



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

Case Reference	:	LON/00AU/LSC/2025/0840
Property	:	104-106 Mackenzie Road, London N7 8RE
Applicants	:	The persons listed in Appendix 1
Representative	:	Joshua Haagsma (leaseholder of Flat 2)
Respondent	:	Assethold Limited
Representative	:	Eagerstates Limited
Type of Application	:	For a service charge determination pursuant to Section 27A of the Landlord and Tenant Act 1985
Tribunal Members	:	Judge P Korn Mr J Naylor FRICS
Date of hearing	:	18 December 2025
Date of Decision	:	19 December 2025

DECISION

Description of hearing

The hearing was a face-to-face hearing.

Decisions of the tribunal

(1) The following items are payable in the reduced amount set out below:

- Reinstatement cost assessment for year ended 18 May 2024 – reduced from £2,340.00 to £350.00.
- Accountant fee for year ended 18 May 2024 – reduced from £750.00 to £375.00.
- Management fee for year ended 18 May 2024 – reduced from £2,630.40 to £1,315.20.
- Common parts electricity for year ended 18 May 2024 – reduced from £1,383.40 to £360.00.
- Fire health and safety testing for year ended 18 May 2024 – reduced from £724.20 to £120.00.
- Changing postal storage unit for year ended 18 May 2024 – reduced from £660.00 to £330.00.

(2) The following items are not payable at all:

Year ended 18 May 2024

- Additional insurance premium (£743.81)
- Inspection and cleaning of gutters and downpipes (£576.00)
- Maintenance schedule (£1,620.00)
- Grit application (£66.00)
- Standard BNO audit (£1,980.00)
- Advanced BNO audit (£1,296.00)
- RCA (£895.00)
- Fire stopping in electric cupboard (£450.00)
- Visual installation condition report (£298.80)

- Electrical remedial works (£723.14)
- Communal area touch ups (£975.00)
- Vent seal (£595.00).

June 2024 to Handover

- Common parts cleaning (£848.30)
- Window cleaning (£576.00)
- Fire health & safety (£28.20)
- FHS survey (£408.00)
- Various repairs (£1,700.00)
- Management fee (£240.00)
- Accountant fee (£180.00)
- Handover fee (£960.00).

(3) The tribunal hereby makes an order under section 20C of the Landlord and Tenant Act 1985 that none of the costs incurred or to be incurred by the Respondent in connection with these proceedings are to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by any of the Applicants (i.e. the Respondent cannot charge its costs, if any, to the service charge).

(4) The tribunal hereby also makes an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 extinguishing the Applicants' liability (if any) to pay towards the Respondent's litigation costs in connection with these proceedings.

(5) The tribunal also makes an order under rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 requiring the Respondent to reimburse the Applicants' application fee of £114.00 and the hearing fee of £227.00.

Introduction

1. The Applicants seek a service charge determination pursuant to section 27A of the Landlord and Tenant Act 1985 ("**the 1985 Act**").

2. The Property is a purpose-built block of flats. The Respondent is the freeholder of the Property, and the Applicants are seven of its leaseholders.
3. The Applicants challenge various service charges for the year to “18 May 2024 and various other service charges for the period described as June 2024 – Handover”. The Property is now managed by a Right to Manage company (“**RTM Co**”) and in a previous tribunal decision dated 19 February 2024 the RTM Co was given the right to manage the Property as from 19 May 2024.
4. By a tribunal notice dated 31 October 2025 the Respondent was barred from further participation in the current proceedings for the reasons set out in that notice. Prior to the issuing of that notice the Respondent had not made any written representations in response to the Applicants’ case.
5. At the hearing, Mr Haagsma confirmed that the Applicants were no longer challenging “Insurance” (£2,402) or “Call out for failed lights” (£240) in relation to the service charge year to 18 May 2024.

