



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

**Case reference** : **LON/00AR/LSC/2025/0734**

**Property** : **Flat 40, Malt House Place, High Street,  
Romford, Essex, RM1 1AR**

**Applicant** : **Mr Georgi Simeonov & Ms Antoniya  
Dimitrova Miteva**

**Representative** : **None**

**Respondent** : **Romford Brewery RTM Company Ltd**

**Representative** : **HML Group**

**Type of application** : **Determination of the liability to pay  
service charges under section 27A of the  
Landlord and Tenant Act 1985**

**Tribunal members** : **R Waterhouse FRICS  
C Barton MRICS**

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

**Date of hearing/  
decision** : **07/20 October 2025 amended 24  
October 2025**

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**DECISION**

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**Under the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and Practice Directions Rule 50 “ Clerical mistakes and accidental slips or omissions” The tribunal makes the following alteration in red below.**

### **Decisions of the tribunal**

- (1) The Tribunal determines the service charge demanded is payable by the Respondent **Applicants** for the following years 2021/2022, 2022/2023, 2023/2024, 2025/2026 in respect of (a) reserve funds for major works (b) interest, arrears, collection and late fees and (c ) cleaning services.**
  
- (2) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985 nor the Commonhold and Leasehold Reform Act 2002 Paragraph 5A of Schedule 11.**

### **Background**

1. The Applicant made an application for determination of liability to pay and reasonableness of service charges for the years for various items within the service charge years 2020-2025.
2. The application was received on 27 March 2025.
3. The Applicant further seeks Orders pursuant to Section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.
4. Directions were issued on 30 April 2025 providing for the service of documents.

### **The Hearing**

5. To support the Application a Bundle of 438 pages was provided by the Applicant.
6. Present at the hearing were the Applicants Mr Georgi Simeonov and Ms Antoniya Dimitrova Miteva, the applicants also brought two witnesses with them Mr Elliot Hearne a leaseholder in the development and Mr Ray Conway, a leaseholder in the development also. For the Respondent there was Ms S Abbasi Leaseholder and RTM Director and Mr Guy Senbanjo leaseholder and RTM Director. The Respondents brought Ms Heidi Flack, their managing agent of HML. Additionally in the room was Ms H Raja an observer who took no part in the hearing.

### **Preliminary matters**

7. The Tribunal was in receipt of two emails one from the Respondent's solicitor and one from the respondent RTM to the Tribunal. These were received respectively 2 October 2025, 6 October 2025 and were received outside the constraints of the Directions. The first document from the Respondent's solicitors contained some proposals for partial settlement of the challenges raised in the application. The second document from the RTM was a synopsis of the main aspects of the case and context.
8. At the start of the hearing the issue of admissibility was raised in the context of these documents. The Applicant stated this late submission was an indication of, in their view, the poor administration demonstrated by the Respondents. The Applicant confirmed that factually there was nothing new in the documents. The Respondent confirmed there was nothing factually new within the documents albeit the offer of partial settlement by the Respondents solicitors. The tribunal on the basis of the submission accepted these documents.
9. At the start of the hearing, it was confirmed that the papers formed the two late submitted documents plus a bundle of 483 pages. However, during the hearing, it transpired that there were in fact two bundles one from the Applicants and one from the Respondent. The Applicants stated that there were no new matters of fact within the documents. The Respondent confirmed this view, although they contained an offer of partial settlement by the Respondent's solicitors. The Tribunal accepted this document on the basis of the submissions. References in the decision in [] relate to the pagination of the Applicant's bundle.
10. The Applicants' issues fall into two categories those related to specific service charges and those of a wider nature. These are listed below.

