTM Company in the first NIP. Other defects remained, and these are dealt with below.

(22) The accompanying letter to leaseholders claimed that the RTM Company represented 75% of long leaseholders and included an invitation to participate in the vote for the new RTM company via an online voting process.

(23) The second claim notice was once again addressed only to Chime and stated that any counter-notice had to be given by 26 March 2025 or otherwise the RTM Company intended to acquire the right to manage on 25 May 2025. Once again, the respondents questioned the validity of the second claim notice, and this is dealt with below.

Counter-notice and application to the Tribunal

(24) On 26 March 2025, **Chime** served a counter-notice disputing the claim notice, alleging by reason of sections 72, 78 and 80(3) of CLRA, that the RTM Company was not entitled to claim the right to manage.

(25) By return on the same day, Mr Lodhia wrote to JB Leitch, solicitors acting for Chime, claiming the counter-notice was misconceived and invalid, and answering the points raised in it. Mr Lodhia then issued the current application to the Tribunal, by email also dated 26 March 2025.

(26) On 5 June 2025, a case management hearing was arranged for 15 July 2025, where the alleged defects in the notices and procedures were discussed, as elaborated below.

The law

(27) The law relating to the right to manage is contained within Part 2 Chapter 1 of CLRA. The relevant parts for this decision are in sections 78 and 79:

> **"78 Notice inviting participation**
>
> (1) Before making a claim to acquire the right to manage any premises, a RTM company must give notice to each person who at the time when the notice is given—
>
> (a) is the qualifying tenant of a flat contained in the premises, but
>
> (b) neither is nor has agreed to become a member of the RTM company.
>
> (2) A notice given under this section (referred to in this Chapter as a *"notice of invitation to participate"*) must—
>
> (a) state that the RTM company intends to acquire the right to manage the premises,
>
> (b) state the names of the members of the RTM company,
>
> (c) invite the recipients of the notice to become members of the company, and
>
> (d) contain such other particulars (if any) as may be required to be contained in notices of invitation to participate by regulations made by the appropriate national authority.
>
> (3) A notice of invitation to participate must also comply with such requirements (if any) about the form of notices of invitation to participate as may be prescribed by regulations so made.
>
> (4) A notice of invitation to participate must either—
>
> (a) be accompanied by a copy of the articles of association of the RTM company, or

(b) include a statement about inspection and copying of the articles of association of the RTM company.

(5) [...]

(7) A notice of invitation to participate is not invalidated by any inaccuracy in any of the particulars required by or by virtue of this section.

79 Notice of claim to acquire right

(1) A claim to acquire the right to manage any premises is made by giving notice of the claim (referred to in this Chapter as a “claim notice”); and in this Chapter the “relevant date”, in relation to any claim to acquire the right to manage, means the date on which notice of the claim is given.

(2) The claim notice may not be given unless each person required to be given a notice of invitation to participate has been given such a notice at least 14 days before.

(3) The claim notice must be given by a RTM company which complies with subsection (4) or (5).

(4) If on the relevant date there are only two qualifying tenants of flats contained in the premises, both must be members of the RTM company.

(5) In any other case, the membership of the RTM company must on the relevant date include a number of qualifying tenants of flats contained in the premises which is not less than one-half of the total number of flats so contained.

(6) The claim notice must be given to each person who on the relevant date is—

(a) landlord under a lease of the whole or any part of the premises,

(b) party to such a lease otherwise than as landlord or tenant, or

(c) a manager appointed under Part 2 of the Landlord and Tenant Act 1987 (c. 31) (referred to in this Part as “the 1987 Act”) to act in relation to the premises, or any premises containing or contained in the premises.

(7) Subsection (6) does not require the claim notice to be given to a person who cannot be found or whose identity cannot be ascertained; but if this subsection means that the claim notice is not required to be given to anyone at all, section 85 applies.

(8) A copy of the claim notice must be given to each person who on the relevant date is the qualifying tenant of a flat contained in the premises.

(9) Where a manager has been appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises, a copy of the claim notice must also be given to the tribunal or court by which he was appointed.