The disputed issues

Service charge year to 18 May 2024

Additional insurance premium

6. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost and that there is no evidence to show that this cost was incurred or (if it was incurred) why it was incurred.

DECISION: Additional insurance premium

7. In the absence of any evidence that this sum was incurred or what it might relate to we agree that it is not payable.

Inspection and cleaning of gutters and downpipes

8. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost. In addition, no residents observed this work taking place.

DECISION: Inspection and cleaning of gutters and downpipes

9. In the absence of any evidence that this sum was incurred or that the work took place we agree that it is not payable.

Maintenance schedule

10. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost. They also regard the timing of any such maintenance schedule as suspicious as it was just prior to the acquisition of the right to manage.

DECISION: Maintenance schedule

11. In the absence of any evidence that this sum was incurred, coupled with what we agree is suspicious timing for the production of such a schedule, we consider that the onus is on the Respondent to make at least a 'prima facie' case as to what it produced and why the cost of producing it should be chargeable. No such prima facie case has been made, and we therefore agree with the Applicants that the charge is not payable.

Reinstatement cost assessment

12. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost and that the assessment comprises a simple 10-page document.

DECISION: Reinstatement cost assessment

13. In the absence of any written explanation from the Respondent we agree with the Applicants that the cost looks disproportionate but, having considered the assessment report, we also consider that it has a value and that the Respondent was entitled in principle to charge the reasonable cost to the service charge. In our judgment, a reasonable cost – in the absence of any submissions from the Respondent or any comparable evidence from the Applicants – would be £350.00. The charge is therefore reduced to £350.00.

Grit application

14. The Applicants state that no invoice or breakdown has been provided to justify this cost and that there are no external areas on which to apply grit.

DECISION: Grit application

15. In the absence of any evidence that this sum was incurred or that the work took place, coupled with the Applicants' uncontested evidence that there are no external areas on which to apply grit, we agree that this sum is not payable.

Standard BNO audit

16. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost and that no explanation has even been given as to what a “BNO audit” is.

DECISION: Standard BNO audit

17. In the absence of any evidence that this sum was incurred or that the audit took place or was needed we agree that this charge is not payable.

Advanced BNO audit

18. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost and that no explanation has even been given as to what a “BNO audit” is, advanced or otherwise.

DECISION: Advanced BNO audit

19. In the absence of any evidence that this sum was incurred or that the audit took place or was needed we agree that this charge is not payable.

RCA

20. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost and that no explanation has even been given as to what an “RCA” is.

DECISION: RCA

21. In the absence of any evidence that this sum was incurred or that the ‘RCA’ took place or was needed we agree that this charge is not payable.

Accountant fee

22. The Applicants state that no invoice or breakdown has been provided to justify this cost and they also question whether it constitutes value for money given the number of disputed service charge items and the lack of proof of expenditure.

DECISION: Accountant fee

23. The Respondent has made no submissions to rebut the Applicants’ own submissions, and we agree with the Applicants having looked at the service charge accounts that they do seem to contain a number of questionable items and also unprofessional errors. However, the

Respondent was entitled to charge a reasonable fee under the terms of the Applicants' leases. Taking into account the sub-standard quality of the accounts and in the absence of any submissions from the Respondent or comparable evidence from the Applicants, we consider that a fair charge would be £375.00 (a 50% reduction). Therefore, this charge is reduced to £375.00.

Management fee

24. The Applicants state that no invoice or breakdown has been provided to justify this cost and they also argue that the managing agents have made no attempt to act in the leaseholders' interests and have tried to impose significant extra costs following the RTM acquisition. At the hearing Mr Haagsma gave examples of poor management including obstructive responses and a failure to maintain the internal common parts.

