FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Tribunal case reference	**:**	**CAM/26UG/LSC/2025/0691**
Property	**:**	**167 High Street, London Colney, St Albans, AL2 1RP**
Applicant	**:**	**Dr M. Ware**
Respondent	**:**	**Assethold Ltd**
Representative	**:**	**Eagerstates Ltd**
Type of application	**:**	**Liability to pay service and administration charges (section 20C Landlord and Tenant Act 1985; paragraphs 5 and 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002)**
Tribunal members	**:**	**Judge M. Hunt** **Mr G. Smith MRICS**
Date of hearing	**:**	**11 March 2026 (remote hearing)**
Appearances at hearing	**:**	**Dr M. Ware (the Applicant)** **Ms E. Gurvits (for the Respondent)**
Date of decision	**:**	**16 March 2026**

DECISION

1. As it has not been validly demanded, the administration charge is not currently payable. As it was unreasonably incurred and is unreasonable in amount, it will not be payable even if validly demanded.

2. None of the Respondent's costs incurred, or to be incurred, in connection with these proceedings may be charged to the Applicant by way of service or administration charge.

3. The request for an order requiring the Respondent to reimburse the Tribunal fees paid by the Applicant's is refused.

REASONS

Introduction

1. The Applicant is a leaseholder of premises at 167 High Street, London Colney, St Albans, AL2 1RP (the "Property"). The Respondent is the freeholder of the Property. It has appointed Eagerstates Ltd to manage the Property and the wider development within which it is situated in accordance with the terms of a lease dated 24 August 1995 (the "Lease"). So far as relevant, the Lease provides that the Applicant must pay rent to the Respondent and pay its reasonable costs related to the recovery of arrears of rent.

2. In July 2025, the Applicant was late paying his rent. The Respondent chased payment and charged the Applicant an administration charge of £150. The Applicant challenges that administration charge. He also seeks orders shielding himself from having to contribute towards any costs incurred by the Respondent in defending these proceedings, as well as for the Respondent to reimburse him the Tribunal fees he had to pay to bring these proceedings.

3. In determining the application, the Tribunal heard submissions and evidence from the parties. It considered a file of documents extending to 53 pages, some of which were double-sided. It is grateful to all for their attendance, evidence and submissions. The facts were very largely agreed; it was the reasonableness of the administration charge that was primarily in issue. On the very few occasions the Tribunal had to make findings of fact, it did so on the balance of probabilities taking account of all of the information available to it.

Relevant law

4. The Commonhold and Leasehold Reform Act 2002 provides a statutory framework for the management of administration charges imposed on a tenant of a dwelling. The framework is contained in schedule 11. Paragraph 1 of the schedule provides a definition of "administration charge", which includes sums payable by a tenant in respect of any failure to make payments to any other party to their lease when they fall due and sums payable in connection with a breach of covenant or condition in their lease.

5. Paragraph 2 is as follows.

   "***Reasonableness of administration charges***

   2. A variable administration charge is payable only to the extent that the amount of the charge is reasonable".

6. Paragraph 5 explains how administration charge disputes are to be resolved. It provides as follows, so far as is relevant.

   "***Liability to pay administration charges***

   5. (1) An application may be made to the appropriate tribunal for a determination whether an administration 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) Sub-paragraph (1) applies whether or not any payment has been made".

7. Part VI of the Landlord and Tenant Act 1987 prescribes information that must be furnished to tenants of dwellings, including relating to administration charges. Section 47 provides as follows (so far as relevant).

   "***47. Landlord's name and address to be contained in demands for rent etc***

   (1) Where any written demand is given to a tenant of premises to which this part applies, the demand must contain the following information, namely—

   (a) the name and address of the Landlord…

   (2) Where—

(a) a tenant of such premises is given such a demand, but

(b) it does not contain any information required to be contained in it by virtue of subsection (1),

then (subject to subsection (3)) [not relevant here] *any part of the amount demanded which consists of a service charge or an administration charge ("the relevant amount") shall be treated for all purposes as not being due from the tenant to the landlord at any time before that information is furnished by the landlord by notice given to the tenant*".

