



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

Case reference : **LON/ooAH/LSC/2025/0907**

Property : **18C Parchmore Road, Thornton Heath,
Croydon, Surrey CR7 9LU**

Applicant : **Laura Harriott-Gayle**

Representative : **In-person**

Respondent : **Ennersdale Investments Ltd**

Representative : **Benjamin Ellinger of Rayners, the
managing agents**

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

Tribunal members : **Ms S Beckwith MRICS
Mr N Miller**

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

Date of decision : **10 December 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 does not make an order under section 20C of the Landlord and Tenant Act 1985.

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 2011 to 2025.
2. A case management hearing was held on 14 August 2025, which identified the issues between the parties and set out directions.

The hearing

3. A hearing was held on 28 November 2025. The Applicant appeared in person at the hearing and was accompanied by her husband, Mr Harriott-Gayle. The Respondent was represented by Mr Ellinger of Rayners.
4. The tribunal had received four bundles in advance of the hearing, but established with the parties that the contents of one were contained in the main bundle. The three bundles in front of the tribunal were therefore as follows:
 - (i) A main bundle of 143 pages, containing documents from both parties, including the Application, leases, Scott Schedule and Respondent’s Statement.
 - (ii) A bundle of 21 pages, containing further documents from the Applicant including a statement in response to the Respondent’s statement.
 - (iii) A bundle of 14 pages, containing further documents from the Respondent, being the Statements of Income and Expenditure for the years ending June 2013 to June 2024.

The background

5. The Property which is the subject of this application is a flat within a semi-detached house. The house was converted into three flats circa 1981. Flat A is on the ground floor has two bedrooms and its own

entrance. Flat B is on the first floor, has one bedroom and shares a communal entrance with Flat C. Flat C, the Applicant's flat, is on the second floor and has one bedroom.

6. 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.

The leases

7. Each flat was originally held on the terms of a similar lease, each made in 1983 and granting a term of ninety-nine years from 24 June 1982. By clause 3(d) of the leases, the tenants covenanted to pay the appropriate share of the service charges on demand, "*the Landlord providing copy estimates and accounts as reasonably required by the Tenant.*"
8. The Applicant negotiated a lease extension in 2011. By a lease dated 11 May 2011 ("the 2011 lease"), she was granted a 153 year lease from 24 June 1982. As well as the term being extended, the lease provided for changes to the ground rent and service charge.
9. The copy of the 1983 lease in the documentation provided to the tribunal is that dated 18 May 1983 for Flat B, not the lease dated 26 August 1983 identified in the 2011 Lease as being that of Flat C. Both parties agreed at the hearing that the original leases for Flat B and Flat C were granted on substantially the same terms.
10. Clause 3 of the Schedule to the 2011 Lease sets out modifications to the original lease as follows:
 3. *In complying with its covenants in the Lease and in connection with the provision of service the Landlord shall be entitled:-*
 - 3.1 *to engage the services of managing agents but if the Landlord does not appoint such agents it shall be entitled to add a sum not exceeding 15% to the Service Charge as hereinafter defined*
 - 3.2 *to employ a chartered accountant for the purpose of auditing the Landlord's accounts arising out of and in connection with the expenditure referred to in clause 3(d) of the Lease ("the Service Charge")*
 - 3.3 *in each year of the New Term to set an annual budget for the ensuing year in respect of the Service Charge then Tenant's proportion of which shall be payable in advance*

by the Tenant in two equal tranches on demand being made by the Landlord or by Landlord's managing agents

- 3.4 *in that budget to set such sum as shall reasonably be consider necessary by the Landlord to provide a reserve fund or funds for items of future expenditure anticipated by the Landlord in connection with the Service Charge*
- 3.5 *to carry out any other services or incur any other expenditure including professional fees which the Landlord reasonably deems necessary to enable the Landlord to manage the Building and to carry out its obligations contained in the Lease provided that such expenditure shall extend to all professional and other fees properly and reasonably incurred by the Landlord in dealing with any statutory or other notices served by the Tenant*
- 3.6 *any expenditure arising under the provisions of clause 3 hereof shall be deemed part of the Service Charge*

- 11. It is understood that the terms of the original 1983 lease of one of the other tenants of the three flats remain unchanged. The other has a statutory leasehold extension and the service charge provisions are still those of their 1983 lease.