(28) In addition, the Right to Manage (Prescribed Particulars and Forms) (England) Regulations 2010 (SI 2010 No.825) (the “RTM Regulations”) require that:

> “**3.— Additional content of notice of invitation to participate**
>
> (1) A notice of invitation to participate shall contain, in addition to the statements and information referred to in section 78(2)(a) to (c) of the 2002 Act (notice inviting participation), the particulars mentioned in paragraph (2).
>
> (2) The particulars referred to in paragraph (1) are—
>
> (a) the RTM company's registered number, the address of its registered office and the names of its directors and if applicable, secretary; (b) the names of the landlord and any third party;
>
> (b) the names of the landlord and any third party;
>
> (c) a statement that, subject to the exclusions mentioned in sub-paragraph (e), if the right to manage is acquired by the RTM company, the company will be responsible for—
>
> (i) the discharge of the landlord's duties under the lease; and
>
> (ii) the exercise of his powers under the lease,
>
> with respect to services, repairs, maintenance, improvements, insurance and management;
>
> (d) a statement that, subject to the exclusion mentioned in sub-paragraph (e)(ii), if the right to manage is acquired by the RTM company, the company may enforce untransferred tenant covenants;
>
> (e) a statement that, if the right to manage is acquired by the RTM company, the company will not be responsible for the discharge of the landlord's duties or the exercise of his powers under the lease—
>
> (i) with respect to a matter concerning only a part of the premises consisting of a flat or other unit not subject to a lease held by a qualifying tenant; or
>
> (ii) relating to re-entry or forfeiture;
>
> (f) a statement that, if the right to manage is acquired by the RTM company, the company will have functions under the statutory provisions referred to in Schedule 7 to the 2002 Act;
>
> (g) a statement that the RTM company intends or, as the case may be, does not intend, to appoint a managing agent; and—
>
> (i) if it does so intend, a statement—
>
> (aa) of the name and address of the proposed managing agent (if known); and
>
> (bb) if it be the case, that the person is the landlord's managing agent; or
>
> (ii) if it does not so intend, the qualifications or experience (if any) of the existing members of the RTM company in relation to the management of residential property;

(h) a statement that, where the RTM company gives a claim notice, a person who is or has been a member of the company may be liable for costs incurred by the landlord and others in consequence of the notice;

(i) a statement that, if the recipient of the notice (of invitation to participate) does not fully understand its purpose or implications, he is advised to seek professional help; and

(j) the information provided in the notes to the form set out in Schedule 1 to these Regulations. [...]

8.— Form of notices

(1) Notices of invitation to participate shall be in the form set out in Schedule 1 to these Regulations.

(2) Claim notices shall be in the form set out in Schedule 2 to these Regulations.

(3) Counter-notices shall be in the form set out in Schedule 3 to these Regulations."

(29) Schedule 1 then prescribes the form of the Notice of invitation, which contains important information and explanatory notes for qualifying tenants who are being invited and who wish to consider whether to become members of the RTM Company.

The Respondents' submissions up to and during the hearing

(30) The respondents challenged the validity of the first and second NIPs, the first and second claim notices, and the proceedings before the Tribunal. Although the respondents raised a list of defects upon which they relied, the key ones before the tribunal related to: (i) the form and content of the NIPs, (ii) the qualifying tenants who had been served, and (iii) the time that had elapsed between the service of the NIPs and the claim notices.

(31) For the First Respondent, L&Q, Mr Evans of counsel asserted that the NIPs were not validly served as they were not made in the prescribed form (s78(3)). As a consequence, the name of the landlord had not been given and nor had the prescribed notes. Mr Evans made a comparison with two decisions:

- *Assethold v 13-14 Romside Place RTM Co Ltd* [2013] UKUT 603 – where a failure to give the name of a landlord, rather than an inaccuracy in the name, is fatal to the validity of the NIP. This is because a reasonable tenant would not necessarily know who the freeholder was at any one time, and it is clearly important to know who the landlord is before joining an RTM company, and

- *Triplerose Ltd v Mill House RTM Co Ltd* [2016] UKUT 80; [2016] L&TR 23 – where failure to provide any of the prescribed notes was held to be fatal.

(32) Mr Evans also referred to the Supreme Court decision in *A1 Properties (Sunderland) Ltd v Tudor Studios RTM Co Ltd* [2024] UKSC 27 ("*A1 Properties*"). That was a case which dealt with a procedural failure (in that case to serve an RTM claim notice on an intermediate landlord), where the consequence of failure to comply with the procedural requirement was not expressly stated by Parliament. The Supreme Court held that the correct approach was to apply the principles formulated by the House of Lords in *R v Soneji* [2006] 1 AC 340 and to ask, "whether it was a purpose of the legislature that an act done in breach of [the relevant] provision should be invalid."

