



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

Case reference	:	LON/00BK/LSC/2025/0735
Property	:	81 Arthur Court, Queensway, London, W2 5HP
Applicant	:	Yeshemebet Monica Daniel
Representative	:	Mr Shepherd (counsel)
Respondent	:	Arthur Court Management Limited
Representative	:	Ian Martin, director
Type of application	:	Section 27A of the Landlord and Tenant Act 1985
Tribunal members	:	Judge Tueje Mr S Mason FRICS
Venue	:	10 Alfred Place, London WC1E 7LR
Date of hearing	:	30th October 2025
Date of decision	:	24th December 2025

DECISION

Unless otherwise stated, statutory references relate to the Landlord and Tenant Act 1985

DECISIONS OF THE TRIBUNAL

- (1) The Tribunal makes the determinations as set out under the various headings in this Decision.
- (2) The Tribunal has issued separate Directions in respect of costs.

THE APPLICATION

1. By an application dated 17th March 2025, the Applicant sought determinations pursuant to s.27A. The Tribunal identified the dispute relates to the amount of service charges payable in respect of the following periods:

- 1.1 Certain items of the service charge expenditure for 31st October 2023 to 24th June 2024; and
- 1.1 Estimated costs for the period 25th June 2024 to 24th June 2025.

THE BACKGROUND

2. The Application relates to 81 Arthur Court, Queensway, London, W2 5HP, which is a two-bedroom purpose built flat within a 1930's block comprising 93 flats.
3. The lease, dated 29th October 1993, was granted for a term of 125 years commencing 1st January 1993. The Applicant is the leaseholder, and the Respondent company owns the freehold of the building.
4. By an order dated 22nd May 2025, amended on 1st August 2025, , the Tribunal issued directions, including making provision for the parties to give disclosure of documents, completing the Tribunal's standard Schedule of Dispute Service Charges form, and providing witness statements. It directed that the final hearing be listed on 30th October 2025 at 10.00am.

THE HEARING

- 4 At the final hearing the Applicant was represented by Mr Shepherd, counsel, and she gave evidence in support of the application. The Respondent was represented by Mr Martin, director of the Respondent company. Mr Martin and Mr Ponosby, the managing agent, gave evidence on behalf of the Respondent.
- 5 The Applicant prepared a 307-page electronic bundle for use at the final hearing.
- 6 She also requested permission to rely on a quotation from TNS Electrical Solutions dated 29th October 2025 for planned preventative maintenance. The Respondent did not object to this, so the document was admitted as part of the documentary evidence in the case.

THE RELEVANT LAW

7. The definition of service charges is found at section 18 of the 1985 Act, which reads:

18.— Meaning of “service charge” and “relevant costs”

- (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.*

8. Section 19 of that Act deals with the reasonableness of service charges, it states:

19.- Limitation of service charges: reasonableness

(1) *Relevant costs shall be taken into account in determining the amount of service charge payable for a period-*

(a) *only to the extent that they are reasonably incurred, and*

(b) *where they are incurred on the provision 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.*

9. As to how case law has defined reasonableness, the Court of Appeal provided the following analysis in *Waller v Hounslow London Borough Council* [2017] 1 W.L.R. 2817 (see paragraph 37).

“In my judgment, therefore, whether costs have been reasonably incurred is not simply a question of process: it is also a question of outcome. That said it must always be borne in mind that where the landlord is faced with a choice between different methods of dealing with a problem in the physical fabric of a building (whether the problem arises out of a design defect or not) there may be many outcomes each of which is reasonable. ... the tribunal should not simply impose its own decision. If the landlord has chosen a course of action which leads to a reasonable outcome the costs of pursuing that course of action will have been reasonably incurred, even if there was another cheaper outcome which was also reasonable.

10. Section 20 confers power on the Secretary of State to impose limits on the amount of service charges payable where consultation in respect of works or services are required, but where there has been a failure to comply with the statutory consultation requirements contained in the Service Charges (Consultation Requirements) (England) Regulations 2003 (the “2003 Regulations”). It reads:

20.-Limitation of service charges: consultation requirements

- (1) *Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—*
 - (a) *complied with in relation to the works or agreement, or*
 - (b) *dispensed with in relation to the works or agreement by (or on appeal from) the appropriate tribunal.*
 - (2) *In this section “relevant contribution”, in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.*
 - (3) *This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.*
 - (4) *The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—*
 - (a) *if relevant costs incurred under the agreement exceed an appropriate amount, or*
 - (b) *if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.*
 - (5) *An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—*
 - (a) *an amount prescribed by, or determined in accordance with, the regulations, and*
 - (b) *an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.*
 - (6) *Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.*
 - (7) *Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.*
11. Section 27A deals with the Tribunal’s jurisdiction to determine the payability of service charges. It reads:

27A Liability to pay service charges: jurisdiction

(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.

THE ISSUES

- 12. As stated, the issues for determination are the payability of actual costs for certain service charge expenditure for 31st October 2023 to 24th June 2024, and estimated costs for the period 25th June 2024 to 24th June 2025.
- 13. The Tribunal reached its decision after considering the parties' oral and written evidence, including documents referred to in that evidence, and taking into account its assessment of the evidence.
- 14. This determination does not refer to every matter raised in these proceedings, or every document the Tribunal reviewed or took into account in reaching its decision. However, this doesn't imply that any points raised, or documents not specifically mentioned, were disregarded.
- 15. This determination only deals with the dispute as set out in the Tribunal's standard Dispute Service Charges form. It does not deal with additional arguments the Applicant sought to advance at the final hearing, because there was no prior request to amend the application.

