FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00BG/LSC/2025/0765**
Property	**:**	**Flat 2 and Flat 33 Kingsbridge Court, 1 Dockers Tanner Road, London E14 9WB**
Applicant	**:**	**Mrs Aikaterini Vezeridou**
Representative	**:**	**Mr Petros Damilos**
Respondent	**:**	**Aulcom Property Management Limited**
Representative	**:**	**Miss Emma Catterall of EVC Property Management Ltd**
Type of application	**:**	**An application under section 27A Landlord and Tenant Act 1985**
Tribunal	**:**	**Deputy District Judge Samuel sitting as a Tribunal Chair** **Michaela Bygrave MRICS**
Date of Decision	**:**	**5 November 2025**

DECISION

Decisions of the tribunal

(1) The tribunal determines that the equal apportionment of Service Charges across 32 two bed flats and 8 one bed flats is not an irrational or unreasonable way of apportioning the Service Charges

(2) The tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985

(3) The Tribunal does not make an order pursuant to Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002

The application

1. The Applicant seeks an order that the manner in which the Respondent has apportioned the service charges across 40 flats is unfair and unreasonable

2. The Applicant seeks reimbursement of a proportion of the service charges paid since 2019 given that lease of her flat states she is to pay 2.29 percent of the service charges but she is in fact being charged 2.5%. She seeks reimbursement for Flat 2 since 2019 and for Flat 33 from 2019 to 2022

The hearing

3. The Applicant was represented by her husband Mr Petros Damilos and the Respondent was represented by Ms Emma Catterall of the managing agents for the block.

4. As both parties were not legally qualified it appeared to the Tribunal that it would be fair to point them to the legal test that governed the Tribunal's jurisdiction in relation to the issue in this case. The parties were given hard copies of *Braganza* v *The Riverside Group Limited* [2023] UKUT 243 (LC) and *Bradley* v *Abacus Land 4 Ltd* [2025] EWCA Civ 1308 and time to read relevant parts that were highlighted to them

The background

5. The property which is the subject of this application was described at the hearing as a big rectangular block. It has 4 stories and is made up of 32 two bed flats and 8 one bed flats. There are five entrance doors leading onto staircases. The one bed flats were on the far left and far right of the building on each floor with the two bed flats being in between.

6. The Respondent Company has six Directors, who are all leaseholders. The leaseholders are all shareholders in the Company

7. EVC Property Management were appointed in 2022 taking over as managing agents from SL Property Consultants

8. 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.

9. 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

10. The issue between the parties was a relatively simple one. The Service Charge proportions for Flat 2 and Flat 33 were stated to be 2.29% of the whole and yet historically the service charge levied was 2.5%

11. The Applicant complains that the levying of the same percentage on all the flats prejudices the 8 one bed flat owners who are effectively subsidising the 32 two bed flat owners, which is unfair and unreasonable.

12. 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.

The tribunal's decision

13. The tribunal determines that it is not appropriate to interfere with the contractual decision of the Respondent to apportion the service charges on an equal basis for each of the 40 flats. The decision is within the range of reasonable decisions that could have been taken and is not irrational.

The parties' evidence and submissions

14. Ms Catterall told the Tribunal that when her company took over the management they investigated how service charges were apportioned and to that end sought to get all the leases for the 40 flats.

15. A table was produced at the hearing which showed that there were considerable variations in the leases as to apportionment.

    (i) Flats 1 and 18 were blank

    (ii) Flats 2, 4, 6, 8, 33, 35 and 39 were set at 2.29%

    (iii) Flats 7, 12a, 15, 16, 21, 23, 24 and 31 were set at 2.56%

    (iv) Flats 27, 28, 29, 30 and 36 were set at 0.0255%

    (v) Flats 32 and 40 were set at 0.0256%

    (vi) The remaining flats were set at 2.55%

16. She explained that when she sought the advice of the Directors they advised her to stick with the current system as a flat rate for all flats as that was how it had always been done.

17. In an email to the leaseholders on 22 January 2025 the stance was explained to them. The email points out if they strictly apply the lease proportions there would be a significant shortfall and to avoid this they relied on paragraph 10(a) of the Fourth Schedule of the leases which provides:

> *To pay to and keep the Company indemnified against the Service Charge Proportion of all costs charges and expenses which the Company shall incur in complying with the obligations set out in the Sixth Schedule hereto and/or in the management of the Block and/or in doing any works or things to and/or for the maintenance and/or improvement of the Block but if in the reasonable opinion of the Company it shall be undesirable or unreasonable to calculate or apportion the whole or any part of such costs charges and expenses on the basis of the Service Charge Proportion then the proportion shall be such part of the whole or any part of such costs charges and expenses determined at the reasonable discretion of the Company*

18. The email continues to say that it appears historically the Company has charged the leaseholders on an equal basis for over 20 years and that while documentation has been sought as to the minutes of any meetings where the decision was taken these were lost under the previous management.

19. In response to why square footage could not be used, Ms Catterall stated they did not have that information and anyway it was fairer to equally apportion as all flats benefitted from the services and works.

20. Mr Damilos in response said that it was unfair for the leaseholders of one bed flats to be subsidizing the two bed flat owners. The two bed leaseholders clearly put more pressure on services such as cleaning, garden use, repairs and common areas by virtue of there being more people living in two bed flats than one bed flats.

21. He pointed out that the service charge demands did not show what percentage was being charged so the first they knew about the percentage being charged was when it was raised by EVC. They had bought the flats in 1997 and had therefore been overcharged for that whole period.

22. He suggested the agents could knock on doors and determine the square footage of the respectively sized flats which appeared to have a common size throughout the block. He said that Flat 2 and 33 were identical in size. He also suggested that the numbers of people in each flat could be checked.

