



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

Case reference : **LON/00BG/LSC/2025/0636**

Property : **Flats 72 & 73 Candy Wharf, 22
Copperfield Road, E3 4RL**

Applicant : **Candy Wharf RTM Company Limited**

Representative : **J.B.Leitch Solicitors**

Respondent : **Magri Developments Limited**

Representative : **Mr P Magri**

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 : **Judge H Carr
Mr S. Mason FRICS**

**Venue and date of
hearing** : **10 Alfred Place, London WC1E 7LR
16th February 2026**

Date of decision : **13th March 2026**

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the sum of £22,041.07 is payable by the Respondent in respect of the service charges for the years 1/09 2021 - 31/ 08 2022, 1/09/2022 – 31/08 2023 and 01/09/2023 - 31/08 2024
- (2) The tribunal makes the determinations as set out under the various headings in this Decision.
- (3) The tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985.
- (4) Since the tribunal has no jurisdiction over (i) the claim for damages in relation to the mediation agreement (ii) the assertion of payments made to the Applicant and (iii) county court costs and fees, this matter should now be referred back to the County Court.

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 and administration charges payable by the Respondent in respect of the service charge years .
2. Proceedings were originally issued in the County Court under claim No. L30YX715. The claim was transferred to this tribunal, by order of District Judge Lampkin on 10th January 2025.

The hearing

3. The Applicant was represented by Mr Stuart Armstrong of Counsel at the hearing. Mr Sherreard and Mr Ahmed of the Applicant’s managing agents attended the hearing and Mr Sherreard gave evidence on its behalf.
4. The Respondent appeared was represented by Mr Peter Magri, one of its directors, who gave evidence on its behalf. Mr Braiden was also in attendance for the Respondent
5. Immediately prior to the hearing the Applicant handed in a copy of a credit note provided to the Respondent and a service charge demand with the prescribed statutory information attached. Mr Magri objected as he considered he was being bombarded with additional documents, but as both these documents were in his possession, and they were in direct response to the matters he raised in his statement of case, the tribunal did not consider that he was prejudiced by their late admission and admitted them.

The background

6. The property which is the subject of this application is a duplex Flat known as 72 and 73 Candy Wharf which forms part of the residential development known as Candy Wharf. The development was constructed between 2003 to 2006 by Magri Builders Limited. The property is one of two duplex apartments added in 2007. Both duplex apartments have their own private terraces and comprise of two floors.
7. The development is an 8 storey building comprising 79 flats and two commercial units as well as car parking. The west wing of the building provides affordable housing and the service charges in respect of that block are separate to the east wing which is managed by the Applicant and comprises 60 private residential flats.
8. The commercial premises are on the ground floor of the development. On the lower ground floor there is car parking and on the first to the sixth floor are residential apartments.
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 is the Right to Manage Company of the development. It collects and demands service charges and insures the Building. The service charge year runs from 1st September to 31st August.
11. The Respondent 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 will be referred to below, where appropriate.
12. The Directors of the Respondent Company, Peter Alfred Magir and Paul L Magir are also the freehold owners and developers of the development.

The issues

13. In the directions the relevant issues for determination were identified as follows:
 - (i) The payability and/or reasonableness of service charges of £22,041.07 (including £234.00 administration charges for arrears administration and a balancing charge of £2937.47 for the service charge years 1/09 2021 - 31/ 08 2022, 1/09/2022 – 31/08 2023 and 01/09/2023 - 31/08 2024

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

The terms of the lease

15. The relevant service charges provisions of the lease are summarised by the Applicant as follows:

- (i) Under clause 2(1)(b) the tenant covenanted to pay the Service Charge in accordance with the Fourth Schedule;
- (ii) Paragraph 1 of the Fourth Schedule provides that “Service Charge” is a reasonable proportion of the “Expenditure on Services”;
- (iii) “Expenditure on Services” is the sum expended in fulfilling the landlord’s obligations in the Sixth Schedule. The only provisions relevant to this application are paragraphs 8 and 9 (which relate to insurance).
- (iv) Paragraph 5 of the Fourth Schedule provides that the Service Charge may include sums towards a reserve or sinking fund;
- (v) Under paragraph 7 of the Fourth Schedule the tenant is to pay an interim service charge on 1 March and 1 September each year;
- (vi) Under paragraph 8 of the Fourth Schedule the tenant is to pay any deficit between the estimated and actual service charge forthwith on service of a service charge statement.