SCHEDULE 1 – DISPUTED SERVICE CHARGES FOR 31st OCTOBER 2023 TO 24th JUNE 2024

- 16. In addition to challenging some specific service charge costs, the Applicant advanced a series of overarching issues, applying to all disputed service charge costs for the period 31st October 2023 to 24th June 2024. In particular, she disputes that any valid service charge demands were served. She also challenges a number of service charges costs on the grounds that there has been a failure to comply with the consultation requirements at section 20.

No valid service charge demands have been served

The Tribunal's decision

- 17. We find that the original service charge demands dated 27th June 2023, 14th December 2023 and 25th June 2024 are invalid.

Reasons for the decision

18. The Applicant complains that in breach of section 47 of the Landlord and Tenant Act 1987, the service charge demand dated 27th June 2023, covering the period 24th June 2023 to 23rd December 2023, does not include the landlord's address.
19. She also complains that in breach of section 47 of the 1987 Act, the service charge demand dated 14th December 2023, covering the period 24th December 2023 to 23rd June 2024, again does not include the landlord's address.
20. Finally, as regards the validity of service charge demands, the Applicant further complains that in breach of section 47 of the 1987 Act, the service charge demand dated 25th June 2024, covering the period 24th June 2024 to 23rd December 2024, also does not include the landlord's address.
21. Therefore, she argues that the service charge demands referred to at paragraphs 18 to 20 above are invalid.
22. The Respondent maintains this was a minor error which would not invalidate the demands. The Respondent's alternative argument that these demands were reissued with the landlord's address is dealt with at paragraphs 107 to 109 below.
23. In our judgment the service charge demands dated 27th June 2023, 14th December 2023 and 25th June 2024 were invalid because they failed to include the landlord's address. By section 47(1)(a) of the Landlord and Tenant Act 1987 any written demand for service charges must include the name and address of the landlord. If a landlord fails to do so, by section 47(2), the service charges claimed in a demand that does not include its name and address are not payable until its name and address are provided.

REPAIRS – PLUMBING AND DRAINS

Section 20 Consultation

The Tribunal's decision

24. We find that the service charges of £321.57 are payable.

Reasons for the decision

25. In the Tribunal's disputed service charges form, the Applicant states:

The repairs to the plumbing and drains equate to over £250 per leaseholder. The repairs should therefore have been subject to consultation under section 20.

This was not carried out. Noncompliance of the act means that the A is only liable for £250 for the year.

26. The Applicant sought to rely on Phillips v Francis [2013] 1 W.L.R. 2343, which held that the £250 limit was an accumulative amount that applied to the cost of all works carried out in the service charge year. She therefore argued that because the £321.57 charged for part of the service charge period exceeds £250, and no consultation was carried out, the amount payable is limited to £250.
27. The Respondent provided the invoice for these costs. It accepted that the total amount the Applicant has been charged for all works relating to plumbing and drains during the service charge year exceed £250, but it argues that the invoices show these comprise various day to day repairs and maintenance, which were essentially reactive, meaning the consultation requirements did not apply.
28. The Tribunal note the Applicant's proportion of all individual invoices provided would be less than £250. The Tribunal also pointed out that the Chancery Court's decision in Phillips v Francis [2015] 1 W.L.R. 741 that the Applicant relied on was overturned on appeal. The Court of Appeal held that the aggregating approach was wrong, and instead, the £250 limit applied to a single set of works. Mr Shepherd accepted that decision was binding. We find in accordance with that approach, and in light of the Applicant's proportion of the individual invoices being less than £250, section 20 does not apply to these costs.

The amount claimed exceeds the invoices provided

The Tribunal's decision

29. We find that the service charges of £321.57 are payable.

Reasons for the decision

30. The Applicant states the service charge accounts for the year ending June 2024 records £32,813 for plumbing and drains, making the Applicant's proportion £321.57 for the year, and £208.80 for 31st October 2023 to 23rd June 2024. However, she argues, the invoices the Respondent has provided for the period 31st October 2023 to 23rd June 2024 only amount to £9,802.36, meaning her proportion should be £96.06.
31. Mr Ponosby's oral evidence was that the service charge accounts are prepared on an accrual basis, meaning that it includes expenditure for costs incurred but for which an invoice has not yet been received.
32. The Respondent has provided a credible explanation as to why the amount claimed exceeds the invoices provided. We have been given no grounds to doubt that explanation, which we therefore accept.

REPAIRS – BOILER CENTRAL HEATING AND AIR CON

One flat has a gas supply connected to the property

The Tribunal's decision

33. We find that the service charges of £342.79 are payable.

Reasons for the decision

34. This challenge indirectly argues that the amount charged is unreasonable because the gas supply of one flat is connected to the communal supply. We note this matter was raised at the AGM on 12th July 2023, and the Respondent agreed to investigate the matter. It also appears the Respondent has not yet done or completed its investigation. However, we find there is insufficient evidence to support the assertion that one flat is connected to the communal supply. No information has been provided about which flat is allegedly connected nor the grounds for believing that to be the case. Furthermore, the Applicant has not quantified what proportion of the £342.79 being claimed should in fact be unpayable if the assertion were true.

Section 20 Consultation

The Tribunal's decision

35. We find that the service charges of £342.79 are payable.

Reasons for the decision

36. The Applicant makes the same complaints regarding repairs to the boiler, central heating and air conditioning, as advanced in relation to repairs to plumbing and drains. She argues:

Further the repairs to the boiler, central heating and air con equate to over £250 per leaseholder. The repairs should therefore have been subject to consultation under section 20. This was not carried out.

Noncompliance of the act means that the A is only liable for £250 for the year.