DECISION: Management fee

25. The Applicants' concerns have not been contested by the Respondent who has not engaged with these proceedings. Furthermore, the hearing bundle offers some evidence of poor management including the matters specifically highlighted by Mr Haagsma at the hearing. However, the Applicants are not arguing that the Respondent has failed to insure the Property and nor are they arguing that the Respondent and its managing agents have not managed the Property in other respects.
26. Taking the management in the round, some credit needs to be given for the fact that the managing agents have fulfilled the management remit at some level, but a heavy reduction needs to be applied to reflect the very poor and at times obstructive engagement with leaseholders as well and to reflect the number of charges which the Respondent has attempted to levy on leaseholders which cannot be justified.
27. In all the circumstances we consider that the management fee should be reduced by 50% and accordingly it is reduced to £1,315.20.

Common parts electricity

28. The Applicants state that no invoice or breakdown has been provided to justify this cost and they also state that since the RTM Co took over it has managed to find an electricity provider who has been charging £360.00 per year.

DECISION: Common parts electricity

29. The Respondent has offered no submissions to counter those of the Applicants. The Applicants have provided credible comparable evidence based on what they currently pay and this has not been challenged by the Respondent. As such, their comparable evidence is the only evidence that we have as to what would be reasonable, and accordingly we reduce the charge to £360.00.

Fire health and safety testing

30. The Applicants state that no invoice or breakdown has been provided to justify this cost, and they also state that this item was contested in an earlier case and was deemed unnecessary. At the hearing Mr Haagsma said that the Applicants would be prepared to pay £120.00.

DECISION: Fire health and safety testing

31. There is no evidence before us that this work was actually carried out and we have no submissions from the Respondent to justify this charge. However, the Applicants have agreed to pay £120.00 and therefore this charge is reduced to £120.00.

Fire stopping in electric cupboard

32. The Applicants state that no invoice or breakdown has been provided to justify this cost, and they also state that this item is an exact duplicate of one that was contested in the previous year. At the hearing Mr Haagsma said that the Applicants had seen no evidence of this work having taken place and did not believe that it had.

DECISION: Fire stopping in electric cupboard

33. In the absence of any evidence that this sum was incurred or that the work took place or was needed we agree that this charge is not payable.

Changing postal storage unit

34. The Applicants state that no invoice or breakdown has been provided to justify this cost, and they also state that they asked the managing agent not to proceed with the work and then – once it had been installed – complained about the quality of installation and have also now expressed concerns about possible increased fire risk and there being increased work for residents to sort through correspondence. At the hearing Mr Haagsma referred the tribunal to a photograph of the new unit in situ. At the hearing Mr Haagsma said that the Applicants would be prepared to pay 50%.

DECISION: Changing postal storage unit

35. In principle the reasonable cost is payable as this work falls within the scope of the service charge provisions in the leases and the Respondent was not obliged to halt its plans to install the new unit simply because of leaseholder concerns. However, the Respondent has not sought in these proceedings to rebut the points made by the Applicants, and nor has an invoice for the work been provided, and therefore those other points made by the Applicants (poor quality, increased fire risk, more work for residents, no proof of cost) stand uncontested.
36. Mr Haagsma said at the hearing that the Applicants would be prepared to pay 50% and in the circumstances we consider this to be a reasonable charge. Therefore, the charge is reduced to £330.00.

Visual installation condition report

37. The Applicants state that no explanation, invoice or breakdown has been provided to justify this cost and that no indication was given as to why such a report was needed and that no outcome was communicated to leaseholders.

DECISION: Visual installation condition report

38. In the absence of any evidence that this charge was incurred or that the report was prepared or was needed we agree that this charge is not payable.

Electrical remedial works

39. The Applicants state that no invoice or breakdown has been provided to justify this cost, and they also state that they were charged £1,751.83 for electrical remedial works in the previous service charge year and that they doubt that such a modern building should need so much electrical remedial work in successive years.

DECISION: Electrical remedial works

40. In the absence of any evidence that this charge was incurred or that the work was done or was needed we agree that this charge is not payable.

