FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**CAM/26UD/LSC/2025/0693**
Property	:	**5 Queen Alexandra House, 2 Bluecoats Avenue, Hertford, SG14 1PB**
Applicant	:	**Mr Ryan Wilson**
Representative	:	**In person**
Respondent	:	**(1) Ashmark Estate Management Limited** **(2) Property Investment London Limited**
Representative	:	**For the First Respondent: Mr M Markou, trainee solicitor** **For the Second Respondent: no attendance or representation**
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	:	**First-tier Tribunal Judge K Neave** **First-tier Tribunal Judge C Morgan** **Tribunal Member D Hunt**
Venue	:	**Remote hearing by CVP**
Date of decision	:	**23 March 2026**

DECISION

Decisions of the tribunal

(1) The tribunal determines that the following sums are payable by the Applicant in respect of the service charges in dispute in these proceedings:

a. Fire alarm - £0.00.

b. Electricity - £34.85.

(2) The tribunal determines that the administration charges imposed by the Respondents totalling £870.00 are not payable by the Applicant.

(3) The tribunal makes the determinations as set out under the various headings in this Decision.

(4) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the Applicant through any service charge.

(5) The tribunal makes an order under paragraph 5A of the Commonhold and Leasehold Reform Act 2002 extinguishing the Applicant's liability to pay administration charges in respect of litigation costs of these proceedings.

(6) The tribunal determines that the Respondents shall pay the Applicant £341 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicant.

The application

1. By an application dated 25 July 2025, the Applicant tenant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and administration charges payable by him to the Respondents in the 2024 service charge year.

2. It is apparent from the service charge documents referred to below that the service charge year in this case runs to 24 March in each year.

The background

3. The background to this matter is set out in the 286-page hearing bundle, which we have considered in detail.

4. Flat 5, Queen Alexandra House (being the flat that is the subject of this application) is a two-bedroom flat in a purpose-built block of six flats. Neither party requested an inspection of the flat or the block and the tribunal did not consider that any inspection was necessary and nor would it have been proportionate to the issues in dispute.

5. The Applicant holds a long lease of Flat 5 dated 26 May 2017 between (1) Bluecoats Nominee One Limited and Bluecoats Nominee Two Limited and (2) Ian Nichols and Natalie Nichols for a term of 125 years from 1 January 2017 ("the Lease").

6. The First Respondent was the Second Respondent's managing agent in relation to the block in the service charge year in question. The Second Respondent is the freehold owner of the block in which Flat 5 is situated.

7. The block is now managed by an RTM Company, which acquired the right to manage on 9 December 2024.

8. On 14 November 2025, Judge Wyatt gave directions in this matter requiring the Respondents to provide copies of all service charge accounts, demands, invoices and contracts. This was to be followed by the Applicants' statement of case and schedule of the sums in dispute, and then the Respondents' statement of case and completed schedule. Further time for the Respondents to comply with the directions was granted on 5 December 2025, however the Respondents failed to file their statement of case and completed schedule by the extended deadline of 23 January 2026. On 30 January 2026, Judge Wyatt made an order barring both Respondents from participating in the proceedings, though they were informed that both were expected to attend the hearing.

The hearing

9. At the hearing, which took place by CVP on 27 February 2026, the Applicant attended in person. The First Respondent was represented by Mr Markou, a trainee solicitor. There was no attendance or representation on behalf of the Second Respondent.

10. After 4pm on the day before the hearing, the First Respondent made a written application to the tribunal under rule 9 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 to lift the bar imposed by Judge Wyatt and to allow the First Respondent to rely on the following documents:

    (i) A statement of case dated 26 February 2026 and accompanying document entitled "schedule 1 of bundle".

    (ii) A completed Scott schedule.

11. On the morning of the hearing, the First Respondent also filed and served a note setting out its position on the application.

12. After a short adjournment to allow the Applicant to consider these documents and the application, the Applicant confirmed that he did not object to the lifting of the bar to permit the First Respondent to rely on these documents and for Mr Markou to make submissions on the First Respondent's behalf. Mr Markou accepted that he had not prepared a witness statement and could not give evidence to the tribunal. He confirmed that he attended the hearing in his capacity as representative for the First Respondent only.