37. The Respondent has provided the invoices for the boiler central heating and air conditioning repairs, from which it is apparent that the Applicant's proportion of all individual invoices provided would be less than £250.

38. The Respondent repeats its response as set out at paragraph 27 above.

39. We find section 20 consultation was not required for the same reasons set out at paragraphs 25 to 28 above.

The amount claimed exceeds the invoices provided

The Tribunal's decision

40. We find that the service charges of £342.79 are payable.

Reasons for the decision

41. As with plumbing and drains, the Applicant states the amount claimed does not correspond with the invoices provided. She argues the service charge accounts for the year ending June 2024 records £53,869 for this item of expenditure, making the Applicant's proportion £527.92 for the year, and £342.79 for 31st October 2023 to 23rd June 2024. However, she argues, the invoices the Respondent has provided for the period 31st October 2023 to 23rd June 2024 only amount to £25,963, meaning her proportion should be £253.44.
42. As stated above, the Respondent states this is because service charge accounts are prepared on an accrual basis.
43. For the reasons stated at paragraphs 30 to 32 above, we find that notwithstanding the invoices provided, the amount claimed is payable.

REPAIRS – LIFT (INCLUDING DIGITAL CONTROLS – 2021)

Section 20 consultation

The Tribunal's decision

44. We find that the service charges of £188.50 are payable.

Reasons for the decision

45. The Applicant again relies on the failure to consult leaseholders pursuant to section 20 (see paragraphs 25 to 26).
46. The Respondent repeats its earlier response that consultation is not required (see paragraph 27).
47. The Respondent has provided the relevant invoices. These relate to the day-to-day reactive repairs, meaning that in accordance with the Court of Appeal's decision in Phillips v Francis, the consultation requirements did not apply for the reasons stated at paragraph 28 above.

The amount claimed exceeds the invoices provided

The Tribunal's decision

48. We find that the service charges of £188.50 are payable.

Reasons for the decision

49. As above, the Applicant complains that the service charge accounts for the year ending June 2024 records £29,623 for these lift repairs, equivalent to £290.31 for the year, and £188.50 for 31st October 2023 to 23rd June 2024. However, she argues, the invoices the Respondent has provided for the period 31st October 2023 to 23rd June 2024 only amount to £5,919, meaning her proportion should be £58.02.
50. As stated above, the Respondent states this is because service charge accounts are prepared on an accrual basis.
51. The Respondent has provided a credible explanation as to why the amount claimed exceeds the invoices provided. We have been given no grounds to doubt that explanation, which we therefore accept.

ACCOUNTANCY FEES

Unreasonably high

The Tribunal's decision

52. We find that the service charges of £98.07 are payable.

Reasons for the decision

53. The Applicant argues that the £15,412.00 claimed for accountancy fees is unreasonably high. She relies on a quotation from Jayson & Co, a chartered accountancy firm, for £10,500 to prepare the annual statutory accounts and completing the corporation tax return.
54. The Respondent counter argues that when broken down, the £15,412.00 claimed includes preparation of the annual accounts and filing the corporation tax return, at £9,750, with the remainder comprising additional work related to debt recovery. Therefore, it's position is that the comparable quotation at £10,500, is more expensive than the current account charges for the same work.
55. We find the appointed account's fees are lower than the Applicant's quotation, therefore we find the amount claimed is reasonable.

Section 20 consultation

The Tribunal's decision

56. We find that the service charges of £98.07 are payable.

Reasons for the decision

57. The Applicant also questions whether consultation is required in relation to the accountant's services. In the schedule of disputed service charges she states:

Further it is unknown if the agreement entered into for accountancy services is a qualified agreement[sic]. If so, Section 20 of the act requires landlords to consult with leaseholders before entering into long-term agreements for services including accountancy that will cost them more than £100 per year. Noncompliance of the act means that A is only liable for £100.

58. Mr Ponsonby's oral evidence was that the appointment of the accountants is considered by leaseholders annually at the AGM, and the accountant's fees are also negotiated annually. This evidence was not challenged.
59. In light of the Respondent's unchallenged evidence that the accountant's appointment is considered annually, we find the section 20 consultation requirements do not apply as the annual appointment of the accountant is not a long term qualifying agreement for the purposes of section 20.

MANAGEMENT FEES

The Tribunal's decision

60. We find that the service charges of £228.63 are payable.

Reasons for the decision

61. The Applicant argues that the £35,930 charged for block management fees is unreasonably high. She relies on a quotation obtained from Regent Property which states its management fees would be £31,536 including VAT for managing 146 flats in the building. The building only has 93 flats, so the Regent Property quotation seems to be based on mistaken information regarding Arthur Court.
62. In its statement of case the Respondent states that the current managing agent does not charge additional fees for raising section 20 notices, nor for project management. However, it's stated that Regent Property charges 2% plus VAT for raising section 20 notices, and 8% to 12% plus VAT for project management. Therefore, the Respondent's position is that taking into account the additional charges that Regent Property would make, if compared on a like for like basis, Regent Property's fees would be higher.
63. The Respondent adds that the management fee for 2024 represents a reduction on some of the historic management fees charged by previous managing agents. The highest previous management fees were for 2021 when the fees were £53,842, the year before, they were £53,466. In 2018 and 2019, they were £38,956 and £42,854 respectively. In his oral evidence, Mr Martin stated that the Respondent obtained a selection of quotations from prospective managing agents, and the existing managing agents matched the lowest quotation.

64. In our judgment the appointed managing agent's fees are reasonable, and taking into account Regent Property's additional fees, it is likely to be more expensive than the current managing agent. We also take into account that the current management fee is lower than the amount charged in most recent years.