23. He suggested the Directors of the Company chose the method they did as 5 of the 6 of them lived in two bed flats. He did, however, concede that

he had talked to the sixth Director who lived in a one bed flat who had told him she was not concerned with the way service charges were apportioned.

24. He suggested that rather than an across the board flat rate, the fair and reasonable way of managing this was to use the discretion in paragraph 10(a) to amend the percentages in the blank leases and correct the clear typographical errors in the other leases.

25. The Tribunal had a document with a list of typical service charge items such as accountancy, entry phone system, CCTV, cleaning, security, gate maintenance, pest control and refuse. It was suggested to him that the CCTV, for example, was neutral as to the cost for a one bed flat or a two bed flat. The upshot would be some charges would more fairly be attributed on an equal basis. Mr Damilos disagreed and that because of the greater number of people in the two bed flats there was a greater cost for all those items than those in one bed flats. The logic being they created more rubbish and put more pressure on the entry gates, for example.

Reasons for the tribunal's decision

26. The starting point for the Tribunal is the nature of the scrutiny that the Tribunal can apply in such a case as this. Paragraph 45 of *Braganza* v *The Riverside Group Limited* [2023] UKUT 243 (LC) summarises the jurisdiction in challenges to apportionment disputes where there are similar contractual terms as in paragraph 10(a) of these leases as cited above

> *45. It follows that, after Aviva, the FTT's only task when a leaseholder challenges a discretionary apportionment made by a landlord or its surveyor will be to consider whether the apportionment was "rational", in the sense that it was made in good faith and not arbitrarily or capriciously, and was arrived at taking into consideration all relevant matters and disregarding irrelevant matters. Unless for one of those reasons the decision was not one which any reasonable landlord could make, the FTT must apply it, and may not substitute an alternative apportionment of its own.*

27. The most recent authority *Bradley* v *Abacus Land 4 Ltd* [2025] EWCA Civ 1308, which deals with a slightly different question to the case before the Tribunal, considers a contractual term to act reasonably.

> *72. So I agree that the requirement that the Landlord act reasonably does mean reasonably, and not just rationally. But I do not think that by itself answers the question. The question for the FTT as I have said is whether the Landlord acted in breach of*

> *contract. The Landlord will have acted in breach of contract if, and only if, it can be said to have acted unreasonably, or to have not exercised a reasonable discretion. The very fact that the Landlord is given a discretion indicates that where there is a range of possible views, it is the Landlord who is entitled to choose between them. It is not therefore a question of how the FTT would have chosen had the decision been for them, but of whether the Landlord's choice was outside the range of permissible decisions. Only if it was will the Landlord have acted in breach of contract such as to entitle the FTT to decide that the service charge is not payable.*
>
> *73. What then is the limit of permissible decisions? I do not think one can improve on the way it was put by Lewis LJ in argument, namely that a decision is a permissible one if it is one that a landlord acting reasonably could reach. Or to put it negatively, the landlord's decision will be flawed only if it is one that no reasonable landlord could have reached.*

28. The starting point in relation to the evidence in this case is the table of the apportionment of service charges in the 40 leases. The picture that table paints is an unworkable collection of apportionments under the leases. A solution needed to be found and it appears that many years ago that was to apply a flat rate apportionment across the 40 leases. There is of course no evidence of how that decision was reached and whether all relevant matters were considered. It appears that a decision was reached in early 2025 to continue that decision.

29. It is apparent that how the Directors reached their most recent decision is not well documented or explained. Mr Damilos did not push a bad faith point given 5 of the Directors were owners of two bed flats but of course any suspicions would be assuaged by properly recorded decision making.

30. While the email of 22 January 2025 explains some of the decision making, it would have been advisable to explain why any alternatives had been discounted.

31. The Applicant's point as to a lack of knowledge of the flat rate apportionment is not accepted. It was pointed out to Mr Damilos that they would have been sent the budget and accounts, which was accepted, so a calculation as to the percentage that they were paying would have been a simple exercise. His point that it should not be for the leaseholder to check such matters is not accepted.

32. The Tribunal considered that the Applicant had effectively accepted the position of a flat rate across all flats since it started and any claim prior to the current service charge year, when the Applicant first protested to

the apportionment, is caught by section 27A(4)(1) Landlord and Tenant Act 1985

33. Even if the Tribunal is wrong in relation to that the following findings mean that the Applicant's application cannot succeed:

(i) Was the Respondent in breach of contract?

(a) The contract provided for the Respondent to make a decision in relation to apportionment that was different from that within the leases

(ii) Was the decision reached one that was an exercise of reasonable discretion?

(a) Yes. The decision was not one that no reasonable landlord would have reached.

34. While the Landlord may be criticised for not providing a properly recorded decision for its reasoning for rejecting alternatives, the options were ground floor space apportionment, a mixed process of apportionment for different expenses or a flat rate across the board. The adoption of a flat rate apportionment was a simple approach that is clearly administratively efficient and less expensive than any alternative. It is not the role of the Tribunal to substitute its view of which alternative was preferable, the sole question was whether it was an unreasonable and irrational decision. The Tribunal finds that it was not.

Section 20C Landlord and Tenant Act 1985 & Paragraph 5A Schedule 11 Commonhold and Leasehold Reform Act 2002

35. Is it just and equitable to make an order under section 20C?

36. The Application has not succeeded and it was, contrary to Mr Damilos submission that the Directors should have defended the claim, reasonable to use the Managing Agents to represent it, especially in the light of the backdated claim. An order under 20C does not appear to be just or equitable and of course any leaseholder can challenge the reasonableness of any costs that are added to the Service Charge account.

37. For the same reasons the Tribunal declines to make an order under paragraph 5A of Schedule 11.

Name: DDJ Samuel Date: 5 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).