(33) Mr Evans submitted that neither a *Soneji* analysis nor an enquiry into whether there was any prejudice caused by a failure to include in the NIPs the required information (both approaches promoted by the Supreme Court in *A1 Properties*) are necessary in this case. This is because section 79(2) of CLRA specifies a clear consequence of failure, something that the Supreme Court in *A1 Properties* did not consider.

(34) The third respondent, Chime, made the following points in their position statement:

- There is a lack of clarity over whether the claim notice was served properly on all three parties – L&Q, Twelve Trees and Chime.

- A valid claim notice has not been served – the claim notice was email to HomeGround and not Chime, L&Q are not a member of the RTM company but were named as so, the later serving of a section 82 request for information suggests that the applicant did not serve a valid notice on 25 February 2025, and there is no evidence that Twelve Trees were served with the Notice.

- Blocks B, C and D are structurally attached to Block A and are not capable of being considered a self-contained part of a building, as required under Section 72 of CLRA.

- Shared ownership leaseholders do not appear to have been served with a NIP, the NIP did not fully identify all qualifying tenants, and explicit consent was not sought from all qualifying tenants (for some there was an assumption of membership unless explicitly declined).

(35) The second Respondents, Twelve Trees, aligned with the third respondent's (Chime's) position but went on to make a number of additional points, including that:

- The company referred to in the claim notice was not an RTM as its articles of association did not include an object of acquisition and exercise of the right to manage the premises,

- The NIP was deficient because it:
  - had not been served on all qualifying tenants at the time,
  - did not include all the information required under section 78(2), and
  - was not accompanied by the RTM's articles of association.

- The claim notice, in addition to not having been served on all relevant parties, was:
  - served before the RTM's membership had reached half of the total eligible qualifying tenants,
  - not given to all qualifying tenants on the date it was served, and
  - did not include particulars of leases of all qualifying tenants.

The Applicant's submissions up to and during the hearing

(36) In his position statement and at the hearing, Mr Lodhia accused the Respondents of "nit-picking" when raising objections to the form, content and service of the NIPs, the consequent validity of the claim notices and the application itself. Mr Lodhia relied upon section 78(7) of CLRA, which states that "A notice of invitation to participate is not invalidated by any inaccuracy in any of the particulars required by or by virtue of this section."

(37) Mr Lodhia also relied upon several cases to say the law is settled that minor errors in RTM notices are not fatal to the validity of the application. Those cases were:

- *Harrington House RTM Company Ltd v Assethold Ltd [2024]* – a decision of the First-tier Tribunal – where minor NIP inaccuracies (naming the wrong landlord or omitting details) did not invalidate the application, and a purposive approach consistent with *A1 Properties* was adopted.

- *Cadogan v Morris [1999] 31 HLR 732* – a failure to include required information was different from providing incorrect or including more information. Mr Lodhia said that in present case there is no omission of mandatory information, merely the inclusion of L&Q's name as an interested landlord.

- *Fairhold Mercury Ltd v HQ (Block 1) Action Management Co Ltd [2013] UKUT 487 (LC)* – immaterial errors could not defeat an RTM application where there is no prejudice.

(38) Mr Lodhia also said that the First Respondent circulated the (second, corrected) NIP to its shared ownership leaseholders, but only one of them responded to the invitation to participate in or object to the RTM application (the person who replied objecting to becoming a member of the RTM Company). Mr Lodhia drew comparison with *Mannai Investment Co Ltd v Eagle Star Life Assurance Co Ltd [1997] AC 749* and submitted that:

> "The absence of any responses from the other 28 shared owners suggests no confusion, no opposition, and no perceived defect in the notice. On the contrary, it can reasonably be inferred that the remaining 28 leaseholders consented, either expressly or by omission, to their inclusion in the RTM process."

(39) All this suggested to Mr Lodhia that none of the qualifying tenants were misled or suffered any prejudice by any defects or failings in the RTM documents.