LEGAL COSTS

The Tribunal's decision

65. We find that the service charges of £441.13 are payable.

Reasons for the decision

66. The Applicant argues legal costs, claimed at £62,323 for the year ending June 2024 is unreasonably high. However, she states a breakdown of the fees is needed in order to assess whether the fees are payable and/or reasonable.
67. The Respondent states the legal costs relate entirely to the cost of legal proceedings to recover arrears of service charges from debtors. It also states that in 2024, legal costs relating to Flat 81 alone exceeded £13,000. In order to increase the likelihood of recovering some or all of these costs, the landlord usually issues proceedings via money claims online rather than through the Tribunal.
68. The Respondent has provided a spreadsheet containing a breakdown of the legal costs, and invoices relating to the legal costs incurred in respect of Flat 81.
69. Since receiving the requested breakdown and additional information, the Applicant did not file further submissions regarding the unreasonableness of the legal costs.
70. It is common ground that there have been past proceedings relating to the block. Insofar as proceedings in the Tribunal, these are a matter of public record in any event. Taking into account the legal proceedings the Respondent has issued, and that it has sought to limit, insofar as is possible, the legal costs incurred, we find the amount claimed is reasonable.

HEALTH AND SAFETY

The Tribunal's decision

71. We find that the service charges of £61.43 are payable.

Reasons for the decision

72. For the year ending June 2024, this cost amounts to £9,654, making the Applicant's proportion £94.61 for the year, or £61.43 for the period 31st October 2023 to 23rd June 2024.
73. The Applicant states she does not know what these costs relate to, and complains that no breakdown has been provided.
74. The Respondent has provided a summary of these costs which comprises:
- | | |
|---|-----------|
| Fire Protection (7 visits) | £2,664.48 |
| Fire strips on doors | £5,244.00 |
| London Fire Brigade callouts (2 visits) | £873.60 |
| Waste bin hire | £872.14 |
75. In light of the Respondent's clarification as to what these costs represent, we find the costs are reasonably incurred. These are works and services that are all essential to the health and safety of residents, particularly as regards fire safety, but also having appropriate waste management. In our judgment the costs incurred are reasonable having regard to the works or services provided. The Applicant makes no specific complaint regarding these costs, but essentially questions what the costs represent. Now that this has been clarified, and particularly as the Applicant has not raised any issue with the costs after receiving this breakdown, in our judgment the costs are payable and reasonable.

GAS

Section 20 Consultation

The Tribunal's decision

76. We find that the service charges of £916.45 are payable.

Reasons for the decision

77. The Applicant complains that the Respondent has failed to comply with the statutory consultation requirements as follows:

Section 20 of the Act requires landlords to consult with leaseholders before entering into long-term agreements for services, including gas that will cost them more than £100 per year.

This was not carried out. Noncompliance of the Act means that the A is only liable for £100 for the year.

78. In its statement of case, the Respondent argues that consultation is not required because the contract for the communal gas supply is negotiated annually.

79. We have no reason to doubt the Respondent's evidence that the contract is negotiated annually. Accordingly, we find the statutory consultation requirements don't apply.

Unreasonably high cost of gas

The Tribunal's decision

80. We find that the service charges of £916.45 are payable.

Reasons for the decision

81. The Applicant states she believes this cost is unreasonably high and states she intends to obtain an alternative quote. However, no alternative quote was provided, and without any specific grounds as to why she believes the costs is high, we consider there is not sufficient evidential basis to determine the cost of the communal gas is unreasonably high.
82. Furthermore, in her oral evidence the Applicant confirmed that this cost includes heating and hot water for the subject premises.
83. In all the circumstances, we find that based on the evidence available, the amount claimed is reasonable.

ELECTRICITY

Section 20 Consultation

The Tribunal's decision

84. We find that the service charges of £318.40 are payable.

Reasons for the decision

85. The Applicant complains that the Respondent has failed to comply with the statutory consultation requirements as follows:

Section 20 of the Act requires landlords to consult with leaseholders before entering into long-term agreements for services, including electricity that will cost them more than £100 per year.

This was not carried out. Noncompliance of the Act means that the A is only liable for £100 for the year.

86. In its statement of case, the Respondent argues that consultation is not required because the contract for the communal electricity supply is negotiated annually.

87. We have no reason to doubt the Respondent's evidence that the contract is negotiated annually. Accordingly, we find the statutory consultation requirements don't apply.

Unreasonably high cost of electricity

The Tribunal's decision

88. We find that the service charges of £318.40 are payable.

Reasons for the decision

89. The Applicant states she believes this cost is unreasonably high and states she intends to obtain an alternative quote. However, no alternative quote was provided, and without any specific grounds as to why she believes the costs is high, we consider there is not sufficient evidential basis to determine the cost of the communal electricity is unreasonably high. In our judgment, these costs are reasonable.

INSURANCE: BUILDING, ENGINEERING AND TERRORISM

90. The Applicant advances various disputes regarding the insurance costs, but none of these expressly state that the cost is unreasonable. For completeness, we find that the cost of insurance is reasonably incurred. As to the issues raised by the Applicant regarding insurance costs, these are dealt with below.

Request for information under section 22

The Tribunal's decision

91. We find that the service charges of £901.36 are payable.

Reasons for the decision

92. The Applicant complains that she has been unable to assess the reasonableness of the insurance costs because she has requested information from the Respondent regarding the insurance to enable her to obtain alternative quotes. However, she states the Respondent has not provided the requested information. At the hearing the Applicant clarified her complaint is that the Respondent did not send a copy of the requested information to her.
93. The Respondent states that in accordance with section 22, it e-mailed the Applicant offering her the opportunity to visit its office to inspect the requested information, but she did not visit. It points to the e-mail exchange, which is in the hearing bundle, and adds that having offered the Applicant an opportunity to inspect the documents, there is no requirement to send the information to her.