16. No issue has been raised by the Respondent in connection with the terms of the lease.

Service and administrative charges totalling £22,041.07

17. The Applicant explained that, following the Respondent’s failure to pay service charges due for the service charge years ending 31 August 2022, 31 August 2023 and 31 August 2024, the Applicant issued a claim in the

county court for £30,390.64. Of this amount £22,041.07 related to service charges (including a £234 arrears administration fee).

18. The Applicant sets out in its statement the following information about the service charges and administrative charges comprised in the claim

Description	Period	Sum Due
Service Charge	01/09/2022– 28/02/2023	£3,689.57
Arrears Administration Fee	18/10/2022	£234.00
Service Charges	01/03/2023– 31/08/2023	£5,069.57
Balancing Service Charge	01/09/2021– 31/08/2022	£2,937.47
Service Charge	01/09/2023– 29/01/2024	£4,711.73
Reserve Fund	01/09/2023– 29/02/2024	£343.50
Service Charge	01/03/2024– 31/08/2024	£4,711.73
Reserve Fund	01/03/2024– 31/08/2024	£343.50
Total		£22,041.07

19. The Applicant argues that the services charges demanded for the years 1st September 2021 – 31st August 2024 are reasonable and payable including the balancing charge and that the administration charges are reasonable and payable with interest.
20. The Respondent challenges the reasonableness and payability of the total sum of £22,041.07.

21. Mr Magri on behalf of the Respondent says that he has not received all of the invoices that were requested and that were required to be provided by the Directions. He argues that the persistent refusal to provide essential documentation is a violation of the obligations imposed by the lease and the applicable statutory framework
22. The Re-Amended Directions issued by the FTT on 2nd October 2025 directed that the Applicant must by 31st October 2025 send to the Respondent: copies of all invoices relating to matters disputed by the Respondent in its statement of case. After considerable delay, and persistent requests from the Respondent, the Applicant, having requested a further delay, produced the information emailing copies of invoices on 28th November 2025. These were sent after the Respondents office was closed for the weekend, causing a further time delay for the Respondent. The Respondent wrote to the Applicant by email on 23rd December 2025 with queries regarding the information supplied in relation to the accounts 2021-2022, 2022-2023, 2023- 2024, asking for a reply by 6th January 2026 so that the Respondent could consider the responses before submission of the witness statements on the agreed date of 8th January 2026. The Applicant has not responded to the queries, nor provided the missing invoices, and the Respondent argues that it is clear from the email trail above that the Applicant has consistently sought to delay and deny the Respondent the opportunity to scrutinise the service charge accounts.
23. The Respondent has provided copies of its queries in Appendix A. To help expediate matters at the tribunal, the Respondent has narrowed down the queries to all matters highlighted in yellow on the attached schedule (Appendix A, Pages 009)
24. The Respondent made a number of further arguments.
25. First of all, it claims that there was a lack of service charge transparency. The Respondent says that Canonbury Management the managing agents appointed by the Respondent when it took over the running of the building on 24th June 2018 were aggressive, remote and unresponsive when residents faced emergencies.
26. Secondly the Respondent says that there has been mismanagement by the Applicant of the property. The Respondent complains that the managing agents Sterling Estate Management who took over the management from Canonbury Management should not have removed the loss of rent cover from the buildings insurance policy. This covers loss of rent for the ground floor commercial units owned by Magri. The Respondent says this should not have been removed as there is a likelihood of damage to the ground floor units from issues in the upper floors like flood. It also says that having a separate policy makes claims complicated so that although it has taken out its own insurance policy for loss of rent it does not consider that this is a sensible course of action.