The *Cresta* decision in the Court of Appeal

(40) In the hearing on 15 July 2025, Mr Evans also drew the Tribunal's attention to the Upper Tribunal decision in *Avon Freeholds Ltd v Cresta Court E RTM Co Ltd* [2024] UKUT 335 ("*Cresta*"), which was then under appeal to the Court of Appeal.

(41) On 30 July 2025, before the Tribunal had issued its decision in this case, the Court of Appeal issued its decision in *Cresta*. On 1 August 2025, the Tribunal wrote to the parties with a copy of the Court of Appeal decision, in the following terms:

> "This decision, especially from paragraphs 69 onwards, holds that the wording of section 79(2) of the 2002 Act is clear and unambiguous, that a claim notice may not be served at all until after 14 days after a participation notice is given to those qualifying tenants who are not already members of the RTM company, and that any claim notice purportedly served before the non-compliance is remedied must be invalid, or in other words a nullity. It appears that the Court of Appeal had no concerns that a landlord could raise an objection under section 79(2), even though it was a qualifying

leaseholder who had not received the participation notice in that case. The wording of section 79(2) required strict compliance and this produced no absurdity given the comparative ease and speed with which the position can in principle be rectified by the RTM company.

In the Maltings Close application, it was argued and it appears that there were fewer than 14 days between the service of the participation notice (the validity of which was in any event disputed) and the giving of the claim notice. If that is correct, then the Court of Appeal decision would appear to say the claim notice was invalid and a nullity (and also, by implication, the proceedings based on that claim notice).

Before the Tribunal can reach its decision, the parties are invited to provide their considered submissions on the Court of Appeal decision. Unless the applicants decide to withdraw the RTM application, the parties' submissions must be sent to the Tribunal and copied to the other parties by **Friday 29 August 2025**."

Mr Lodhia's first submission on 30 July 2025

(42) On the same day, 30 July 2025, Mr Lodhia responded to the Tribunal, acknowledging the *Cresta* judgment and stating that (with original emphasis by Mr Lodhia):

"2. The Applicant has reviewed the service timeline in this case. While it is accepted that the RTM claim notice may have been served ***slightly*** before the expiry of 14 clear days from the deemed date of giving the NIP to all qualifying tenants, the Applicant submits that:

- The defect, if any, was minor and inadvertent;
- All qualifying tenants received the NIP and were afforded opportunity to join and in any event 80% were members at the time the notice was served;
- No party has produced evidence of prejudice arising from any such shortfall within the objection period;
- The Respondents were procedurally barred from doing so after the 14 day period in which they had to raise the objection.
- The **Respondents did not raise this issue** in their counter-notices and are now seeking to rely on it outside the statutory time limits, which is contrary to the principles of **finality and procedural fairness** underpinning the CLRA 2002."

(43) Mr Lodhia sought a suspension of the proceedings for a short period to enable the Applicant to re-serve the NIP and claim notice in strict compliance with the *Cresta* decision, stating that the Applicant "acts **on behalf of 100+ leaseholders**, many of whom have signed up via secure electronic process, and who will suffer significant injustice and delay if the claim is struck out over a minor technicality. The **prejudice to the Respondents is nil**, whereas the prejudice to leaseholders is substantial."

The Respondents' submissions on the *Cresta* decision

(44) The Tribunal received further submissions on 26 August 2025 from JB Leitch and Birketts, solicitors acting for Chime and L&Q respectively, and on 29 August 2025 from Rradar Limited, solicitors acting for Twelve Trees, and a second detailed submission from Mr Lodhia.

(45) The Respondents' submissions highlighted that the NIP was missing required information, contained incorrect information and was not in the prescribed form, such that it was invalid; that it was unclear that the NIP had been served on all parties upon whom service was a requirement; and that the NIP was served less than 14 days before the RTM claim notice. As a result, the RTM claim was a nullity.

Mr Lodhia's further submissions on 29 August 2025

(46) Mr Lodhia's further detailed submissions on 29 August 2025 provided a chronology of events and asserted that a valid NIP had been served. This was because the company was correctly identified by its registered number and office address in the first NIP, there had been 3 qualifying members at the time (s72(1)(b)), it did not refer to L&Q as a member and was served on all 171 flats including all L&Q shared owners.