Communal area touch ups

41. The Applicants state that no invoice or breakdown has been provided to justify this cost. In addition, no residents have seen any evidence of such work being carried out.

DECISION: Communal area touch ups

42. In the absence of any evidence that this charge was incurred or that the work was done we agree that this charge is not payable.

Vent seal

43. The Applicants state that no invoice or breakdown has been provided to justify this cost. In addition, in the previous service charge year they were charged almost an identical amount for vent repairs, and no explanation has been given as to why this would need to be done in two consecutive years.

DECISION: Vent seal

44. In the absence of any evidence that this charge was incurred or that the work was done or was needed we agree that this charge is not payable.

June 2024 to Handover

45. The Applicants challenge the following items on the same basis:
- Common parts cleaning
 - Window cleaning
 - Fire health & safety
 - FHS survey
 - Various repairs
 - Management fee
 - Accountant fee
 - Handover fee.
46. The basis of challenge of the above items is that (a) no invoice or breakdown has been provided and (b) the cost was incurred after the date of handover to the RTM Co and therefore these charges all relate to a period in respect of which the Respondent was no longer managing the Property and therefore was not entitled to charge for services.

47. In relation to the handover fee, the Applicants also state that no additional material was provided by the Respondent by way of handover.

DECISION: June 2024 to Handover

48. We agree with the Applicants that as these charges are stated to relate to a period during or after June 2024, after responsibility for managing the Property had been handed over to the RTM Co, none of the charges is payable. Whilst it is possible that the Respondent would have been able to come up with some argument to rebut the Applicants' position, it has not done so. Therefore, on the basis of the submissions and evidence before us, these charges are not payable.

Cost applications

49. The Applicants have made three cost applications, as follows:
- an application under section 20C of the 1985 Act that the Respondent's costs in these proceedings should not be added to the service charge;
 - an application under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 that the Respondent's costs in these proceedings should not be charged to any of them under any relevant lease provision; and
 - an application that the Respondent be ordered to reimburse their application and hearing fees under rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.
50. The Applicants have been overwhelmingly successful in this case and have also behaved reasonably. By contrast, the Respondent (as well as losing comprehensively) has been obstructive and has ignore the tribunal's directions to such an extent that on 31 October 2025 it was barred from taking any further part in these proceedings. Accordingly, we consider it appropriate to grant all three of the Applicants' cost applications.

Name: Judge P Korn

Date: 19 December 2025

RIGHTS OF APPEAL

- A. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) a written application for permission must be made to the First-tier Tribunal at the regional office dealing with the case.
- B. 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.
- C. If the application is not made within the 28 day time limit, such application must include a request for extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- D. 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.

APPENDIX 1

List of Applicants (all of them leaseholders)

Clara Monckton-Rubin	Flat 1
Joshua Haagsma	Flat 2
Anna Denison	Flat 3
Tommaso Lupo	Flat 4
Anuj Thaker	Flat 5
Sussannah Graves	104A
George Wood	106B

APPENDIX 2

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 18

- (1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
 - (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
 - (b) the whole or part of which varies or may vary according to the relevant costs.
- (2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.
- (3) For this purpose -
 - (a) "costs" includes overheads, and
 - (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period -
 - (a) only to the extent that they are reasonably incurred, and
 - (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;and the amount payable shall be limited accordingly.
- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 27A

- (1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to -
 - (a) the person by whom it is payable,

- (b) the person to whom it is payable,
 - (c) the amount which is payable,
 - (d) the date at or by which it is payable, and
 - (e) the manner in which it is payable.
- (2) Subsection (1) applies whether or not any payment has been made.
- (3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
 - (a) the person by whom it would be payable,
 - (b) the person to whom it would be payable,
 - (c) the amount which would be payable,
 - (d) the date at or by which it would be payable, and
 - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment
- (6) An agreement by the tenant of a dwelling ... is void in so far as it purports to provide for a determination – (a) in a particular manner, or (b) on particular evidence.