94. The Tribunal has no enforcement powers regarding section 22. But to the extent that the Applicant relies on this provision as an explanation why she is not in a position to challenge the reasonableness of the insurance costs, we find her position is unsustainable. That is because the Respondent complied with section 22 by offering her an opportunity to inspect the documents, which she did not avail herself of. While we note she did not accept because she wanted the documents to be sent to her, offering an opportunity to inspect them satisfies the requirements of section 22.

A wider range of quotations

The Tribunal's decision

95. We find that the service charges of £901.36 are payable.

Reasons for the decision

96. The Applicant argues that contrary to the Respondent agreeing at the 12th July 2023 AGM to obtain a wider range of quotations, it has failed to do so. The Respondent counterargues that insurance is obtained through a broker, and the broker carried out a market exercise in June 2023 and June 2024 to ensure a minimum of 5 quotations were obtained. These are in the hearing bundle and show that in June 2023 5 quotations were sought, and in June 2024 8 were sought. On each occasion only 1 insurer agreed to provide a quotation, the rest declined due to the property's claims history.
97. We note the Applicant does not expressly complain that the insurance costs are unreasonable, but criticises the Respondent for allegedly failing to obtain the agreed minimum number of quotations. However, as stated the June 2023 and June 2024 market exercises in the bundle, show the Respondent has done so. In any event, taking into account that there is very limited availability of insurers willing to provide cover, we consider the amount claimed for the cover that has been obtained is reasonable.

Section 20 Consultation

The Tribunal's decision

98. We find that the service charges of £901.36 are payable.

Reasons for the decision

99. The Applicant complains that the Respondent has failed to comply with the statutory consultation requirements as follows:

Further, Section 20 of the Act requires landlords to consult with leaseholders before entering into long-term agreements for services, including insurance that will cost them more than £100 per year.

If the insurance agreement is a qualifying long term agreement this has not been complied with and only £100 per leaseholder is payable.

100. In its statement of case, the Respondent argues that consultation is not required because insurance cover is obtained annually.
101. We have no reason to doubt the Respondent's evidence that insurance is obtained annually. We also note that is the usual position with insurance policies. Accordingly, we find the statutory consultation requirements don't apply.

SCHEDULE 2 – DISPUTED SERVICE CHARGES FOR THE YEAR ENDING JUNE 2025

No notice under section 20B(2) has been served

The Tribunal's decision

102. We find that the invalid service charge demands dated 27th June 2023, 14th December 2023 and 25th June 2024 meet the requirements of section 20B(2).

Reasons for the decision

103. The Applicant's overarching challenge to the payability of the service charge costs in schedule 2 is that no valid service charge demand was served for the amounts due prior to 24th December 2024. This is based on the fact that the service charge demands dated 27th June 2023, 14th December 2023 and 25th June 2024 were invalid because they omitted the landlord's name. The Applicant states she cannot find evidence that she received the service charge demands re-issued on 27th December 2024, and maintains that, nonetheless no section 20B notice was served. Therefore, she continues, although she received the re-issued service charge demands e-mailed to her on 28th August 2025, she states that any service charge costs incurred 18 months prior are not payable by virtue of section 20B(1).
104. The Respondent accepts that the service charge demands dated 27th June 2023, 14th December 2023 and 25th June 2024 did not include the landlord's address. However, it disputes that omission invalidates the service charge demands, which in any event, satisfy the requirements of section 20B(2). Additionally, it argues that this was rectified by re-sending these service charge demands on 27th December 2024 with the landlord's address included.
105. We find that the original service charge demands dated 27th June 2023, 14th December 2023 and 25th June 2024 are invalid for the reasons stated at paragraph 23 above.
106. However, to the extent that section 20B is capable of applying to estimated service charges, we find that section 20B does not preclude the Respondent from recovering these costs, which we find are payable. In our judgment, the original demands dated 27th June 2023, 14th December 2023 and 25th June 2024 which omit the landlord's address, meet the requirements for notice given pursuant to

section 20B. That is because the demand, including the statutory notice containing a summary of the tenants' rights and obligations, states the amount of the service charge costs that have been incurred which the Applicant is liable to pay under the terms of her lease.

107. The Respondent states it reissued the service charges on 27th December 2024 with the landlord's address. The Applicant states that she cannot find evidence that she received the reissued demands sent on 27th December 2024.
108. The Applicant does not positively deny receiving the reissued demands sent in December 2024, she states she cannot find any evidence that she received them. Whereas Mr Ponosby positively asserts that the service charge demands were reissued and sent on 27th December 2024. We prefer Mr Ponosby's clear and unequivocal evidence that amended service charge demands were sent on 27th December 2024, over the Applicant's ambiguous position on whether she received the service charge demands.
109. Therefore, having found that the original demands dated 27th June 2023, 14th December 2023 and 25th June 2024, despite omitting the landlord's address, satisfy the requirements of section 20B, and having determined that the Respondent reissued those service charge demands with the landlord's address on 27th December 2024, we conclude the service charge costs contained in the original demands are payable.

Estimated Service Charges

110. We remind ourselves that a landlord has a certain amount of discretion when estimating interim service charges. That discretion is subject to section 19(2) when assessing the reasonableness of payments on account, which requires that the amount claimed is no more than is reasonable. We accept that the actual costs incurred in previous years may provide some guidance when estimating a reasonable payment on account, and that it may be appropriate to make allowances for inflation, plus additional costs which the landlord reasonably anticipates.