(47) Having previously accepted in his submission of 30 July 2025 that the claim notice may have been served "slightly" earlier than the minimum 14 days, Mr Lodhia went on to assert that the first NIP had been served on all qualifying tenants on 9 January 2025 and the [second, corrected] claim notice followed between 25 February and 6 March 2025, "47 to 56 days after."

(48) Mr Lodhia submitted that the decision in *Cresta* could be distinguished and was not appropriate in this case. This was because the only objection relating to the NIP, which was from Chime, related to L&Q being listed as a member, whereas in *Cresta*, the RTM company failed to serve one of the qualifying tenants, which the Court of Appeal found to be fatal under s79(2) of CLRA.

(49) Mr Lodhia went on to make the point that L&Q did not object to the original (or corrected) NIP themselves and only one of the L&Q shared ownership tenants had objected to becoming a member, rather than to the existence of the RTM Company.

(50) Mr Lodhia also responded to "alleged defects" raised by the Respondents, explaining that all parties were served and given due notice, the omittance of initials and surnames was to comply with data protection requirements, and that respondents had had the opportunity to raise inaccuracies within 7 days of the claim notice but had not done so.

(51) Mr Lodhia also took the opportunity to address points raised by the L&Q and Chime in their respective position statements, which were not directly relevant to the consideration of the *Cresta* decision, although they may have been if the Tribunal was to have found that it had jurisdiction in this matter. As Twelve Trees had not served a counter notice, Mr Lodhia asserted that they should be deemed to have admitted "entitlement".

(52) In addition, Mr Lodhia raised a public interest point relating to the legal capacity and solvency of Twelve Trees, however it is not entirely clear how this relates to the question of whether the Tribunal has jurisdiction in this matter.

(53) In relation to case management, Mr Lodhia referred to the Tribunal's overriding objective and asserted that "Even if the Tribunal were to identify any procedural irregularity, its proper course would be to stay proceedings to permit re-service, not to strike out the claim", referring to rule 4(1) and rule 8(3)(c) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

(54) Mr Lodhia went on to make reference to both sections 81(4) and 84(5) of CLRA: section 81(4), in that it "expressly provides that a notice is not invalidated by inaccuracies unless they cause "substantial prejudice"", and section 84(5) because, as the Respondents had failed to raise objections at the appropriate time, they are deemed to have admitted the Applicant's entitlement (although, it is not clear how either can be construed from those particular clauses).

The Tribunal's conclusions

Validity of the first NIP (dated 9 January 2025)

(55) The challenges to the first NIP related to defects in its form and content. The apparent defects were:

(i) That the RTM company was misnamed in the first NIP, which appeared to have been sent out on behalf of a non-existent company, when by section 78(1) it is the RTM company itself that must give the NIP (this was notwithstanding that the company registration number was provided and a change of name was pending with Companies House),

(ii) The first NIP did not contain the statements and information required by section 78(2), nor did it comply with requirements in regulations as required by section 78(3),

(iii) It did not contain the particulars mentioned in Regulation 3 of the RTM Regulations,

(iv) It was not, as required by Regulation 8, in the prescribed form set out in Schedule 1 of the RTM Regulations, and, consequently,

(v) It did not contain the important information and explanatory notes for qualifying tenants contained in Schedule 1.

(56) The main reason for these defects was because Mr Lodhia had used the prescribed form in Schedule 2 of the RTM Regulations, which was for use as a claim form, instead of the prescribed form in Schedule 1, which was for use as a NIP.

(57) The NIP is a foundational document in the RTM process. Parliament intended that information, and in some cases warnings, were to be given to qualifying tenants who might be potential members of the RTM Company, so that they knew what the process entailed and what they would be letting themselves in for, before they decided to participate. The importance of this document is clear from the detailed requirements set out in section 78 and the RTM Regulations.

(58) For the first NIP to be valid, it had to comply with these requirements. The qualifying tenants had to be informed of the statements and information that were prescribed, to make an informed choice as to whether they wished to join the RTM Company and support the process.

(59) Section 78(7), which provides that "A notice of invitation to participate is not invalidated by any inaccuracy in any of the particulars required by or by virtue of this section" does not save the NIP in this case because these were not inaccuracies, but wholesale omissions from the NIP. Also, it is not a case, as in *Herrington*, that the wrong landlord's name had been given: here, no landlord's name had been given at all.

