FIRST-TIER TRIBUNAL

PROPERTY CHAMBER

(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AZ/LSC/2025/0633**
Property	**:**	**First Floor Flat 9, Honor Oak Park, London, SE23 1DX**
Applicant	**:**	**Marcus Holland**
Representative	**:**	**In person**
Respondent	**:**	**Assethold**
Representative	**:**	**Mr Decker of Counsel**
Type of application	**:**	**An application under section 27A Landlord and Tenant Act 1985**
Tribunal	**:**	**Judge Shepherd** **Stephen Mason FRICS**
Date of Decision	**:**	**4th September 2025**

DETERMINATION

1. In this case there was a challenge to the reasonableness and payability of service charges. The challenge was brought pursuant to Landlord and Tenant Act 1985,s.27A. The Applicant was Mr Holland who appeared in person. He is a leaseholder of the First Floor Flat, 9 Honor Oak Park, London, SE23 1DX ("The premises"). The freeholder is Assethold who were represented by Mr Decker of Counsel. The premises is a flat in a building with one other flat.

2. The service charges are challenged for the years 2024 and 2025. A Tribunal made a determination previously. This was the decision in LON/00AZ/LSC/2024/0061. We were disappointed to be informed that the Respondent has failed to adhere to that determination and the Applicant has had to proceed against the Respondent in the County Court. Unfortunately, this Tribunal has no enforcement powers so we were unable to take any action ourselves such as barring the Respondents from taking any part in the proceedings until the previous determination had been acted upon. Suffice to say that we expect this determination to be adhered to.

The lease terms

3. The terms were uncontentious and nothing turned on them so they are not recited.

The law

4. The law applicable in the present case was limited. It was an assessment of the reasonableness and payability of the costs.

5. The Landlord and Tenant Act 1985,s.19 states the following:

19.— Limitation of service charges: reasonableness.

(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 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.

6. The Tribunal's jurisdiction to address the issues in s.19 is contained in s.27A Landlord and Tenant 1985 which states the following:

27A Liability to pay service charges: jurisdiction

1. *An application may be made to [the appropriate tribunal]2 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]2 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.*

7. In *Waaler v Hounslow* [2017] EWCA Civ 45 the Court of Appeal held the following:

Whether costs were "reasonably incurred" within the meaning of section 19(1)(a) of the Landlord and Tenant Act 1985 , as inserted, was to be determined by reference to an objective standard of reasonableness, not by the lower standard of rationality, and the cost of the relevant works to be borne by the lessees was part of the context for deciding whether they had been so reasonably incurred; that the focus of the inquiry was not simply a question of the landlord's decision-making process but was also one of outcome; that, where a landlord had chosen a course of action which led to a reasonable outcome, the costs of pursuing that course of action would have been reasonably incurred even if there were a cheaper outcome which was also reasonable; that, further, before carrying out works of any size the landlord was obliged to comply with consultation requirements and, inter alia,

conscientiously to consider the lessees' observations and to give them due weight, following which it was for the landlord to make the final decision; that the court, in deciding whether that final decision was reasonable, would accord a landlord a margin of appreciation; that, further, while the same legal test applied to all categories of work falling within the scope of the definition of "service charge" in section 18 of the 1985 Act, as inserted, there was a real difference between work which the landlord was obliged to carry out and work which was an optional improvement, and different considerations came into the assessment of reasonableness in different factual situations

8. The Applicant's challenges are taken in turn

Insurance costs

9. The costs sought by the Respondent for the Applicant's contribution was £900.58 for 2024 and £945.61 for 2025. The previous Tribunal had found that £575 was a reasonable sum. The Applicant had obtained alternative quotes. These were from AxA insurance (£1016.54 for the whole property). He said the Respondent's insurance policy did not reflect the fact that this was only a small building. Mr Decker said the Applicant's quotes were less reputable and there was not a like for like quote. We reject this criticism. The comparators are reasonable. We allow a premium of £575 for 2024 and £600 for the estimated amount in 2025.

Common Parts electricity

10. The Respondent was seeking to recover from the Applicant £121.97 for 2024 and £125 for 2025. The common parts electricity charges in a building this small are likely to be modest. We were told that the account was in credit by £600. Mr Decker sought to argue that notwithstanding the credit the Respondent could continue to make electricity charges. It's hard to see how this could be right. The leaseholders should enjoy the benefit of the credit until it has expired. The credit has arisen though their payments. Accordingly, we determine that no sums are due for communal electricity for either year in question.

Monthly testing of emergency lighting and smoke alarm

11. The Respondent was seeking to recover £108.60 for 2024 and £250 for 2025. The Applicant said that nobody was inspecting and if they had been they would have been picked up on his camera. The evidence about this was inconclusive but we consider that monthly tests are excessive and allow 1/3 of the amount claimed to reflect quarterly inspections which should be adequate. We allow £36.20 in 2024 and £83 in 2025.

