



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

Case reference : **LON/00AH/LSC/2025/1046**

Property : **26 Vincent Road, Croydon CR0 6ED**

Applicant : **Ms Janice Phillips**

Representative :

Respondent : **Bickenhall Engineering Company**

Representative : **Hamways Limited**

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

Tribunal members : **Deputy District Judge Samuel sitting as a Tribunal Chair**
Jennifer Rodericks MRICS

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

Date of decision : **12 March 2026**

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the sum of £544.42 is payable by the Applicant in respect of the insurance premium for 2024/2025 and £500.17 for the year 2025/2026.
- (2) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985.
- (3) The tribunal determines that the Respondent shall pay the Applicant £327.00 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicant.
- (4) The Tribunal makes an order under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the 1985 Act”) as to the amount of service charges.
2. The Applicant challenges the insurance premium for 2024 and 2025; the period for which the insurance is invoiced is 1 April 2024 to 31 March 2025 and 1 April 2025 and 31 March 2026. The premium charged for 2024/2025 was £707.04 and the premium for 2025/2026 was £649.57.

The hearing

3. The Applicant appeared in person and Mr Cheetham, a financial controller for Hamways, appeared for the Respondent.
4. The Directions provided for witness statements and a bundle for the hearing.
5. There were no formal witness statements though Ms Phillips had provided a document outlining events and summarising her position. The Respondent did not provide a witness statement but did complete the Scott Schedule setting out their position.
6. Ms Phillips had explained her technical difficulties providing a bundle but provided one which annexed various emails and documents. The Respondent notwithstanding the direction for them to provide a separate bundle, if the parties could not agree, did not provide one.
7. The absence of a complete bundle meant the Tribunal had to trawl through the parties’ disclosure to try and find relevant information. This was time consuming and a breach of the Directions. Notwithstanding

the absence of witness statements, the Tribunal determined to hear the case, though the failures meant the hearing was longer than necessary and preparation for the Tribunal far longer than it should have been.

The background

8. The property which is the subject of this application is a converted two bedroom flat which forms part of a mid-terrace Victorian building with render elevations under a pitched and mansard tiled roof.
9. Neither party requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.
10. The Applicant holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease and will be referred to below, where appropriate.

The issues

11. At the start of the hearing the parties identified the relevant issues for determination as follows:
 - (i) The reasonableness of the 2024/2025 insurance premium.
 - (ii) The reasonableness of the 2025/2026 insurance premium.

The evidence

12. Notwithstanding the absence of witness statements the Tribunal decided to hear evidence from both Ms Phillips and Mr Cheetham, as he had personal experience in dealing with the case. The Tribunal was conscious of the need in the overriding objective to avoid unnecessary formality and seeking flexibility in the proceedings and this seemed a sensible way of proceeding.
13. Ms Phillips starting point was that up until 2019 her insurance premium was considerably lower than since then. Her premium in 2018 had been £299.70 but in 2019 it had risen to £650.78.
14. Her evidence, supported by a considerable number of emails, was that she had challenged this increase but had not received satisfactory responses. She had continued to challenge this over the years but decided to pay the premiums demanded up to 2024 but refer the premiums after

that to the Tribunal as she had not received satisfactory responses notwithstanding a new block manager being appointed in 2023.

15. She raised various issues that the Tribunal considered. The first was that in determining the reinstatement costs, the building had been considered as two separate units. The effect of this was, she argued, that there was double counting in the reinstatement costs. For example, both units were being charged for the reinstatement of the roof notwithstanding it being a single building.
16. Her other point was in relation to a desktop valuation from 25 May 2023 by Carter Jonas which had used a location factor for the London Borough of Hammersmith and Fulham and not Croydon. In an email of 4 August 2025 she pointed out that the location factor in the Carter Jonas assessment meant that the premium was considerably higher than had they used a location factor for Croydon.
17. She also presented a document from the internet showing that the demolition costs in the Carter Jonas assessment were considerably higher than those she had found on the checkatrade website.
18. Mr Cheetham explained that in 2019 a re-evaluation had been undertaken and the reinstatement value for 26 Vincent Road had increased from £99,329 to £295,400.
19. He further stated when the Carter Jones desktop re-evaluation in May 2023 was undertaken, the initial cost of reinstatement had risen to £380,000 and with all the other factors such as demolition and fees the total reinstatement costs had risen to £685,000. When apportioned to the two flats Ms Phillips valuation was £325,000. The assessment had been done in relation to the whole block and then apportioned on the respective sizes of the two units.
20. That valuation had then increased to £335,400 for 2024/2025 and £343,785 for 2025/2026. In addition to the premium there was also a premium for insurance against acts of terrorism.
21. When asked how the uplifts over the years was calculated he explained this was due to an uplift as advised by the Building Cost Information Service and inflation. He claimed these were reasonable.
22. He explained that the sum insured was 1.5 times the declared value of the building but that the premium was based on the declared value and not the sum insured.
23. When asked about the location factor in the Carter Jonas assessment he accepted that this had added 23% to each of the factors that made up the reassessment cost. In the Carter Jonas assessment in 2023 this meant an

additional £122,11.65 had been added to the costs assessment total and this would have also fed through to the subsequent increases for the years 2024/2025 and 2025/2026.