8. Paragraph 5A of schedule 11 to the Commonhold and Leasehold Reform Act 2002 provides that a landlord can be prevented from seeking to recover some or all of its costs in connection with legal proceedings, such as the application before this Tribunal, from a tenant via an administration charge. The Tribunal "*may make whatever order on the application it considers to be just and equitable*".

9. A similar provision in relation to the recovery of costs via a service charge is found at section 20C of the Landlord and Tenant Act 1985.

10. Section 166 of the Commonhold and Leasehold Reform Act 2002 is as follows.

"***166. Requirement to notify long leaseholders that rent is due***

(1) A tenant under a long lease of a dwelling is not liable to make a payment of rent under the lease unless the landlord has given him a notice relating to the payment; and the date on which he is liable to make the payment is that specified in the notice.

(2) The notice must specify—

(a) the amount of the payment,

(b) the date on which the tenant is liable to make it, and

(c) if different from that date, the date on which he would have been liable to make it in accordance with the lease,

and shall contain any such further information as may be prescribed.

...

(4) If the date on which the tenant is liable to make the payment is after that on which he would have been liable to make it in accordance with the lease, any provisions of the lease relating to non-payment or late payment of rent have effect accordingly".

11. Section 167 of the Commonhold and Leasehold Reform Act 2002 is as follows.

"***167. Failure to pay small amount for short period***

(1) A landlord under a long lease of a dwelling may not exercise a right of re-entry or forfeiture for failure by a tenant to pay an amount consisting of rent, service charges or administration charges (or a combination of them) ("the unpaid amount") unless the unpaid amount—

> *(a) exceeds the prescribed sum* [currently £350]*, or*
>
> *(b) consists of or includes an amount which has been payable for more than a prescribed period* [currently three years].

...

(3) If the unpaid amount includes a default charge, it is to be treated for the purposes of subsection (1)(a) as reduced by the amount of the charge; and for this purpose "default charge" means an administration charge payable in respect of the tenant's failure to pay any part of the unpaid amount".

12. Rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 allows the Tribunal to order a party to reimburse another party for any Tribunal fees paid.

13. General contractual law principles apply to the payment of administration charges. To the extent that a lease does not require a leaseholder to pay one, they are not obliged to do so.

The Lease

14. The Lease details the parties' agreement. It was agreed between the parties that it requires the Applicant to pay to the Respondent a yearly rent of £200 on 24 June of each year. That does not strictly reflect clause 2.3.1 of the Lease, which foresees payment of rent by "*half yearly payments in advance on the 24th June and 25th September in every year*". The Tribunal was not directly determining issues as to the payment of rent and was content to proceed on the basis of the parties' agreement that it was payable in full every 24 June.

15. Clause 2.3.2(b) requires the Applicant to pay the Respondent's "*proper costs charges and expenses*" in connection with any breach of the Applicant's covenants. Those covenants include the payment of rent (clause 3.2.1). Clause 3.2.2 stipulates that if any "*rents and other monies due under this Lease shall remain unpaid ten days after they shall have become due*" then interest will be payable.

16. Clause 3.16 requires the Applicant to pay:

"*all proper costs fees charges disbursements and expenses (including but not limited to those payable to solicitors surveyors Counsel and bailiffs) reasonably incurred by the Landlord:*

3.16.1 incidental to or in contemplation of the preparation and service of … a notice under sections 146 and 147 of the Law of Property Act 1925 (notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court);

3.16.2 in connection with the recovery or attempted recovery of arrears of rent or other sums due…".

17. Clause 7.1 says that, if any rent is unpaid for 14 days after it becomes due, the Respondent can re-enter and repossess the Property.

The issues

18. The main issue for the Tribunal was whether the administration charge had been reasonably incurred and was reasonable in amount. A separate but related issue was whether it was currently payable in any event.