## **The Issues**

### **NON-SERVICE CHARGE ISSUES**

“Financial Mismanagement and Unlawful Allocation of Funds” [13]

Full disclosure of leaseholder accounts.[30]

Appointment of new independent manager [ 30]

Interim orders [31]

### **SERVICE CHARGE ISSUES**

“Unlawful demands and defective section 20 Consultation”-Reserve fund and section 20 consultation [16] / “Unreasonable delays, escalating costs and lack of transparency in major works” [19]

Interest charges, debt collection fees and arrears fees / discrimination [25]

Cleaning Services

Compensation for Deprivation of Funds (Statutory Interest)

## **Discussion and analysis**

### **Non-Service Charge Issues**

#### **“Financial Mismanagement and Unlawful Allocation of Funds”**

11. The Applicants purchased their property in or around 2021, As part of the purchase agreement the vendor agreed to place £5000 with the landlord RTM towards future service charges. The Applicant noted the intention of this was to pay the day-to-day service charge a figure of around £800 which was charged twice a year, so the lodged sum was expected to pay for around 2.5 years of day-to-day service charge. In this context, intended by the applicant, day to day service charge means the general expenditure incurred by the building on a year-to-year basis and importantly not service charge used for one of major works or reserve fund contributions. The Applicant asserted that this approach had worked for year one where about £2000 was paid to the day to day service charge account but at the beginning of the second year the remainder £3000 was transferred to the reserve fund account , and so was not available to pay any further day to day service charge.
12. The Respondent witness explained that under the lease if a service charge account has a surplus at the end of the year that surplus is transferred to that leaseholder's reserve fund account. If there had been a deficit then a supplementary charge would have been made. In this case the remaining £3000 was viewed as a surplus and transferred to the reserve fund account.
13. The Respondent witness explained that unless a leaseholder had made a specific request in writing that the remainder should stay in the day-to-day service charge account it would be transferred to the reserve fund. The Respondent witness stated that no such request had been made.
14. The Applicant did not submit that such a request had been made.
15. The Tribunal notes the internal arrangements of the managing agent in respect of service charge and does not have jurisdiction to interfere.

### **Full disclosure of leaseholder accounts**

16. The applicant submitted that the RTM should make full disclosure of leaseholder accounts. This is not a matter the Tribunal has jurisdiction over, however.

### **Appointment of new Property Manager**

17. The Applicants sought from the Tribunal the ability to appoint a new property manager. The application made, was solely on the basis of section 27A of the Landlord and Tenant 1985 and the tribunal indicated to the applicant that another application would need to be made if they wished to pursue the change of property manager.

### **Interim Orders**

18. The Applicant requests the Tribunal issues an interim order preventing HML the property manager from entering into further contracts for Major Works. The Tribunal has no jurisdiction in this area.

### **Service Charge Issues**

#### **“Unlawful demands and defective section 20 Consultation”/ “Unreasonable delays, escalating costs and lack of transparency in major works”**

19. The Applicants challenged the payability and the reasonableness of the service charge.
20. The Applicants asserted that the section 20 consultation process for the major works was not completed at the time the sums were requested for the reserve fund and so the requests were unlawful.
21. The bundle provides a chronology of the section 20 process undertaken.
22. The Respondent witness asserted that the reason why the section 20 process had been stopped and started and stopped again was because the scope of the works continued to emerge. The initial works being the windows, then this was compounded by the need to undertake cladding works, and the involvement of the developer in part contributing to the works. Alongside, this changing of scope was the nature of the tendering process. The Tribunal heard that tenders were only valid for a number of months. As a consequence, the period of time to collect the required amount of funds is tight. We heard from the parties that at one stage around 43 units in the development were in arrears. In short there had not been a time where there were sufficient funds to carry out the works which were the subject of the section 20.