ELECTRICAL MAINTENANCE

No valid service charge demands

The Tribunal's decision

111. We find the estimated service charge costs of £19.60 are payable.

Reasons for the decision

112. The sole challenge in the Schedule 2 – Disputed Service Charges argues that no valid demand was served for the service charge costs prior to 24th December 2024. For the reasons stated at paragraphs 103 to 109 we find that even though

the original demands dated 27th June 2023, 14th December 2023 and 25th June 2024 were invalid, those demands met the requirements of section 20B, accordingly, the costs therein are payable.

Unreasonably high costs

The Tribunal's decision

113. We find the estimated service charge costs of £19.60 are payable.

Reasons for the decision

114. As stated, at the hearing, the Applicant sought to rely on a quotation from TNS Electrical Solutions dated 29th October 2025 for planned preventative maintenance. The Respondent did not object to the Applicant relying on this document.

115. Although there was no formal request to amend the application to expand the challenge of the cost of electrical maintenance to claim this was unreasonably high, the Applicant argued this point. She relied on the quotation from TNS Electrical Solutions to support this argument and as it was admitted as part of the documentary evidence, we considered it.

116. However, we find the TNS Electrical Solutions quotation to be of no assistance. It includes quotations for works and/or services that are not relevant to Arthur Court, for instance, testing the intercom system bi-annually. The Respondent states the intercom is not tested, it simply deals with reactive repairs as required.

117. For completeness, we add that we find the estimated electrical maintenance costs at £2,000 are reasonable. We note they are less than the actual costs for 2023, and that the cost in 2024 was £0. Accordingly, we find it is prudent to make some allowance as no maintenance was required in 2024, and the allowance is reasonable having regard to the actual costs in 2023. Therefore, we consider the estimated costs are no greater than amount that would be reasonable to pay.

PLUMBING, HEATING AND DRAIN MAINTENANCE

No valid service charge demands

The Tribunal's decision

118. We find the estimated service charge costs of £490 are payable.

Reasons for the decision

119. Aside from reserving her position in respect of the actual costs for plumbing, heating and drain maintenance that may be incurred in due course, the Applicant

challenges this expenditure on the grounds that no valid service charge demand was served before 24th December 2024, and a breach of the section 20 consultation requirements. These challenges are dealt with below.

120. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Section 20 consultation

The Tribunal's decision

121. We find the estimated service charge costs of £490 are payable.

Reasons for the decision

122. The Applicant argues that the Respondent has failed to comply with the statutory consultation requirements as follows:

The repairs to the plumbing and drains equates to over £250 per leaseholder the repairs should therefore have been subject to consultation under section 20 of the Act.

This was not carried out. Noncompliance of the Act means that A is only liable for £250 for the year.

123. By subsections 20(1) to 20(3) and 20(6), the limitation on recovering service charges where there has been a failure to consult only applies to costs that have been incurred. Therefore, it does not apply to payment on account of service charge costs which are yet to be incurred.

Potential challenge

124. The Applicant reserves her position regarding challenging the reasonableness of service charges when the service is carried out and/or invoices are received. This will be determined by the Tribunal, if, in due course, the Applicant brings an application under section 27A.

GENERAL MAINTENANCE

No valid service charge demands

The Tribunal's decision

125. We find the estimated service charge costs of £215.60 are payable.

Reasons for the decision

126. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Additional information required

The Tribunal's decision

127. We find the estimated service charge costs of £215.60 are payable.

Reasons for the decision

128. In addition to the claim that no valid service charge demands were served prior to 24th December 2024, the Applicant states:

More details need[ed] as to works including if any qualifying long term agreements have been entered into to assess liability and reasonableness.

129. By its description, this expenditure covers a miscellany of maintenance issues that may arise in a development comprising 93 residential units. However, the Applicant has failed to particularise which item or items of expenditure may amount to a long term qualifying agreement, may be unreasonable and/or may not be payable for some other reason. Furthermore, while the Applicant states that further information is required to assess this, there has been no application to the Tribunal for additional disclosure, nor is it clear what additional information could be disclosed as these are estimated costs. In the circumstances, there is no evidence or argument before the Tribunal to support a finding that these estimated costs are greater than amount that would be reasonable to pay.

SUNDRY EXPENSES

No valid service charge demands

The Tribunal's decision

130. We find the estimated service charge costs of £98 are payable.

Reasons for the decision

131. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Additional challenge

The Tribunal's decision

132. We find the estimated service charge costs of £98 are payable.

Reasons for the decision

133. Again, the additional challenge is:

More details need[ed] as to works to assess liability and reasonableness.

134. Again, the description of sundry expenses covers a miscellany of costs. However, the Applicant has failed to particularise any grounds for challenging the reasonableness or payability of this service charge. In the circumstances, there is no evidence or argument before the Tribunal to support a finding that these estimated costs are greater than amount that it would be reasonable to pay.

CLEANING

No valid service charge demands

The Tribunal's decision

135. We find the estimated service charge costs of £117.60 are payable.

Reasons for the decision

136. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Section 20 Consultation

The Tribunal's decision

137. We find the estimated service charge costs of £117.60 are payable.

Reasons for the decision

138. The Applicant complains that the Respondent has failed to comply with the statutory consultation requirements as follows:

Section 20 of the Act requires R to consult with leaseholders before entering into long-term agreements for services that will cost them more than £100 per year.

This was not carried out. Noncompliance of the Act means that the A is only liable for £100 for the year.