19. The final issue was whether the Tribunal should make any orders on account of costs.

Facts

20. The annual rent of £200 was demanded from the Applicant on 28 May 2025 by way of two documents. One was the demand in the prescribed form, required by section 166 of the Commonhold and Leasehold Reform Act 2002. It required payment of £200 by 3 July 2025. The other was in the form of an Eagerstates Ltd invoice, requesting payment of £602.84 by 24 June 2025.

21. The amount requested of £602.84 was made up of £200 on account of rent and £402.84 "*outstanding from previous account*". This was an error as there was no £402.84 outstanding. Accordingly, the invoice gave both an incorrect amount and incorrect due date. It included an explicit reference to section 47 of the Landlord and Tenant Act 1987, giving the Respondent's name and address.

22. The Applicant promptly emailed the Respondent on 31 May 2025 to say that there was no amount outstanding from the previous year and requesting an "*updated invoice with only the amount payable for this year*".

23. The Respondent replied on 4 June 2025 to say "*[t]he only amount showing as due on your account is the current account of £200*". No new invoice was provided.

24. Neither party sent any further communication or did anything obvious about the issue until 7 July 2025. On that date, the Applicant paid the Respondent £200 on account of rent. In parallel (although unbeknownst to the Applicant at the time of payment), the Respondent prepared a "Notice of Proceedings" stating that:

> "*[i]t is a condition in your lease that the freeholder has the right to forfeit your lease and take possession of your flat for non-payment.*
>
> *You have left us no choice but to begin proceedings to apply to court for a "Possession judgement" on your flat.*
>
> *Your lease also entitles us to recover all our costs in relation to these proceedings. Our initial costs for arranging the file for the solicitors is detailed below".*

25. Those "initial costs" constituted the £150 administration charge in dispute in these proceedings. A summary of a tenant's rights in respect of administration charges was appended to the letter. No mention was made in the letter to section 47 of the Landlord and Tenant Act 1985 or to the Respondent's name and address.

26. The next day, the Respondent sent an email to the Applicant to confirm receipt of the rent, requesting payment of the £150 administration charge in addition.

27. Several exchanges then took place about the administration charge. On 9 July 2025, the Respondent confirmed the initial invoicing error concerning the £402.84 was "*due to a system change*". The administration charge was described as "*a fixed charge and is incidental to Section 146, as outlined in the terms of your lease*". On 11 July 2025, the Respondent wrote that the "*notice of proceedings is the first step* [in forfeiture proceedings] *and if you would have not paid the account then it would have escalated higher*". The Respondent wrote that it was "*fully aware of the laws*", refers to the Lease providing that "*costs incidental to 146 are payable*", and that the "*notice of proceedings is a formal notice that has commenced*".

28. After exchanging offers to settle the dispute (which were not accepted), the Applicant instigated these proceedings. In its statement of case, the Respondent recorded the rent due date as 24 June 2025 and that it was overdue by 13 days by 7 July 2025. It also stated the £150 administration charge reflected 55 minutes of time spent on the matter, including "*Draft Notice of Proceedings (incl. statutory summary)*". In its "supplemental response to Applicant's reply", the Respondent recorded that the "Primary Basis" to the administration charge was clause 3.16.2 of the Lease (general provision regarding arrears), not clause 3.16.1 (relating to forfeiture). It again stated the rent due date was 24 June 2025.

29. In light of that chronology, the Tribunal found as a fact that the "notice of proceedings" had been drafted on the basis that forfeiture of the Lease had been in the contemplation of the Respondent at the time of drafting. This is clearly reflected in the repeated references to section 146 of the Law of Property Act 1925 (both in the notice and subsequent correspondence) and in the time allegedly spent on preparing the notice – close to an hour, with specific reference to a "statutory summary". A simple chaser for payment could not conceivably have taken anywhere near that length of time, which demonstrates that a more formal process was under consideration.

30. At the hearing, the Respondent said (and the Tribunal accepted as fact) that it would not typically impose any administration charges where payments are delayed for a short period. It would usually simply send a polite reminder initially. This seemed to the Tribunal to be a supportive and considerate approach to such issues. It is only when payment remains outstanding thereafter that further and more robust steps would be taken. This fact further supports that the notice of proceedings sent to the Applicant was indeed a formal notice in contemplation of potential forfeiture proceedings, rather than a more informal debt recovery step.