23. The lease provides under clause 3.2 Fourth Schedule and the Sixth Schedule the RTM may collect service charge in advance for future works.
24. There has been evidence provided for a challenge on the payability of the sums demanded in respect of the RTM view of future works, namely that without a proper section 20 process such collection is unlawful.
25. From the specific sums are [365]

Date Due	Invoice Number	Description	Amounts outstanding
01/09/2021	3889270	Bi-Annual Reserve Fund 01/09/21 to 28/02/22	£6733.25
01/03/2022	4047749	Bi-Annual Reserve Fund 01/03/22 – 31/08/22	£9074.18
01/09/2022	4317089	Bi-Annual Reserve Fund 01/09/22 – 28/02/23	£3810.20
26/09/2022	4527689	Bi-Annual Reserve Fund 01/03/23- 31/08/23	£3810.20
01/09/2023	4751607	Bi-Annual Reserve Fund 01/09/23 - 29/02/24	£203.51

26. The collection of service charge in advance of the works being commissioned is under the lease lawful.
27. There is no requirement for a section 20 consultation to occur prior to collection of service charge for the reserve fund. There is a requirement for section 20 in advance of the works being commissioned and taken place.
28. The Tribunal finds the collection of service charge for future works lawful, and the absence of challenge on the amount, the amount collected is reasonable,

**Interest charges, debt collection fees and arrears fees / discrimination**

29. The Applicants was concerned that they had been the subject of discriminatory practices in terms of collecting the service charge. The Tribunal does not have jurisdiction to consider whether discrimination has occurred but does have jurisdiction on the payability and reasonableness of the service charges.
30. The Applicants felt they had been singled out in the pursuit of the unpaid service charge. The Applicants called two witnesses who stated they had not been subject to the same debt recovery practices.
31. The RTM Director Ms Soraya Abbasi said that there was widespread nonpayment in the development, and the RTM had worked with the managing agent to create a policy to prioritise how debts were collected. The policy entailed pursuing those who fell behind on their day to day (annual service charge) accounts. In terms of how this policy was implemented the RTM witness submitted that if a leaseholder fell behind on their day-to-day service charge account and so met the criteria then all debts would be included for efficiency in the process. When challenged on why the two witnesses had arrears but had not been so pursued the RTM witness submitted that their arrears were concentrated in the reserves fund charge and so had not met the criteria.
32. Both of the Applicants' witnesses expressed considerable concern over the degree of stress the service charge amounts were having upon them and their families.
33. The Applicants asserts that in their view the misallocation of the initial £5000 fund had caused them to fall behind on the day-to-day service charge and so meet the criteria. The Applicant felt that the outcome of the policy was a discriminatory behaviour in the collection of their arrears through debt collection methods.
34. The Tribunal is sympathetic to the distress caused by the levying of services charge of this size experienced by the leaseholders; The unfortunate reality is that the development exhibits a number of challenges including deficiencies to windows and cladding that must be addresses and have a degree of urgency about them. The lease permits the collection of service charge in advance for reserve funds, under the Fourth and Sixth Schedule. Neither the projected cost of the repairs nor their specification have not been challenged here. The Tribunal determines that recovery of service charge in advance of the works without section 20 is lawful, and in the absence of challenge as to the amount these sums are determined as reasonable.
35. The Tribunal has no jurisdiction to identify whether any practices amount to discrimination. However, the tribunal does have jurisdiction to determine whether charges have correctly been applied in individual cases under the lease.

36. Whilst the Tribunal cannot determine whether a service charge collection policy was discriminatory, it notes that any service charge outstanding may under the lease be subject to debt management processes and notes the Respondent's position that in a case of widespread non-payment prioritisation is not unreasonable.
37. The Applicants' says the fees amount to some £798 [30]. The Tribunal has reviewed at [ 64] the Applicants Service Charge Account and identifies the specific fees as follows; 26 September 2022 Arrears Management fee £102.00, 13 March 2023 Arrears Management Fee £102.00, 30 June 2023 "write off" credit of £102.00, 21 November 2023 Arrears Management Fee £108.00, 23/1/24 Instruction fee £300.00, 23/1/2024 Debt collection fee £288.00 , 12/02/25 Arrears Management Fee, £108,00.
38. The Respondents at [365] identify that the arears management fee of 26 September 2022 of £101.40, 13 March 2023 Arears Management Fee of £108.00, an instruction fee of 23 January 2024 of £300, and on 23 January 2024 a debt collection fee of £288.00 is contested.
39. The lease provides at 4.0 " To make provision for the payment of all costs and expenses incurred by the Lessor", specifically at 4.5 that "in the payment of the costs fees and expenses paid to any Agent appointed by the Lessor in connection with the provision of the services set out in this Schedule."
40. The dispute centres on the lawfulness of demanding the service charge sums. This is addressed within the decision and determined as lawful. As a consequence, the RTM has the obligation to collect unpaid service charge and has undertaken to do so, in its furtherance of this the RTM has incurred costs these costs. In the absence of evidence, to the contrary the Tribunal determines are lawfully incurred. There is no challenge on the magnitude of these costs, the tribunal in the absence of evidence to the contrary does not disturb the sums demanded. The interest charges, debt collection fees and costs remain payable in full.