(60) In *Cresta*, a NIP was not given at all to one of the qualifying tenants, Ms O'Connor, in the period ending 14 days before the claim notice was given, or after. The Court of Appeal [69] said that the requirements in section 78(1) to serve a NIP were mandatory, section 78(7) gave very limited dispensation against invalidity and "there is no dispensing provision from the basic obligation" to give a NIP to a qualifying tenant who neither is nor has agreed to become a member of the RTM company.

(61) It follows from this that the first NIP was invalid as it failed to meet the statutory requirements.

Validity of the first claim notice (dated 13 January 2025)

(62) The validity of the claim notice turned on two issues.

(63) The first was that the respondents doubted that the NIP had been served on all qualifying tenants. In particular, it was thought that it had not been served on the L&Q's shared ownership leaseholders. However, the evidence from Mr Lodhia was that the first NIP had been hand delivered to all 171 properties in the development and so it would appear that it was given to all qualifying tenants.

(64) The second issue was whether sufficient time had elapsed between serving the first claim notice and serving the NIP. Section 79(2) states that: "The claim notice may not be given unless each person required to be given a notice of invitation to participate has been given such a notice at least 14 days before."

(65) In the present case, the NIP was served on 9 January 2025, and the claim notice was served a mere four days later on 13 January 2025.

(66) The inclusion of a statutory consequence for failing to give a proper notice of participation means that a *Soneji* analysis of Parliament's intention and considerations such as the balance of prejudice, both promoted by the Supreme Court in *A1 Properties*, does not arise in this case.

(67) In *Cresta*, which involved the failure to serve a NIP, the court's position was summarised as follows:

> "71. It is no longer disputed by the respondent that section 79(2) contains a statement by Parliament of the consequence of failure by the RTM company to give each participation notice required by section 78(1) before expiry of the 14-day deadline stipulated by section 79(2), namely that the claim notice "may not be given". On

the face of it, that is a clear and unqualified prohibition such that a failure to comply with it will have the effect that the claim notice is invalid, and it therefore cannot set in motion a valid claim to acquire the right to manage. It is simply something that the RTM company must get right as a pre-condition to making a valid claim; and if for any reason the condition is not satisfied, the clear implication in my view is that the RTM company will be obliged to start again. [...] But instead of taking that simple and obvious course, the respondent has persisted in arguing that the effect of section 79(2) was not to invalidate the claim notice, or at any rate not to do so on the facts of the present case."

> [...]

> "74. The parts of the above passage which I have italicised show beyond doubt: (a) that the Supreme Court [in *A1 Properties*] was confining its formulation of the correct approach to cases where the legislation contains no express statement of the consequences of non-compliance; (b) that it considered section 79(2) to be an example of such an express statement; and (c) that it understood the consequence of non-compliance laid down by Parliament to be that "a claim notice may not be served at all". It follows, in my view, that if a claim notice may not be served at all, any claim notice purportedly served before the non-compliance is remedied must be invalid, or in other words a nullity."

(68) The question of materiality of the failure or lack of any real prejudice does not come into consideration. Indeed, in *Cresta*, the qualifying tenant Ms O'Connor did not receive a NIP but nonetheless gave her consent to become a member of the RTM company only five days after the claim notice was served: had she given that consent less than three weeks earlier, there would have been no requirement to serve her with a NIP and no challenge to the RTM procedure [9].

(69) Mr Lodhia accepted that there were not 14 clear days between giving the first NIP to all qualifying tenants and giving the first claim notice. In those circumstances, section 79(2) bites. As the court said in *Cresta* [79]:

> "As I have already said, I consider the language used by Parliament in section 79(2) to be clear and unambiguous, and the Supreme Court was evidently of the same opinion when it said in *A1 Properties* at [69], quoted above, that section 79(2) "imposes a clear consequence of failure in good time to give participation notices: no valid claim notice can be given to anyone." It is equally clear to me

that this construction does not, objectively, produce any absurdity, however widely the concept of absurdity should be interpreted. In my judgment there is nothing remotely absurd about a rule which in effect requires strict compliance with the procedural requirements for service of participation notices before a valid claim notice may be given. [...]"

(70) The consequence of failing to comply strictly with the procedural requirements for the service of a participation notice in *Cresta* was that [88] "...no valid claim notice has yet been given to transfer the management of the Property to the respondent."