13. In light of the Applicant's position, it was in our judgment in accordance with the overriding objective, and particularly the need to approach the matter proportionately and flexibly, and to ensure (so far as practicable) that the parties were able to fully participate in the hearing, to allow the application. Accordingly, we lifted the bar on the First Respondent imposed on 30 January 2026 and permitted it to rely on the documents referred to above.

14. We were satisfied that we should proceed with the hearing in the absence of the Second Respondent under Rule 34 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. Notice of hearing had been sent by the Tribunal office to both Respondents and we were therefore satisfied that the Second Respondent had been notified of the hearing or that reasonable steps had been taken to notify it of the hearing. We were also satisfied, having considered the Tribunal's overriding objective, that it was in the interests of justice to proceed with the hearing. Given the Second Respondent's failure to engage with these proceedings and the extant barring order against it, it did not appear likely to us that an adjournment of this matter would serve any useful purpose (and indeed, no adjournment had been sought). Nor would delay be proportionate to the straightforward issues in dispute nor the resources of the Applicant and the Tribunal. Accordingly, we proceeded with the hearing in the Second Respondent's absence.

15. The Applicant adopted his application, statement of case and Scott schedule as his evidence. Mr Markou confirmed that he did not wish to ask any questions of the Applicant in cross-examination. Both the Applicant and Mr Markou made submissions. We reserved our decision.

The issues

16. At the start of the hearing the parties identified the relevant issues for determination as follows:

(i) Whether the sums demanded by the Respondents by way of service charge detailed in the Applicant's Scott schedule are recoverable under the terms of the Lease and are reasonable.

(ii) Whether the administration charges demanded by the Respondents in the 2024 service charge year detailed in the Applicant's Scott schedule are recoverable under the terms of the Lease and are reasonable.

(iii) Whether any order should be made under section 20C of the 1985 Act or paragraph 5A of schedule 11 of the 2002 Act in respect of the landlord's costs of these proceedings.

(iv) Whether any order should be made in respect of the reimbursement of Tribunal fees paid by the Applicant.

17. Having heard evidence and submissions from the parties and considered all of the documents provided, the tribunal makes determinations on the various issues as follows.

The Lease

18. The following are the material terms of the Lease:

(i) The Lease is granted for a term of 125 years from 1 January 2017 to 31 December 2141.

(ii) ""*Rent Payment Dates" means 25 March and 29 September in each year*".

(iii) ""*Service Charge" means a fair and reasonable proportion determined by the Landlord of the Service Costs*".

(iv) *""Service Charge Year" means the annual accounting period relating to the Services and the Service Costs beginning on 1 April in 2017 and each subsequent year during the Term provided that the Landlord may from time to time … change the date on which the annual accounting period starts …"*

(v) *""Service Costs" means the costs listed in Schedule 7 Part 2*"

(vi) *""Services" means the services to be provided by the Landlord and listed in Schedule 7 Part 1".*

(vii) By clause 6.1, the tenant covenants to observe and perform the Tenant Covenants.

(viii) By paragraph 2.1 of schedule 4, the tenant is required to pay the estimated Service Charge for each Service Charge Year in two equal instalments on each of the Rent Payment Dates.

(ix) By paragraph 2.3 of schedule 4, if in respect of any Service Charge Year, the estimated service charge is less than the Service Charge then the tenant is required to pay the difference within 28 days of demand. If the estimate exceeds the Service Charge then the difference is to be credited against the next instalment.

(x) By paragraph 7 of schedule 4, the tenant is required to pay to the landlord on demand "*the costs and expenses (including any solicitors' surveyors' or other professionals' fees, costs and expenses and any VAT on them) assessed on a full indemnity basis incurred by the Landlord … in connection with or in contemplation of any of the following:*

(a) *the enforcement of any of the Tenant Covenants;*

(b) *preparing and serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court…*"

The service charge demands/accounts/budgets

19. Notwithstanding the order of Judge Wyatt requiring the Respondents to disclose copies of all demands and accounts relating to the service charge year in question, all that the Respondents provided was:

(i) An amended interim assessment of maintenance charge for the period 25 March 2024 to 24 March 2025 dated 30 November 2024.

