



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

Case reference : **LON/00AH/LDC/2025/0766**

Property : **Flat 8, 26 Fairfield Road, Croydon, CR0 5LH**

Applicant : **Navaid Ghouri**

Representative : **In Person**

Respondent : **Paragon Asra Housing Ltd**

Representative : **Devonshires LLP**

Type of application : **An application under section 27A
Landlord and Tenant Act 1985**

Tribunal : **Judge N O'Brien
Ms S Beckwith MRICS**

Date of hearing : **26 January 2026**

DETERMINATION

1. The tribunal determines that the Applicant is not liable to pay service charges in respect of any costs incurred by the Respondent on or after 20 January 2025.
2. The tribunal makes orders under s20C of the Landlord and Tenant Act 1985 and Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 so that none of the Respondent's costs of these proceedings may be sought from him as a service charge or administration charge
3. The tribunal orders the Respondent to reimburse the Applicant in respect of the fees paid in connection with these proceedings within 28 days of this determination.

Introduction

1. The applicant is the leasehold owner of Flat 8, 26 Fairfield Road, Croydon CR0 5LH pursuant to a shared ownership lease which commenced on 1 January 2021. Initially Mr Ghouri purchased a 30% share of the leasehold interest but in April 2025 he increased his share to 50%. The Respondent housing association is the lessor. The property is a flat in a self-contained detached building consisting of 9 flats. The Applicant is a director of 26 Fairfield Road RTM Company Ltd which acquired the right to manage the building pursuant to section 90(2) of the Commonhold and Leasehold Reform Act 2022. The date of acquisition of the right to manage was 20 January 2025.

The Proceedings

2. On 16 June 2025 the Applicant applied pursuant to section 27 of the Landlord and Tenant Act 1985 for a determination of his liability to pay service charges in respect of any relevant costs incurred by the Respondent on or after 20 January 2025. The applicant initially named the Respondent as Mr Michael McDonagh, the CEO of the Respondent. On 13 August 2025 the tribunal issued standard directions requiring the Respondent to send to the applicant all relevant service charge accounts and estimates for the years in dispute and all demands for payment and details of any payments made by 19 September 2025. The directions named Paragon Asra Housing Association as respondent and Mr McDonagh was recorded as its representative. The directions were sent to Mr McDonagh by email.
3. On 1 April 2025 a Ms Paul, a paralegal employed by the Respondent emailed the Tribunal to say that the directions had been received and that all further documents should be sent to her. On receipt of this email the tribunal issued further directions requiring the Respondent to comply with its initial disclosure obligations by 24 October 2025 and directed that if it failed to comply it would be debarred from defending the proceedings.
4. The Respondent did not comply. On 14 November 2025 the Tribunal received an email from Devonshires LLP confirming that they were instructed on behalf of London and Quadrant Housing Association in relation to these proceedings. This was later corrected to name the correct Respondent. Devonshires submitted that the Respondent had complied with the disclosure direction on 14 November 2025 and applied for a retrospective extension of time for compliance. The Applicant objected on the grounds that the Respondent in fact had only partially complied with the unless order. By an order dated 21 November 2025 Judge Jones confirmed that the Respondent had been debarred from further participation in the proceedings.

The Hearing

5. The hearing proceeded on 26 January 2026. The Applicant attended in person. There was no attendance by the Respondent or their representatives. The tribunal asked the case officer to contact Devonshires Solicitors to see if the Respondent intended to attend but received no response. The last communication that the tribunal had with the Respondent was an email from Devonshires on 9 January 2026 inquiring as to whether their client had been debarred. The tribunal responded by re-sending a copy of Judge Jones's order.
6. In the circumstances the tribunal was satisfied that reasonable steps had been taken to notify the Respondent of the hearing listed on 26 January 2026 and that it would be in the interests of justice to proceed in the absence of the Respondent.
7. We were provided with a 462-page bundle prepared by the Applicant for the hearing.

The Applicant's case

8. The applicant's case is that the Respondent has continued to demand payment of service charges following the acquisition of the Right to Manage by the RTM company on 20 January 2025. Notice of invitation to participate in the right to manage was sent to all leaseholders on 24 August 2024. The leaseholders of 6 of the 9 flats in the building agreed to particulate and notice to acquire the right to manage was sent by the RTM Company on 13 September 2024. No counternotice was served by the Respondent with the effect that the right to manage the building was transferred from the Respondent to the RTM company on 20 January 2025 by virtue of section 90(2) of the 2002 Act.
9. In his witness statement and in his application he states that the Respondent has effectively ignored the RTM company's acquisition of the right to manage and carried on regardless as regards providing and charging for services. Mr Ghouri states in his witness statement that the Respondent has failed to respond to requests to arrange for handing over management of 26 Fairfield Road. He has continued to pay the sums demanded by the Respondent, which consist of both rent charged on the share of the leasehold interest still owned by the Respondent and service charges. He told us that following his purchase of a further 20% of the leasehold interest in the property in April 2025 he has continued to pay rent of £389.59 per month and service charges of £208.71. Included in the bundle is his account covering debits and credits to his account from 1 January 2025 to 1 January 2026 which confirms that from 1 July 2025 he has been charged £598.30 per month.
10. Section 96 of the 2002 Act provides

(1) This section and section 97 apply in relation to management functions relating to the whole or any part of the premises.

(2) Management functions which a person who is landlord under a lease of the whole or any part of the premises has under the lease are instead functions of the RTM company.

(3) And where a person is party to a lease of the whole or any part of the premises otherwise than as landlord or tenant, management functions of his under the lease are also instead functions of the RTM company.

(4) Accordingly, any provisions of the lease making provision about the relationship of—

(a) a person who is landlord under the lease, and

(b) a person who is party to the lease otherwise than as landlord or tenant,

in relation to such functions do not have effect.

(5) “Management functions” are functions with respect to services, repairs, maintenance, improvements, insurance and management.

11. Sections 97(4) and (5) of the 2002 Act provide

(4) So far as any function of a tenant under a lease of the whole or any part of the premises—

(a) relates to the exercise of any function under the lease which is a function of the RTM company by virtue of section 96, and

(b) is exercisable in relation to a person who is landlord under the lease or party to the lease otherwise than as landlord or tenant,

it is instead exercisable in relation to the RTM company.

(5) But subsection (4) does not require or permit the payment to the RTM company of so much of any service charges payable by a tenant under a lease of the whole or any part of the premises as is required to meet costs incurred before the right to manage was acquired by the RTM company in connection with matters for which the service charges are payable.

12. We have no information from the Respondent as to why they have continued to provide and charge for services after the date after the RTM company acquired the right to manage and in any event they are debarred from participation in the proceedings.

13. The effect of the forgoing is that the Applicant leaseholder has no liability to pay service charges to the Respondent in respect of any costs incurred in the provision of services after 20 January 2025. We are not able to calculate what sums have been paid by the Applicant in respect of costs

incurred after that date as all charges appear to be based on estimates rather than incurred costs, and we have not been provided with a breakdown of the sums he has paid which relate to costs incurred in the period following the acquisition of the right to manage.

Application under s.20C and refund of fees

14. Taking into account the determinations above, the tribunal orders the Respondent to refund any fees paid by the Applicant within 28 days of the date of this decision.
15. In the application form the Applicant applied for orders under section 20C of the 1985 Act and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform. Taking into account the determinations above, the tribunal determines that it is just and equitable in the circumstances for orders to be made under both provisions so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge or as an administration charge.

Name: Judge N O'Brien

Date: 26 January 2026

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number),

state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).