(71) Equally, in the present case, the failure to serve a valid NIP and then not to wait the required 14 days from service of the NIP meant that the first claim notice could not have been given. The first claim notice was therefore a nullity, as would have been any proceedings started on the strength of it.

(72) For completeness, the invalidity of the first claim form is not saved by the fact that Chime served a counter-notice challenging it.

Validity of the second NIP (served on 25 February 2025).

(73) The second NIP was a corrected NIP, that is to say, it retained all the defects of the first NIP, as regards not including statements and information required and prescribed by the Act and regulations, but the name of the RTM Company had been corrected. This NIP was described as a "Corrected" NIP at the hearing but by the date of Mr Lodhia's submissions on 29 August 2025, it had been re-designated as an "Updated" NIP.

(74) The corrected NIP was first sent to Twelve Trees on 22 February 2025 and was deemed to be served on 24 February 2025. On 25th February 2025, Mr Lodia sent by email the corrected NIP to all leaseholders on the development and to the respondents. He then sent it to L&Q by email on 28 February 2025 with a letter for L&Q to serve on their tenants (shared owners), which L&Q did on 5 March 2025. By this stage, it was claimed that some 70% to 75% of qualifying tenants had already become members of the RTM Company so, strictly speaking, it had not been necessary to serve those members with a corrected NIP, but Mr Lodhia said he did so to ensure "full transparency".

(75) For the reasons given above in respect of the first NIP, the Tribunal finds that the second, corrected NIP is invalid by reason of defects in form and content, notwithstanding the change in name of the RTM Company

Validity of the second claim notice (served on 6 March 2025).

(76) So far as the Tribunal can tell, the RTM Company served the corrected, but still invalid, NIP on all qualifying tenants, including the L&Q shared owners, on 25 February 2025. L&Q then served the NIP on its shared owners again on 5 March 2025. The corrected, second claim notice was then sent to the three respondents on 6 March 2025. For the reasons given above in respect of the first claim notice, the Tribunal finds that the failure to serve a valid NIP meant that the second claim notice could not have been given and is therefore a nullity.

(77) In addition, the second claim notice is still caught by the requirement in section 79(2) of CLRA to provide a 14-day gap between the NIP and the claim notice. The gap between 25th February and 6 March 2025 is 9 days. In his submissions of 30 July 2025, Mr Lodhia accepted that the second claim notice was served slightly before the expiry of 14 clear days, but gave reasons why this should not affect the Tribunal application. However, as with the first claim notice, by reason of section 79(2) and the *Cresta* decision, the second claim notice and any subsequent proceedings started in reliance upon it (the current application) must be invalid.

(78) The Tribunal puts it this way because in his submissions of 29 August 2025, Mr Lodhia raised a new argument, stating that the second claim notice was saved from section 79(2) by reason of the "49 to 56 days" gap between service of the first NIP and service of the second claim notice.

Could the second claim notice have been saved because it was given more than 14 days after the date of the first NIP?

(79) At the very start of the hearing on 15 July 2025, Mr Lodhia accepted that he had put the wrong name for the RTM Company on the first NIP. He told the Tribunal it had been withdrawn, and that he had notified all the parties, before sending a corrected NIP to all qualifying tenants by email on 25 February 2025.

(80) In his submissions of 29 August 2025, Mr Lodhia did not address the question of whether the first NIP and/or the first claim notice were withdrawn by him, but the submission that the second claim notice was served in reliance upon the first NIP (some 49 to 56 days earlier) contradicts his confident assertion at the hearing that the first NIP had been withdrawn and replaced by a corrected NIP on 25 February 2025. Although at first blush, the argument would appear to neatly sidestep the issue of timing raised by section 79(2), however, the fact remains

that both the first and the second (corrected) NIP were invalid for the reasons set out above. As a result, the second claim notice remains caught by the requirement in section 79(2) for a NIP to be given to all the qualifying tenants.

(81) If it had been the case that the first NIP and first claim notice had not been withdrawn, then by section 81(3) of CLRA, no subsequent claim notice may be given so long as the earlier claim notice continues in force. By section 81(4), the first claim notice will continue in force until it is withdrawn by the RTM Company or is deemed withdrawn by a provision of the Act.