Fire health and safety service

12. The Respondent was seeking to obtain from the Applicant £174 for 2024 and £200 for 2025. We consider that a five yearly inspection of the fire health and safety services is adequate in such a small building. The previous Tribunal found the same and allowed the charge for 2020. Accordingly, we disallow the sum for 2024 and allow the £200 charge for 2025.

Fire health and safety risk assessment

13. The Respondent was seeking to recover from the Applicant £204 for 2024 and £212.50 for 2025. The inspection was annual. We consider this is excessive. This was also found to be the case by the previous Tribunal. They said a five yearly inspection was enough and allowed the inspection in 2020 therefore we disallow the sum for 2024 and allow £212.50 for 2025.

Fire door inspection access denied - £60

14. This related to an abortive visit when the person carrying out the inspection could not gain access. It is not excessive as a call out fee and is payable.

Window cleaning

15. There was no provision in the lease allowing window cleaning as the windows fall within the demise of individual leaseholders. Mr Decker sought to rely on an unusual document in the Respondent's bundle. The document stated the following:

THIS REGULATION IS MADE ON THE 1 JANUARY 2019

We as managing agents of the following property known as:

9 Honor Oak Park, London, SE23 1DX

Make the following regulation:

The lessor shall have the right (but not the obligation) to arrange for the external window cleaning of the demised premises at such interval as it shall reasonably determine, and the cost of such cleaning shall be included as part of the service charge under Clause 5 of the lease. The lessee shall permit access to the demised premises as reasonably required to facilitate such cleaning.

This regulation has been added due to the request of the current leaseholders in order to maintain the property to its best ability.

16. The document was signed by Eagerstates. We have doubts about this document. It is a unilateral imposition of services without the signed agreement of the leaseholders. It was allegedly created just before the Applicant became the leaseholder. It was not shown to the previous Tribunal. In any event we do not consider that it is sufficient to vary the lease. We disallow the window cleaning charges for both years.

Gutter cleaning

17. The Respondent was seeking to recover from the Applicant gutter cleaning costs of £159 for 2024 and £175 for 2025. The gutters are cleaned twice a year. We consider this is excessive and allow £80 for 2024 and £88 for 2025.

Emergency light replacement - £211.20

18. We were shown an invoice for this work and we allow the cost as it is reasonable.

NIEC Inspection and BNO Inspection

19. The Respondent was seeking to recover from the Applicant £149.40 for a NIEC inspection in 2024 and £99 for a BNO inspection. One inspection is sufficient and we allow £149.40.

Accountant

20. The Respondent was seeking to recover costs of £216 for 2024 and £240 for 2025. These are recoverable sums under the lease and appear reasonable therefore both sums are allowed.

Management fees

21. The Respondent was seeking to recover costs of £303.60 for 2024 and £312 for 2025.The Applicant was very dissatisfied with the service he was receiving. The previous Tribunal found that the service was poor. It hasn't improved. Significantly the previous determination by the Tribunal has not been accommodated and has effectively been ignored. We consider that a substantial deduction is necessary and allow £100 for each year.

Grit spreading - £51

22. We consider this sum is reasonable and allow it.

Gardening - £204

23. This sum was being charged for 2024. The communal garden is tiny and we consider the charge is excessive for the work required. We allow £102.

Key cutting - £8.28

24. This is allowed

Drain service - £125 (2025 only)

25. It is not necessary to carry out pre-emptive drain inspections. This is disallowed.

Bin cleaning - £100 (2025 only)

26. The local authority supplies the bins. There is no need for a cleaning service. This is disallowed

Carpet cleaning - £150 (2025 only)

27. This is a recoverable cost under the lease. The area to be cleaned is a small area. We allow £100.

Repair Fund £1250 (2025 only)

28. It is a prudent measure to maintain a repair fund but £1250 per leaseholder is excessive. We consider £500 is sufficient.

Section 20C Landlord and Tenant Act 1985 and fees

29. The Applicant was overwhelmingly successful in this case and we allow his application under s.20C of the 1985 Act. In addition, we order the Respondent to repay his hearing and application fees – a total of £310.

Judge Shepherd

4th September 2025

ANNEX - RIGHTS OF APPEAL Appealing against the tribunal's decisions

1. A written application for permission must be made to the First-tier Tribunal at the Regional tribunal office which has been dealing with the case.

2. The application for permission to appeal must arrive at the Regional tribunal office within 28 days after the date this decision is sent to the parties.

3. 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.

4. The application for permission to appeal must state the grounds of appeal, and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers

5. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.