Conclusions

31. The first issue the Tribunal considered was whether the administration charge had been validly demanded and was therefore currently payable "in principle". It could not identify anywhere in the "notice of proceedings" the name of the Respondent or its address, as required by section 47 of the Landlord and Tenant Act 1987. This notice amounted to the formal administration charge demand and it was accompanied by the requisite summary of rights. The Respondent was unable to provide any evidence that the administration charge had otherwise been validly demanded.

32. The Respondent highlighted that the Applicant had not clearly raised this complaint in his application, but it was an obvious issue for the Tribunal to consider. The Respondent has appointed an experienced managing agent, which included specific reference to section 47 of the Landlord and Tenant Act 1987 in its invoice to the Applicant of 28 May 2025. It was given the opportunity to address the matter at the hearing. In truth, there was little it could say as the evidence was perfectly clear. The Tribunal is bound to apply the law, especially when it is clear and well-known, including to this particular Respondent. Accordingly, the Tribunal concluded that the application must succeed to the extent that the administration charge was not currently payable.

33. This issue can be corrected by the Respondent. It was therefore appropriate for the Tribunal to also address the parties' principal dispute, which was whether the administration charge would be payable, if subsequently validly demanded.

34. For two main reasons the Tribunal concluded it would not be so payable. The first relates to whether the charge was "reasonably incurred" for the purposes of clause 3.16.2 of the Lease. The second relates to whether it was reasonable in amount. The two plainly overlap.

35. In relation to whether the administration charge was reasonably incurred, clause 3.16.2 provides that the Applicant needs only pay the "proper costs ... reasonably incurred" by the Respondent in recovering arrears of rent. The Tribunal considered a number of factors were relevant to assessing the reasonableness of the charge.

36. Firstly, the Tribunal considered the best gauge to be the context of the Lease itself. The Lease gives two examples of timeframes within which action on late payment will be taken. The first and most relevant is clause 3.2.2, which provides that interest will accrue if payment is outstanding for ten days. The second contemplates re-entry after 14 days. In this case, due to the operation of section 166 of the Commonhold and Reform Act 2002 (the "2002 Act"), including sub-section (4), the date the rent became due was 3 July 2025. That was explicitly and clearly stated in the requisite prescribed form sent to the Applicant on 28 May 2025. The due date in the Lease of 24 June became secondary and largely irrelevant thereafter. In light of sub-section (4) of the 2002 Act, interest would only have started to run from ten days after 3 July 2025 and re-entry could only have been contemplated from 14 days after 3 July 2025. The rent was paid on 7 July 2025, only four days late.

37. Therefore, although plainly it was permissible for the Respondent to chase up payment, especially as it was late, the Lease clearly allows for a degree of tolerance around payment deadlines.

38. Secondly, the administration charge was imposed on the basis that forfeiture was in contemplation. However, forfeiture was not lawfully available to the Respondent, whether under the Lease (14 days not having elapsed since the rent due date) or due to the restriction imposed by section 167 of the 2002 Act. The debt did not exceed £350 (even including the administration charge, which is specifically not to be taken into account), nor had it been outstanding for three years.

39. Incurring costs pursuing a course of action that is not lawfully available to the Respondent is plainly unreasonable.

40. Thirdly, the Applicant had not ignored the debt. He noted receipt of the invoice dated 28 May 2025 and that it contained errors. It was a formal demand for payment. He promptly (and entirely correctly) queried it and requested a revised invoice. The Respondent accepted its error but failed to provide a corrected invoice. This is despite formal demands for payments from leaseholders being subject to numerous well-known statutory controls, including section 166 of the 2002 Act, section 47 of the Landlord and Tenant Act 1987 and the two sets of regulations requiring tenants to be provided with specific summaries of their rights relating to service and administration charges. The Respondent has appointed an experienced managing agent who should be, and clearly is, aware of its responsibilities in this respect: it provided the rental demand in the prescribed form, it refers to the 1987 act in its invoices and supplied the Applicant with the relevant summary of rights when required.