(82) As mentioned, Chime served a counter notice in response to the first claim notice, on a date unknown to the Tribunal. However, even if we assume that the counter notice was given on the first available date, being 13 January 2025, which was the date that the first claim notice was sent to Chime, the RTM Company had two months, until 13 March 2025, to issue an application to the Tribunal failing which, by section 84(4) the first claim notice would be deemed withdrawn. However, the second claim notice was served on 6 March 2024, within the validity period of the first claim notice. For this reason, the second claim notice must have been invalid.

(83) However, if we assume that the first NIP and claim form were withdrawn, as Mr Lodhia originally asserted, the first NIP can no longer be relied upon to support the second claim notice.

(84) Overall, the Tribunal is satisfied that the first NIP was withdrawn by the RTM company. This is supported by the fact that the application before the Tribunal was based on the second NIP served on 25 February 2025, the applicant's position statement for the hearing on 15 July 2025, the inclusion of the RTM claim document dated 25 February 2025 at page 120 of the applicant's bundle for the hearing, and Mr Lodhia's request for information at page 266 of the applicant's bundle, which was made because "my clients need to serve the notice to participate to residents along with the claim notice".

(85) All of these suggest that the RTM company was starting again with a corrected (as opposed to an updated) NIP and corrected claim notice. However, the questions whether the first claim was withdrawn or not and which NIP is relied upon, are immaterial as neither the first nor the second (corrected) NIP were validly served, meaning neither claim form can be valid for the reasons set out above. It follows from this that the second claim notice cannot escape the mandatory requirement of section 79(2) of the Act. The second claim notice and the current

proceedings brought before the Tribunal are invalid and, for this reason, the Tribunal must strike out the proceedings.

Concluding remarks

(86) Mr Lodhia has clearly put a huge effort into organising the claim to acquire the right to manage three blocks on his estate. Unfortunately for him, a combination of errors in documentation and timing, numerous changes and updates to forms and the constant re-serving of documents have only served to create confusion. The failure to include the correct information to leaseholders from the outset means that there can be no assurance that the many of them that joined the RTM Company did so fully informed. The two claim notices were addressed to only one of the three respondents. Although copies were given to the other landlord, L&Q, and to the other party to the lease, Twelve Trees, it was not clear if the opportunity to serve a counter-notice was available to them or not. The constant round of documents, often served at different times to different parties added to the confusion.

(87) Despite Mr Lodhia's expressed desire to be fully transparent, unfortunately, there is a fundamental lack of clarity and transparency over how the required steps set out in CLRA were followed and exactly when, which has made the RTM Company's claim difficult for all parties to navigate. Instead, the vast amount of paperwork (in the wrong form) subverts the statutory purpose of informing leaseholders about the process, allowing them to make an informed decision and seeking advice if need be. The procedure would have been better if taken at a more measured pace, using correct forms and not cutting deadlines so finely that errors were almost bound to occur.

(88) As the court said in *Cresta*, the statutory requirements in section 79(2) are "clear and unambiguous" and the rule "requires strict compliance" [79], without which "The claim notice may not be given" [87].

(89) It follows that, for all these reasons, no valid claim notice has yet been given to transfer the management of the property to the RTM Company. Therefore, the proceedings before the Tribunal are a nullity and must be struck out. There is no question (as requested by Mr Lodhia) of suspending the proceedings under case management powers to give the RTM Company time to put things right, after the event.

(90) The *Cresta* decision and indeed the statutory scheme in CLRA make clear what must now be done if the RTM Company wishes to pursue its claim to exercise the right to manage.

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).

Where possible, you should make your further application for permission to appeal on-line using the Upper Tribunal's on-line document filing system, called CE-File. This will enable the Upper Tribunal to deal with it more efficiently and will enable you to follow the progress of your application and submit any additional documents quickly and easily. Information about how to register to use CE-File can be found by going to this web address: https://www.judiciary.uk/wp-content/uploads/2021/07/Practice-Note-on-CE-filing-Lands-Chamber-17.6.21_.pdf

Alternatively, you can submit your application for permission to appeal by email to: Lands@justice.gov.uk.

The Upper Tribunal can also be contacted by post or by telephone at: Upper Tribunal (Lands Chamber), 5th Floor, Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL (Tel: 020 7612 9710).