



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

Case reference : LON/00AY/LSC/2025/0866

Property : Flat B, 31 Offley Road, London, SW9
oLR

Applicant : Olivier Guerindon

Representative : In person

Respondent : Frogmill Investments Ltd

Representative : Ian Jones (Director)

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

Tribunal member : Mr A Harris LLM FRICS FCI Arb

Venue : 10 Alfred Place, London WC1E 7LR

Date of decision : 7 November 2025

DECISION

Decisions of the tribunal

- (1) The tribunal makes the determinations as set out under the various headings in this Decision
- (2) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.
- (3) The tribunal makes an order under Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") that none of the Landlords costs of these proceedings may be passed on to the Applicant as an administration charge.
- (4) The tribunal determines that the Respondent shall pay the Applicant £114 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicant

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and (where applicable) administration charges payable by the Applicant in respect of the service charge years 2022, 2023, 2024, and 2025.

The hearing

2. The case was decided on the papers. The Applicant appeared in person and the Respondent was represented by Mr Ian Jones, a director. Both parties made written submissions.
3. At one stage an application was made for the case to be decided by an oral hearing with evidence being given from abroad. In the event it was agreed that the matter would be determined on written submissions and that application need not be considered further.

The background

4. The property which is the subject of this application is a mid-terrace 4 storey house converted to form 3 flats
5. Photographs of the building were provided in the hearing bundle. Neither party requested an inspection and the tribunal did not consider

that one was necessary, nor would it have been proportionate to the issues in dispute.

6. The Applicant holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease will be referred to below, where appropriate.

The issues

7. At the start of the hearing the parties identified the relevant issues for determination as follows:
 - (i) The payability and/or reasonableness of service charges for each year relating to
 - (ii) Accountancy charges
 - (iii) Registration fees to the Information Commissioners Office
 - (iv) Bank charges
 - (v) Validity of service charge demands under s21B of the Landlord and Tenant Act 1985
 - (vi) Failure to keep service charge money in a separate account contrary to s42 and 42A of the Landlord and tenant Act 1987 (the 1987 Act)
8. Having heard evidence and submissions from the parties and considered all of the documents provided, the tribunal has made determinations on the various issues as follows.

Accountancy fees £300 for y/e 31 May 2022 and £315 for y/e 31 May 2023

The tribunal's decision

9. The tribunal determines that the amounts claimed for accountancy fees are not payable.

Reasons for the tribunal's decision

10. Clause 3 of the lease provides for the leaseholder to pay a proportionate part of the expenses incurred by the lessor as set out in the 3rd Schedule. Clause 3(2)(a) sets out that the amount of the service charge

shall be ascertained and certified by a certificate signed by the lessor's auditors...

11. The accounts for which charges are claimed are accounts of the landlord company and not accounts for the service charge. The two are separate and distinct. For example the company collects ground rents from each flat; these have nothing to do with the service charge. The accounts show that the company has charges over its assets which again is nothing to do with the service charge. There is no evidence before the tribunal that a set of accounts for the service charge has been prepared. Accountancy fees for the company accounts are not payable under the service charge. The Respondent accepts it is responsible for the cost of company accounts. This is supported by the decision of the Upper Tribunal in *Collingwood v Carillon House Eastbourne Ltd [2021] UKUT 189 (LC)*.
12. A related point is whether an accountants certificate is a condition precedent to payment of the service charge. This issue was considered by the Upper Tribunal in *Powell & Co Investments Ltd v Aleksandrova [2021] UKUT 10 (LC)* where it concluded that costs which were found to be reasonably incurred were not payable until an accountants certificate have been produced. However it depends on the exact wording of the lease as to what is required.
13. In the subject case, the lease requires the amount of service charge to be ascertained and certified by a certificate signed by the lessor's auditors for each financial year. A copy of the certificate should be provided to each lessee. The certificate is required to contain a summary of the lessor's expenses and outgoings during the financial year which can include actual as well as anticipated recurring sums or anticipated expenditure.
14. Only then can the lessor submit and accounts to the lessee taking into account interim payments made during the year and showing any shortfall or overpayment.
15. Until the amount of the service charge payments are certified the remainder of the clause cannot operate.

Charges of £86 representing the applicants 25% share of banking fees and ICO registration fees for the years in dispute

The tribunal's decision

16. The tribunal determines that the amounts claimed in respect of banking fees and ICO registration fees are not payable.

Reasons for the tribunal's decision

17. The papers before the tribunal include various bank statements for the landlord company. Section 42 of the 1987 Act provides that service charge contributions are to be held in trust. Section 42A of the 1987 Act provides that the sums standing to the credit of a trust fund must be held in a designated account. The law clearly requires that the funds of the company and the service charge funds are kept separate which has not been the case at this property. Any advance funding for major works under section 20 of the 1985 Act must be held in a separate service charge bank account. The bank charges relate to a company account and not to a service charge account.
18. Registration fees for the ICO charges are due from the company and not chargeable to the service charge. The company may currently only own one property but it is not restricted to that and may hold other personal data unrelated to the subject property. However the company is allowed to make a management charge for running the building which in turn must be reasonable and the charge could form part of its overheads.

Failure to provide a statutory summary of rights under section 20 1B of the 1985 Act

19. The applicant says the Landlord did not supply the statutory summary of rights with the service charge demands for each year until 25 August 2025. A leaseholder is entitled to withhold service charges until the statutory notices been supplied. As this omission has now been rectified service charges which are payable are due.

Section 20 works

20. The applicant seeks a declaration from the tribunal to the effect that liability to pay for major works is conditional on the freeholder complying with sections 42 and 42A of the 1987 Act.
21. The tribunal has already stated that service charge money must be held in a separate ring fenced account. There are no details of any proposed section 20 works and no money has been demanded.

Application under s.20C and refund of fees

22. The Applicant applied for a refund of the fees that he had paid in respect of the application¹. Having heard the submissions from the

¹ The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013

parties and taking into account the determinations above, the tribunal orders the Respondent to refund any fees paid by the Applicant within 28 days of the date of this decision.

23. In the application form and in the statement of case, the Applicant applied for an order under section 20C of the 1985 Act. Having considered the submissions from the parties and taking into account the determinations above, the tribunal determines that no costs should be passed through the service charge and that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.

Costs

24. Both parties have applied for an order for costs under rule 13 of the Tribunal Procedure (First-Tier Tribunal) (Property Chamber) Rules 2013. The parties are reminded of the decision of the Upper Tribunal in a case known as Willow Court LRX/90/2015. If either party, the light of this decision and having considered Willow Court wishes to continue with their application they must apply to the tribunal for directions.

Name: A Harris

Date: 7 November 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).