(ii) A statement of account relating to Flat 5 indicating that demands for the estimated service charge had been made as follows:

(a) on 25 March 2024 for the period 25 March 2024 – 29 September 2024;

(b) on 29 September 2024 for the period 29 September 2024 to 24 March 2025; and

(c) on 22 November 2024 a credit note entitled "apportionment for RTM" had been applied to the Applicant's service charge account.

Service charges

20. By the time of the hearing, the issues between the parties in respect of the 2024 service charge year had been substantially narrowed, largely due to the Respondents' disclosure of invoices and other documents. We accept, having considered the correspondence in the hearing bundle, that the Applicant made numerous requests for these invoices to be disclosed to him before these proceedings were issued, but it was only when ordered by the Tribunal that the First Respondent disclosed the invoices that the Applicant sought, and even then it did so belatedly, following an initial breach of Judge Wyatt's directions.

21. In his Scott schedule, the Applicant identified the following sums as being in issue:

(i) Fire alarm costs in the sum of £45.38, in respect of which the Applicant contends that no service charge is payable.

(ii) Electricity costs in the sum of £49.02, in respect of which the Applicant contends that only £34.85 is payable.

22. In light of the terms of the Lease set out above and the limited disclosure of demands and accounts in relation to the service charge year in question, it was unclear to the tribunal why it was being asked to consider invoices for incurred expenditure at all. We were not provided with any final accounts for 2024. Mr Markou said that the First Respondent had prepared the amended interim assessment of service charges in November 2024 because of the acquisition of the right to manage by the RTM company and the need to recover service charge expenditure made before the acquisition date, but it does not appear that the Respondents followed the procedure set down in section 94(2) of the 2002 Act for the landlord to pay over on the acquisition date the accrued uncommitted service charges "*less so much (if any) of that amount as is required to meet the costs incurred before the acquisition date in connection with the matters for which the service charges were payable*".

23. Neither was Mr Markou able to provide us with any convincing argument that the terms of the Lease permitted the Respondents to amend the estimated service charge part way through the service charge year on the acquisition of the right to manage. On the face of it, the Lease makes no such provision.

24. However, neither of these points were raised by the Applicant, and in light of our findings below, we do not need to determine them.

25. As to the fire alarm costs, the amended interim assessment of maintenance charge for the period 25 March 2024 to 24 March 2025 makes provision for these costs in the sum of £354.00. The Applicant's point, set out squarely in his Scott schedule, is that there is no evidence of any fire alarm or smoke ventilation maintenance contract for the relevant period, nor records (for example invoices and bank statements) to show that these costs were ever incurred.

26. The Respondents did not produce any witness statements in support of their position in this application. Though Mr Markou attended the hearing in order to represent the First Respondent, he accepted that he could not give evidence. He showed us invoices and documents in the hearing bundle (particularly those at pages 235 – 238 and 243), but these documents related to the door entry system, not the fire alarm system. Mr Markou submitted that these costs were mistakenly allocated to the fire alarm in the amended interim assessment, not to the door entry system as they should have been. However, there was no adequate evidence before us upon which we could find on balance that this was the case. Further, there was no evidence about the nature of the fire alarm or smoke ventilation system at the property, nor of the Respondents' considerations when setting a budget for these sums, nor of the arrangements that the Respondents made to have the system serviced or maintained.

27. For all these reasons, we are not satisfied that the provision in relation to the fire alarm and smoke ventilation system (of £354.00) was reasonably incurred within the meaning of section 19(1) of the 1985 Act or reasonable within the meaning of section 19(2) of the 1985 Act. We refer to both "limbs" of the section 19 test because, for the reasons set out above, it is wholly unclear whether the interim assessment was intended to seek reimbursement for costs that had by then been incurred, or were yet to be incurred.