139. By subsections 20(1) to 20(2) and 20(6), the limitation on recovering service charges where there has been a failure to consult only applies to costs that have been incurred. Therefore, it does not apply to payment on account of service charge costs which are yet to be incurred.

Potential challenge

140. The Applicant reserves her position regarding challenging the reasonableness of service charges when the service is carried out and/or invoices are received. This

will be determined by the Tribunal, if, in due course, the Applicant brings an application under section 27A.

REFUSE AND BIN COSTS

No valid service charge demands

The Tribunal's decision

141. We find the estimated service charge costs of £10.19 are payable.

Reasons for the decision

142. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

PEST CONTROL

No valid service charge demands

The Tribunal's decision

143. We find the estimated service charge costs of £19.60 are payable.

Reasons for the decision

144. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Unreasonably high

The Tribunal's decision

145. We find the estimated service charge costs of £19.60 are payable.

Reasons for the decision

146. The Applicant argues that the estimated £2,000 for pest control is unreasonably high. She relies on a quotation from Discreet Pest Control, costing £1,424 excluding VAT for one year based on a block of 92 flats. It is not clear whether the same cost would apply for all 93 flats in Arthur Court.

147. The Respondent points out that £2,000 is an estimate, and that in 2023/2024 the actual cost was £1,422, which is cheaper than Discreet Pest Control's quotation.

148. We proceed on the basis that Discreet Pest Control's quotation of £1,424 would still apply here even though the block comprises 93, and not 92, flat. Nonetheless, we do not consider that the alternative quotation shows that the estimated costs

are a greater amount than it would be reasonable to pay. Taking into account that Discreet Pest Control's quotation including VAT is £1,708.80, this difference between the quotation and the estimated service charge does not establish that the latter is unreasonable. We note that in addition to any inflationary increase, it is not unreasonable for the Respondent to make allowances for additional work or treatments that may be required. We also take into account that it is not obliged to engage the cheapest contractor, providing the costs of the contractor engaged are reasonable. In this case, for the reasons stated, we consider the estimated costs are reasonable.

WATER HYGIENE

No valid service charge demands

The Tribunal's decision

149. We find the estimated service charge costs of £36.26 are payable.

Reasons for the decision

150. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

WATER RATES

No valid service charge demands

The Tribunal's decision

151. We find the estimated service charge costs of £11.76 are payable.

Reasons for the decision

152. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

CCTV MAINTENANCE

No valid service charge demands

The Tribunal's decision

153. We find the estimated service charge costs of £9.80 are payable.

Reasons for the decision

154. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

ENTRY PHONES

No valid service charge demands

The Tribunal's decision

155. We find the estimated service charge costs of £39.20 are payable.

Reasons for the decision

156. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

LIFT MAINTENANCE

No valid service charge demands

The Tribunal's decision

157. We find the estimated service charge costs of £196 are payable.

Reasons for the decision

158. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Section 20 consultation

The Tribunal's decision

159. We find the estimated service charge costs of £196 are payable.

Reasons for the decision

160. The Applicant argues that the Respondent has failed to comply with the statutory consultation requirements as follows:

The repairs to the lift equate to over £250 per leaseholder. The repairs should therefore have been subject to consultation under section 20 of the Act. This was not carried out. Noncompliance of the act means that A is only liable for £250 for the year.

161. By subsections 20(1) to 20(3) and 20(6), the limitation on recovering service charges where there has been a failure to consult only applies to costs that have been incurred. Therefore, it does not apply to payment on account of service charge costs which are yet to be incurred.

Potential challenge

162. The Applicant reserves her position regarding challenging the reasonableness of service charges when the service is carried out and/or invoices are received. This

will be determined by the Tribunal, if, in due course, the Applicant brings an application under section 27A.

LIFT INSURANCE

No valid service charge demands

The Tribunal's decision

163. We find the estimated service charge costs of £20.58 are payable.

Reasons for the decision

164. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

GAS

No valid service charge demands

The Tribunal's decision

165. We find the estimated service charge costs of £1,421.00 are payable.

Reasons for the decision

166. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Section 20 Consultation

The Tribunal's decision

167. We find the estimated service charge costs of £1,421.00 are payable.

Reasons for the decision

168. The Applicant complains that the Respondent has failed to comply with the statutory consultation requirements as follows:

Section 20 of the Act requires landlords to consult with leaseholders before entering into long-term agreements for services, including gas that will cost them more than £100 per year.

This was not carried out. Noncompliance of the Act means that the A is only liable for £100 for the year.

169. By subsections 20(1) to 20(2) and 20(6), the limitation on recovering service charges where there has been a failure to consult only applies to costs that have been incurred. Therefore, it does not apply to payment on account of service charge costs which are yet to be incurred.

Potential challenge

170. The Applicant reserves her position regarding challenging the reasonableness of service charges when the service is carried out and/or invoices are received. This will be determined by the Tribunal, if, in due course, the Applicant brings an application under section 27A.

ELECTRICITY

Section 20 Consultation

The Tribunal's decision

171. We find the estimated service charge costs of £485.10 are payable.

Reasons for the decision

172. The Applicant complains that the Respondent has failed to comply with the statutory consultation requirements as follows:

Section 20 of the Act requires landlords to consult with leaseholders before entering into long-term agreements for services, including electricity that will cost them more than £100 per year.

This was not carried out. Noncompliance of the Act means that the A is only liable for £100 for the year.

173. By subsections 20(1) to 20(2) and 20(6), the limitation on recovering service charges where there has been a failure to consult only applies to costs that have been incurred. Therefore, it does not apply to payment on account of service charge costs which are yet to be incurred.