The issues

- 12. 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 2011 to date relating to managing agents fees and accounting fees.
 - (ii) The payability and/or reasonableness of the 2024 insurance premium.
 - (iii) The payability and/or reasonableness of 2023 terrorism insurance cover.
 - (iv) The payability and/or reasonableness of a 2025 surveyor's report.
- 13. During the hearing the Applicant confirmed that she was no longer challenging the following charges:
 - (i) 2024 rebuild valuation.

- (ii) 2021 fire risk works (identified in the case management hearing but not Scott Schedule).
- 14. The Respondent confirmed that they would not be pursuing any interest charges.
- 15. 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.

Managing agent fees

- 16. The Applicant submits that the other two flats within the house do not pay for this charge and therefore it is not reasonable for her to pay.
- 17. The Applicant has found the managing agents difficult to deal with and the paperwork confusing and contradictory. She does not have any submission as to what would be a reasonable fee for this service, as she believes she should not have to pay anything.
- 18. The Respondent argues that just because the other flats are operated differently, does not make the service charges levied on the subject property unfair or unreasonable. When the lease of the Property was renegotiated in 2011, the Landlord took the opportunity to implement a modern service charge arrangement, which is good practice. The 2011 Lease provides that the Landlord may employ Managing Agents and they are entitled to be reimbursed as per the terms of this lease. The amounts charged are reasonable and modest.
- 19. For their fee, Rayners undertake two inspections a year, oversee the accounts including receipts and payments, provide a reactive property management service and manage the service charge.

The tribunal's decision

- 20. The tribunal determines that the managing agent fees are payable and reasonable. The amounts payable are as follows:

Service Charge Year Ending	Amount
June 2013	£75.00
June 2014	£75.00
June 2015	£75.00
June 2016	£145.38
June 2017	£75.00

June 2018	£75.00
June 2019	£75.00
June 2020	£75.00
June 2021	£75.00
June 2022	£99.00
June 2023	£125.00
June 2024	£125.00

21. The charges in respect of the 2011 and 2012 service charge years were not available to the tribunal.

Reasons for the tribunal's decision

22. Whether or not a service charge item can be charged is governed by the lease under which the Applicant holds the Property. Under clause 3.1 of the Schedule to the 2011 Lease, the landlord is entitled to engage the services of managing agents.

23. Whilst the other two flats are not required to pay this charge under their leases, that does not alter the Applicant's liability for charges under her own lease. Variations to lease terms may be agreed and documented between the parties, as happened in respect of this Property. The fact that the leases of the other flats in the house have not been varied is of no consequence to the agreement set out in the 2011 Lease.

24. The Tribunal agrees with the Respondent that the amounts charged are reasonable for the nature of the service charge and Property.

Accounting fees

25. The Applicant does not believe she should pay for accounting fees because the other two flats within the house do not pay for this service and therefore it is not reasonable for her to pay.

26. The Applicant submits that she considers this fee would be reasonable were a reserve fund being collected and administered, but it is not.

27. The Respondent confirms that all accounts have been published and sent out annually within six months of the service charge year end. The 2011 Lease provides that the Landlord may employ Accountants and they are entitled to be reimbursed as per the terms of this lease. The amounts charged are reasonable and modest.

The tribunal's decision

28. The tribunal determines that the accounting fees are payable and reasonable. The amounts payable are as follows:

Service Charge Year Ending	Amount
June 2015	£36.00
June 2016	£36.00
June 2017	£36.00
June 2018	£36.00
June 2019	£36.00
June 2020	£36.00
June 2021	£37.80
June 2022	£37.80
June 2023	£37.80
June 2024	£39.60

29. Accounting fees do not appear in the accounts available to the tribunal for the year ending June 2013 and June 2014. The tribunal was not provided with accounts for 2011 and 2012.

Reasons for the tribunal's decision

30. Under clause 3.2 of the Schedule to the 2011 Lease, the Landlord is entitled to employ a chartered accountant for the purpose of auditing the Landlord's accounts.

31. The Tribunal agrees with the Respondent that the amounts charged are reasonable for the nature of the service charge and Property.