28. As to the electricity costs, the Applicant accepts in his Scott schedule that £34.85 is payable by him, but points out that the other invoice relied upon by the Respondents to justify the balance (the balance being £49.02) of the sum demanded in this period in fact relates to a payment made by the First Respondent on 4 February 2024, which is before the service charge year that is the subject of the amended interim assessment of maintenance charge (being the period 25 March 2024 to 24 March

2025). Mr Markou confirmed that no final accounts had been prepared for the year ending 24 March 2024, in which this payment ought properly to have been included. He could not point to any provision in the Lease which entitled the Respondents to recover expenditure made in previous service charge years in an interim assessment for the following year where the landlord had not prepared final accounts, calculated the actual service charge. We find that there is no such provision. We agree with the Applicant that he is liable to pay only £34.85 in respect of the electricity costs, which is the amount that he admits and agrees.

Administration charges

29. The Applicant challenges administration charges totalling £870.00. Though we were provided with copies of letters that the First Respondent's solicitors had sent to the Applicant's mortgage lender demanding administration charges in the sum of £600, we were only provided with email demands made directly to the Applicant on 10 April 2025, on which date the First Respondent's solicitors purported to demand three administration charges of £90 each.

30. Mr Markou confirmed that the Respondents rely on paragraph 7 of schedule 4 of the Lease in demanding these administration charges, the terms of which have been set out above. Though he asserted that a summary of rights and obligations had been sent with the administration charge demands, he was not able to give evidence to that effect and no copy of any summary was included in the hearing bundle.

31. However, there was no evidence before us of: i) whether these costs have actually been incurred by the Second Respondent; nor ii) what the costs related to (that is to say, what work was done in order to incur and justify the costs). All that is said in the statement of case prepared by the First Respondent is that "*these charges are recoverable administration charges under the lease, incurred in contemplation of enforcement under the terms of the lease and Schedule 11 CLRA 2002, in relation to the admitted outstanding service charges*". That statement is insufficient in our judgment and lacking in important detail – it is unclear who has incurred these costs, there is no evidence that they have been paid by the landlord or that the landlord is under any liability to pay them and there is no information about what work was done.

32. There is accordingly no adequate evidence upon which we could conclude on balance that these costs were incurred by the Second Respondent in connection with or in contemplation of the enforcement of the terms of the lease, nor indeed that the costs were incurred by the Second Respondent at all. We find accordingly that the costs are not recoverable under paragraph 7.1 of schedule 4 of the Lease.

33. As to reasonableness, similar points apply. There is no evidence of what work was done to justify the charges nor how they are made up. The sums demanded are on their face extremely high for what ought to be routine account management work for experienced managing agents. It is accordingly for the Respondents to explain how they came to impose the charges in dispute in the amounts that they did. The Respondents have failed to do so and we do not consider that the sums charged are reasonable. Neither is there any sufficient information before us upon which we are able to form a view about what administration charges might be reasonable in the circumstances.

34. The Applicant invites us therefore to find that none of the sums demanded are payable and we do so.

Application under s.20C, paragraph 5A and refund of fees

35. The Applicant asked the tribunal to order the Respondents to refund the fees that he has paid in respect of the application and hearing. In light of both Respondents' failure to properly engage with the issues in dispute and given that the Applicant has been the successful party in this application we determine that the Respondents should reimburse the Applicant the sum of £341 in respect of his application and hearing fees within 28 days of the date of this decision.

36. The Applicant also applied for an order under section 20C of the 1985 Act. We note that the property is now managed by the RTM company, and therefore the Respondents are unlikely to be able to recover any sums from the Applicant through the service charge. In any event, having heard the submissions from the parties and taking into account the determinations above, the tribunal determines that if legal costs would be recoverable by the Respondents under the terms of the Applicant's lease by way of service charge we consider 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 Respondents may not pass any of their costs incurred in connection with the proceedings before the tribunal through the service charge. The Applicant has been the successful party in these proceedings, and the Respondents have not adequately engaged with the points that the Applicant raised in his statement of case.

37. For like reasons, we also make an order under paragraph 5A of the 2002 Act extinguishing the Applicant's liability to pay administration charges in respect of litigation costs of these proceedings. Though Mr Markou confirmed that the First Respondent had no intention of imposing any such charges, no similar assurance was provided by the Second Respondent.

Name: Judge K Neave **Date:**

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).