24. The Tribunal asked Mr Cheetham why, when this point was raised by Ms Phillips, no-one had responded to it or provided any evidence to the Tribunal as to what the actual location factor would have been for 26 Vincent Road. He argued that it would only have been a few percentage points different and sought to rely on evidence from their portfolio in Croydon, those which he cited were from 2018.

The lease and the law

25. The parties had not included the lease in the documents provided to the Tribunal but it was emailed to the Tribunal by Mr Cheetham during the hearing.
26. Clause 3(v) of the lease provides that the Lessor shall insure the property in the joint names of the lessor and lessees in respect of fire and other risks they may consider.
27. The Tribunal accepted that it was for the Lessor to arrange insurance and that this could also include the terrorism premium
28. A recent authority in this area is *Spender and 69 others v Fit Nominee Ltd* [2025] EWCA Civ 1578 which summarises *Waler v Hounslow London Borough Council* [2017] EWCA Civ 45:

21. The Court of Appeal dismissed the landlord's appeal. In the course of his judgment, Lewison LJ, with whom Patten and Burnett LJ agreed, identified the principles to be applied in considering whether costs were "reasonably incurred". The following is a summary:

(1) The overall purpose of s.19 is to ensure that tenants of flats are not required (i) to pay for unnecessary services or services which are provided to a defective standard, or (ii) to pay more than they should for services which are necessary and are provided to an acceptable standard (§17, citing [Daejan Investments Ltd v Benson](#) [2013] 1 WLR 854, at §42).

(2) The landlord had a discretion to carry out improvements. Where a contract empowers one party to make discretionary decisions which affect the rights of both parties, the law recognises that the exercise of discretion gives rise to a potential conflict of interest and restricts the exercise of discretion to what is rational (§20).

(3) A test of rationality applies a minimum objective standard to the decision maker's thought processes, importing a requirement of good faith, a requirement of some logical connection between the evidence and the ostensible reasons for the decision, an absence of arbitrariness or of capriciousness or perversity. Reasonableness, on the other hand, is an external, objective standard applied to the outcome of the decision maker's thoughts or intentions

(4) The rationality test applied both to a landlord's discretion to effect improvements and to its choice as between different methods of repair (§23).

(5) If the landlord incurs costs that are not justified by applying the test of rationality, then they fall outside the scope of the contractually recoverable service charge altogether. The [1985 Act](#) must have been intended to provide protection against costs which, but for its operation, would have been contractually recoverable. It follows that the statutory test in [s.19](#) (whether the relevant costs are "reasonably incurred") imposes more than a rationality test (§25).

(6) Part of the context for deciding whether costs have been reasonably incurred is the fact that, in principle, the cost is to be borne by the tenants, reinforced by the fact that no cost is a relevant cost unless it is part of an amount payable by a tenant (§26 and §27).

(7) The argument of the landlords that the focus of inquiry was solely on the landlord's decision-making process was rejected (§28 to §33). Whether costs have been reasonably incurred is not simply a question of process: it is also a question of outcome (§37).

(8) The same legal test applies to all categories of works falling within the scope of 'service charge' in [s.18 of the 1985 Act](#), but that does not mean that the legal and factual context applicable to one category of works rather than another can be ignored. In particular, there is a real difference between works which a landlord is obliged to carry out, and work which is an optional improvement (§42).

22. The difference between "process" and "outcome" was illustrated

in *Forcehux Ltd v Sweetman* [2001] 2 EGLR 173 , a decision of the Lands Tribunal (the equivalent in 2005 of the Upper Tribunal (Lands Chamber)), one of the authorities cited by Lewison LJ in *Waalder* . In that case, the tribunal accepted that the landlord had followed appropriate processes, but still found that the relevant costs were not reasonably incurred, because they were not reasonable in amount when tested against the market. The member identified, at §40 of the decision, two distinct questions:

”First, the evidence, and from that whether the landlord’s actions were appropriate, and properly effected in accordance with the requirements of the lease, the RICS Code and the 1985 Act . Second, whether the amount charged was reasonable in the light of that evidence. This second point is particularly important as, if that did not have to be considered, it would be open to any landlord to plead justification for any particular figure, on the grounds that the steps it took justified the expense, without properly testing the market.”