41. Instead of providing a revised invoice, the Respondent sent a one-line email to the Applicant that did not refer to the invoice error or indeed to rent at all. It simply said £200 was due on the current account. It did not say that the £200 was referrable to the rent demanded and would only become due on 3 July 2025. The Respondent submitted that should and would have been clear to the Applicant. The Tribunal concluded it should defer to the statutory requirements, which are premised on landlords having to be very clear to their tenants about payments that are required. Those requirements exist at least in part (if not wholly) to avoid precisely this sort of dispute. The most obvious, reasonable and proper answer to the Applicant's request was to provide a replacement invoice. At the least, a clear explanation of the invoicing error was appropriate.

42. It is not for the Tribunal to dictate to landlords how many invoices it can send to its tenants about rent. It simply notes that section 166 of the 2002 Act requires one to be provided in a prescribed form. If a landlord wishes to supply a separate invoice in addition, it would be well-advised to provide consistent information about both the amount due and the due date. In this case, it did not. The invoice was wholly misleading about both matters. The only relevance to that for present purposes is whether it was reasonable for the Respondent to incur costs pursuing the late payment of rent, without providing a fresh invoice or at least crystal clarity to the Applicant about what he had to pay and when. The Tribunal found it was not reasonable to do so.

43. Fourthly, the Respondent had proceeded throughout on the basis that the rent was due on 24 June 2025 and therefore that payment was 13 days late. This was incorrect. It had itself specified in the prescribed rental demand that it was only due on 3 July

2025; this became the only relevant date. The Tribunal would have had no concerns about a landlord chasing up late payments after 13 days, but that simply was not the case. The Respondent proceeded to impose an administration charge on a wholly erroneous basis, with no good reason or explanation, which again renders its imposition unreasonable.

44. For all those reasons, both individually and cumulatively, the Tribunal found the administration charge was not reasonably incurred. In relation to whether it was reasonable in amount, as it was not reasonably incurred, it follows that it was not reasonable in amount. Additionally, in circumstances where the Respondent typically issues first chasers for payment without imposing administration charges, charging the Applicant £150 was plainly disproportionate and unreasonable. All that the Applicant had requested was a fresh and accurate invoice. That is a standard and core part of a manging agent's responsibilities that does not result in administration charges. It could have been provided with the usual "free" chaser. There was no good explanation for why that was not done; imposing any amount of administration charge for an activity that usually attracts no additional fee will often result in it being considered unreasonable in amount and the Tribunal found accordingly. This is not to say that the Respondent must always send an informal chaser prior to imposing an administration charge. However, in all the circumstances of this case, it was not reasonable to do so.

Costs

45. The Applicant has ultimately been entirely successful in his application. The Tribunal has rejected all of the Respondent's submissions. Accordingly, it is appropriate for the Applicant not to have to bear any of the Respondent's costs of the litigation, whether by way of administration or service charge. The Respondent in any event quite reasonably accepted that it would not seek to pursue its costs via the service charge. On that basis, the Tribunal found that it would be just and equitable to allow the applications made under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of the 2022 Act "in full", such that none of the Respondent's costs of the litigation can be recovered from the Applicant.

46. However, the Tribunal was very mindful that the proceedings originated in the Applicant's failure to pay his rent on time. Regardless of the confusing supplemental invoice he received on 28 May 2025, he was provided with a demand for rent, in the prescribed form, with a clear due date of 3 July 2025. It contains a "note for leaseholders" explaining his obligations. He had paid rent previously, knew it was payable and the Lease is clear about that. There was no good reason why he did not pay it on time; he did so without further prompt four days late. The proceedings

would have been entirely avoided had he done so, so the Tribunal was not satisfied it should make any order as to the reimbursement of Tribunal fees.

Judge M. Hunt

16 March 2026