## **Cleaning**

41. The Tribunal heard from the applicant's concerns about the pigeon infestation and resultant mess. The applicant Ms Antoniya Dimitrova Miteva gave a graphic description of the challenges including an incident where she had slipped and fallen, and another when accessing the property using a buggy the wheels inevitably carry the mess into the flat. Additional Mr Georgi Simeonov impressed upon the Tribunal the concern they had about receiving visitors to the development. The bundle contained a number of pictures of the results of the pigeon infestation, but the photographs were undated.

42. The Respondent's witness acknowledged that the development is of a nature that attracts pigeons roosting. There had been recourse to specialist pest control, and the development also had pressure washing of the paths and gutter cleaning. The respondent's witness clarified that the cost in the service charge for cleaning included both the internal communal areas and the external.
43. The Applicants challenged the effectiveness of the gutter cleaning and exhibited a photograph showing a section of gutter near their property which was partially full of pigeon mess.
44. The Applicant is claiming £1472.00 return of service charge on the basis the level of cleanliness is inadequate. This figure is calculated [10] based on an estimate of the cleaning costs for the block of around £15,500 to £16,000 per year, application of their service charge apportionment of 2.3% and a duration of 4 years. Additionally, that whilst bird spikes had been placed in some areas there was an exhibit which showed one had fallen off.
45. The Respondent Ms Soraya Abbasi (RTM Director) made the point that in order to clean the gutters more regularly the cost of the service charge would inevitably rise, similarly with other measures.
46. The Tribunal is often presented with a situation where the sum charged is excessive for the job or the quality of the job delivered for the sum of money is inadequate.
47. Here both parties demonstrated and agree the challenge of the pigeons was quite extensive. The tribunal hearing the evidence considers here the amount charged is reasonable for the effort, but that it is clear the effort is inadequate for the magnitude of the challenge.
48. The challenge was to the cleaning costs rather than general repairs which the gutter and spike would have come under, so reasonableness on these areas was not considered.
49. The service charges for cleaning remain payable in full.

### **Compensation for Deprivation of Funds (Statutory Interest)**

50. The request is for compensation at a rate of 8% for the alleged unlawful withholding of funds. The sum sought is £3241.92. The Tribunal has no powers or jurisdiction to consider applications for compensation and so makes no determination in this area.

### **Reimbursement of hearing and application fees to the applicant by the respondent.**

51. The reimbursement by the Respondent to the Applicants of fees generally follows whether the Applicants has been successful with their challenges. In this case the challenges have not been successful and so the Tribunal does not order the reimbursement of the fees.

**Application under Landlord and Tenant 1985 Act section 20C and Commonhold and Leasehold Reform Act 2002 para 5A**

52. Applicants request the tribunal makes and Order under the Landlord and Tenant Act 1985 section 20C and Commonhold and Leasehold Reform Act 2002 paragraph 5a schedule 11. The effect of such an order is to prevent the Respondent levying the cost of the proceedings as a service charge and administration charges.
53. The Tribunal notes, the Applicants has not been successful on their challenges.
54. The Tribunal declines to make an order because the vast majority of the challenges have not been successful.

**Chair: R Waterhouse FRICS**

**20 October 2025 amended 24 October 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).