2024 Insurance

32. The Applicant submits that the level of 2024 insurance charge being over £1,000 for a one bedroom flat is not reasonable. She contends the cost has been inflated by the Respondent including £10,000 of contents insurance and terrorism cover. There were also outstanding fire risk works that inflated the cost of the insurance, but they had already been carried out.

33. The Applicant confirmed that she had got alternative quotes on a like-for-like basis, but these were not included in the bundles. She submits £906 would be a reasonable amount.
34. The Respondent confirms that insurance brokers were used to obtain competitive quotes in 2023 and their recommendation followed for the cover in 2024. Fire risk works were initially identified in 2023 and the Section 20 consultation process followed through 2024, but the works were not fully completed until 2025 due to extended dialogue with the other leaseholders in the building.

The tribunal's decision

35. The tribunal determines that the amount payable in respect of the 2024 insurance is £1,102.45.

Reasons for the tribunal's decision

36. The tribunal is satisfied that the Respondent has followed an appropriate process to obtain insurance cover for the Property.

2023 Terrorism Insurance Cover

37. The Applicant submits that terrorism coverage was not included in the insurance prior to 2023 and has not been included since. She does not believe that the Property requires terrorism coverage as it is not within an area that is at risk of terrorism, criteria for which would include heavy footfall and government buildings, however, she has not provided any evidence to support this contention.
38. The Respondent confirms that there is an obligation to obtain insurance under Clause 4(b) of the 1983 Lease. Terrorism cover is now a common clause in insurance policies and is recommended by their insurance broker. It was during 2023 that terrorism cover became the norm in the market and was obtained separately in this year. It has been folded into the overall building insurance policy in subsequent years.

The tribunal's decision

39. The tribunal determines that the amount payable in respect of 2023 terrorism insurance cover is £43.22.

Reasons for the tribunal's decision

40. The tribunal accepts the evidence that this charge was paid in respect of the Property, that it is payable and is a reasonable amount as it was obtained via the Respondent's insurance broker.

Surveyors Report

41. The Applicant submits that she should not pay for a Condition Report from January 2025, which has been completed in respect of the Property, due to inaccuracies in the report about the condition of the building. She particularly challenges findings about fire detection and safety, as works to address fire issues have previously been undertaken.
42. The Respondent confirms the report was undertaken by a qualified building surveyor and neither he nor the Applicant are qualified to question the findings. It is normal practice as part of their management activities to undertake a condition survey every three years and use the findings to determine actions which need to be taken. Fire risk is subject to evolving regulation and therefore it is not unusual for reports of this nature to raise new issues.

The tribunal's decision

43. The tribunal determines that the amount payable in respect of the surveyor's report is £196.

Reasons for the tribunal's decision

44. It is the experience of the tribunal that it is a usual exercise to undertake periodic inspections to ascertain the condition of a building and works required. Likewise, it is the tribunal's experience that fire risk regulation is an evolving area which may result in different recommendations to those previously identified. The amount charged in respect of the report is reasonable for its nature.

Application under s.20C and refund of fees

45. At the end of the hearing, the Applicant made an application for a refund of the fees that she had paid in respect of the application/ hearing¹. Having heard the submissions from the parties and taking into account the determinations above, the tribunal does not order the Respondent to refund any fees paid by the Applicant.
46. In the application form, the Applicant applied for an order under Section 20C of the 1985 Act. The effect of such an order is to prevent the Respondent levying the cost of the proceedings as a service charge (should the lease allow it). Having heard the submissions from the parties and taking into account the determinations above, the tribunal will not make an order under Section 20C of the 1985 Act.

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

47. Both the Applicant and Respondent indicated that they were considering an application for a penal costs order against the other party pursuant to rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. The tribunal emphasised that this is normally a "no costs" jurisdiction. There is a high threshold before a tribunal makes a penal costs order (see *Lea v GP Ilfracombe Management Co Ltd* [2024] EWCA Civ 1241; [2025] 1 WLR 371 and *Willow Walk Management Co and others* [2016] UKUT 290 (LC); [2016] L&TR 34). If the Applicant or Respondent decides to proceed with this application, the tribunal will issue appropriate directions.

Name: Ms S Beckwith MRICS

Date: 10 December 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).