Potential challenge

174. The Applicant reserves her position regarding challenging the reasonableness of service charges when the service is carried out and/or invoices are received. This will be determined by the Tribunal, if, in due course, the Applicant brings an application under section 27A.

ACCOUNTANCY FEES

No valid service charge demands

The Tribunal's decision

175. We find the estimated service charge costs of £176.40 are payable.

Reasons for the decision

176. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

177. The Applicant again relies on the quotation from Jayson & Co, a chartered accountancy firm, for £10,500 to prepare the annual statutory accounts and completing the corporation tax return (see paragraph 53 above).

178. The Respondent repeats its counter argument that the comparable quotation at £10,500, is more expensive than the current account charges for the same work (see paragraph 54 above).

179. For the reasons stated at paragraph 55 above, we do not consider that the Applicant's alternative quotation shows that these costs are unreasonable.

Section 20 consultation

The Tribunal's decision

180. We find the estimated service charge costs of £176.40 are payable.

Reasons for the decision

181. The Applicant also questions whether consultation is required in relation to the accountant's services. In the schedule of disputed service charges she states:

Further it is unknown if the agreement entered into for accountancy services is a qualified agreement[sic]. If so, Section 20 of the act requires landlords to consult with leaseholders before entering into long-term agreements for services including accountancy that will cost them more than £100 per year. Noncompliance of the act means that A is only liable for £100.

182. As stated, Mr Ponsonby's unchallenged oral evidence was that the appointment of the accountants is considered by leaseholders annually at the AGM, and the accountant's fees are also negotiated annually.

183. Therefore, we conclude that the requirements of section 20 do not apply in this case.

MANAGEMENT FEES

No valid service charge demands

The Tribunal's decision

184. We find the estimated service charge costs of £392.55 are payable.

Reasons for the decision

185. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Unreasonably high

The Tribunal's decision

186. We find the estimated service charge costs of £392.55 are payable.

Reasons for the decision

187. The parties rely on the same arguments set out at paragraphs 61 to 63 above.

188. For the reasons stated at paragraph 64 above, we find that these service charges are reasonable.

LEGAL COSTS

No valid service charge demands

The Tribunal's decision

189. We find the estimated service charge costs of £588 are payable.

Reasons for the decision

190. For the reasons stated at paragraphs 103 to 109 above, we find that these costs are payable.

Unreasonably high

The Tribunal's decision

191. We find the estimated service charge costs of £588 are payable.

Reasons for the decision

192. The parties rely on the same arguments set out at paragraphs 66 to 68 above.

193. For the reasons stated at paragraphs 69 to 70 above, we find that these costs are payable.

HEALTH AND SAFETY

No valid service charge demands

The Tribunal's decision

194. We find the estimated service charge costs of £49 are payable.

Reasons for the decision

195. For the reasons stated at paragraphs 103 to 109 above, we find that these costs are payable.

Additional information required

The Tribunal's decision

196. We find the estimated service charge costs of £49 are payable.

Reasons for the decision

197. The parties rely on the same arguments set out at paragraphs 72 to 74 above.

198. For the reasons stated at paragraph 75 above, we find this is payable in light of the breakdown of these costs provided by the Respondent. Furthermore, as this estimate represents a reduction on the actual costs for the year ending June 2024, we consider it is no greater than it would be reasonable to pay.

INSURANCE

No valid service charge demands

The Tribunal's decision

199. We find the estimated service charge costs of £1,489.60 are payable.

Reasons for the decision

200. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Section 20 consultation

The Tribunal's decision

201. We find the estimated service charge costs of £1,489.60 are payable.

Reasons for the decision

202. The Applicant states that she believes the insurance is arranged pursuant to a qualifying long term agreement, accordingly, this cost should be limited to £100.

203. As stated above (see paragraph 139 above), because these are estimated costs which have not yet been incurred, the consultation requirements do not apply.

Request for information under section 22

The Tribunal's decision

204. We find the estimated service charge costs of £1,489.60 are payable.

Reasons for the decision

205. The parties reiterate the arguments made at paragraphs 92 to 93 above.

206. For the reasons stated at paragraph 94, we find that these estimated costs are payable.

A wider range of quotations

The Tribunal's decision

207. We find the estimated service charge costs of £1,489.60 are payable.

Reasons for the decision

208. This repeats the challenge at paragraph 96 above.

209. For the reasons stated at paragraph 97 above, we find that these costs are payable.

PORTER

No valid service charge demands

The Tribunal's decision

210. We find the estimated service charge costs of £343 are payable.

Reasons for the decision

211. For the reasons stated at paragraphs 103 to 109 above, we find that these costs are payable.

Section 20 consultation

The Tribunal's decision

212. We find the estimated service charge costs of £343 are payable.

Reasons for the decision

213. The Applicant states that this is arranged pursuant to a qualifying long term agreement, accordingly, this cost should be limited to £100.

214. As stated above (see paragraph 139 above), because these are estimated costs which have not yet been incurred, the consultation requirements do not apply.

Potential challenge

215. The Applicant reserves her position regarding challenging the reasonableness of service charges when the service is carried out and/or invoices are received. This will be determined by the Tribunal, if, in due course, the Applicant brings an application under section 27A.

STAFF COSTS

No valid service charge demands

The Tribunal's decision

216. We find the estimated service charge costs of £5.88 are payable.

Reasons for the decision

217. For the reasons stated at paragraphs 103 to 109 above, these costs are payable.

Name: Judge Tueje

Date: 24th 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 either party wishes to appeal this reviewed 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 reviewed 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).