The tribunal’s decision

29. The tribunal determines that the amount payable in respect of insurance premiums for the years 2024/2025 and 2025/2026 should be reduced by 23%.

Reasons for the tribunal’s decision

30. Ms Phillips had not provided any comparable quotations and the Tribunal could not accept the excerpt from the checkatrade website as it provided no context or relevance to the issue before the Tribunal.
31. The Tribunal also did not accept that the valuation exercise had started by providing separate reinstatement costs for each flat rather than starting with the building as a whole and then dividing the resulting figure between the two flats. The Tribunal’s analysis of the Carter Jonas assessment was that they were clearly aware there were two flats and that the reinstatement cost was for the whole building. The assessment finishes with a division between the two flats. There was no evidence that the Tribunal could accept that the assessment had been done as suggested by Ms Phillips.

32. The material issue was however the incorrect use of the additional costs that would be incurred in reinstatement because the property had been found to be located in the London Borough of Hammersmith and Fulham rather than Croydon.
33. No explanation had been given to the Tribunal as to why this mistake had happened but more importantly when the issue was raised by Ms Phillips back in August 2025. It clearly had a material impact on the amount of the declared value of 26 Vincent Road which in turn had an impact of the calculation of the premium.
34. The Tribunal had not been provided with any evidence of what the correct location factor would have been. There was either a choice to leave it as it was, pluck a percentage figure out of the air or to disallow the location factor in full.
35. The Tribunal accepted that this was not an issue of bad faith but the failure to rectify the error or even acknowledge the issue was at the least careless.
36. The process followed in using desk top assessment and then using an insurance broker to find a reasonable quotation was not a decision making process that was necessarily unreasonable.
37. The Tribunal reminds itself that it is not necessary for the landlord to satisfy the Tribunal that the premium charged was the lowest available but the burden of establishing that an insurance charge is reasonably incurred is on the Landlord on the balance of probabilities. [*Cos Services Ltd v Nicholson* [2017] UKUT 382 (LC) at 37]
38. In the absence of any evidence as to the correct location factor, the Tribunal is not satisfied that the Respondent has on the balance of probabilities established that the location factor used was correct or even close to correct.
39. The Respondent chose not to comply with directions, chose not to provide a witness statement and chose not to deal with the issues raised by the Applicant. Had they done so, they may have provided the Tribunal with a more accurate location factor multiplier for Croydon. They did not do so and it is not for the Tribunal to use its best guess as to what that location factor multiplier would be.
40. The Tribunal therefore determines that the location factor multiplier should be stripped out of the declared value thereby reducing the resultant premium for 2024/2025 and 2025/2026 by 23%.
41. The premium due for 2024/2025 is therefore £544.42 and the premium due for 2025/2026 is £500.17.

Application under s.20C and refund of fees

42. At the end of the hearing, the Tribunal discussed with the parties whether there should be a refund of fees, an order under section 20C and / or paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.
43. Given the failure of the Respondent to deal with the issues raised by Ms Phillips, it appears the application to the Tribunal was entirely reasonable and the Respondent is to refund the fees paid by the Applicant of £327 within 28 days of this decision
44. The Tribunal also discussed whether an order under section 20C should be made. Although the Respondent indicated that no costs would be passed through the service charge, for the avoidance of doubt, the tribunal nonetheless determine that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.
45. Further the Tribunal makes an order under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 that there is no liability on the Applicant to pay any administration charges incurred by the Respondent in relation to this litigation.

Communication after the hearing

46. The Respondent emailed the Judge directly with further evidence relating to the location factor multiplier after the hearing had finished. The Tribunal discussed this and agreed that they would not read the attachments to the email for the following reasons:
 - (i) The Judge's email had been provided during the Tribunal in order for it to be sent the lease. At the time, the Tribunal clearly informed the Respondent that the email was not to be used thereafter.
 - (ii) No permission was given for further evidence.
 - (iii) There was no application to rely on late evidence or explanation as to why that evidence had not been capable of being provided until after the hearing had finished.

- (iv) The evidence should have been provided in accordance with the Directions issued to the parties and accompanied by a witness statement.
- (v) The Respondent chose not to provide a response beyond the Scott Schedule, witness statements or a bundle.
- (vi) As the evidence had been provided within a day of the Tribunal finishing, there had clearly not been any impediment on providing the evidence before.
- (vii) The Tribunal has considered Rule 18(6) of the Tribunal Procedure (First Tier Tribunal) (Property Tribunal) Rules 2013. Even had there been an application to admit the late evidence, the provisions of Rule 18(6)(b)(i-iii) would militate against admitting it and the overriding objective does not assist the Respondent.

Name: Judge Samuel

Date: 12 March 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).