27. The Respondent makes a further claim of mismanagement arguing that leaseholders have been made to pay increased insurance service charge through mismanagement and negligence by the managing agents and the Applicant. It argues that following a leak at the property the insurance premiums have massively increased. When the respondent requested a competitive insurance quote they were advised against it to avoid market saturation.
28. The Respondent had made a range of arguments about the waking watch. In the statement of case the Respondent argued that monies it had paid because it is the landlord of the property in relation to the waking watch which was subsequently removed, have not yet been reimbursed. The Applicant argued, and the Tribunal agreed, that this dispute was not part of the service charge dispute where the Respondent is appearing as a leaseholder.
29. In a witness statement, but not in its statement of case the Respondent made challenges to the balancing charge of £2,937.47. In particular it argues that there was no formal consultation or Section 20 Notices for the Waking Watch Waking Watch or Fire Systems Repairs and Maintenance so these items should be limited to the statutory amount of £250 payable per leaseholder
30. Although the Respondent made an allegation that the service charge demands were not statutorily compliant, following the production of a service charge demand with the statutory information attached, the Respondent did not make any submissions on this point.

The response of the Applicant

31. The Applicant argues that the Respondent's statement of case fails to comply with paragraph 4 of the Directions. Its argument is that at no point does the Respondent set out the amount which it disputes in relation to insurance or management costs. In addition the Applicant says that the Respondent has failed to make a proper challenge to the service charges in dispute.
32. The Applicant also argues that the Respondent makes criticisms of the service charges up to and including the year ending 31st August 2021. The Applicant argues that the Respondent cannot make those criticisms.
 - (i) Firstly the current claim only relates to the years from September 2021 – 31st August 2022 and later years
 - (ii) Secondly, the service charges years for 1st September 2019 – 31st August 2021 were the subject of a previous court case and the FTT application was settled by a Mediation Agreement. The Applicant argues that the

Respondent cannot seek to re-open the matters settled by that agreement.

33. The Applicant makes the following responses to the allegations made by the Respondent.
34. It says that it provided an opportunity for the Respondent to inspect the invoices at its offices. The Respondent said that the two hour period offered was not sufficient.
35. The Applicant was unable to answer all the issues raised by the Respondent because they related to a period prior to the current managing agents. However, it was able to resolve a major query which was in relation to a refund by the social landlord which is the landlord of the social housing in the development. It produced a credit note demonstrating that the money had been reimbursed to the service charge account.
36. The Applicant says there has not been mismanagement by the Applicant and argues that criticisms of Canonbury Management are irrelevant and are unparticularised.
37. The allegations of failure to provide information or allow inspection are not accepted by the Applicant. Moreover this allegation is not a ground to challenge reasonableness. The appropriate course of action is to make an application for specific disclosure if that is necessary to enable the Respondent to challenge service charges. The Applicant in any event has given disclosure as required by the Directions. Invoices were provided on 28th November 2025.
38. The Respondent's complaint that the loss of rent has been removed from the insurance cover is irrelevant and provides no basis to affect the payability of the insurance premium. The premium was reduced as a result, and not increased and a refund was obtained and passed on to the leaseholders.
39. The Applicant also refers to the obligation to insure the premises contained in paragraph 8 of the Sixth Schedule. This obliges the Applicant to insure the cost of reinstating and rebuilding the Premises. There is no obligation to insure for loss of rent. In those circumstances it is proper that the Applicant should not pay an increased premium to cover loss of rent.
40. The increases in insurance premiums are not the fault of the RTM. The RTM has at all times sought to obtain competitive quotes via their managing agents

41. Payments made by the Respondent in respect of the Waking Watch is in their capacity as Landlord and not as Tenant.
42. The Applicant denies that the previous managing agents had an aggressive style of management but say that this is irrelevant to the claim as the sum outstanding relates only to the period of management by the current managing agents, Stirling Estate Management

The Canonbury service charge accounts

43. The majority of issues raised by the Respondent relate to periods which are either outside of the claim or form part of the Mediation Agreement. Therefore, the Respondent cannot re-litigate them and they are estopped from re-opening a cause of action as they have agreed to the same. The Applicant will respond to the pertinent issues raised where appropriate and were not agreed as part of the Mediation Agreement.
44. Paragraph 9 - The Applicant denies that it has obstructed the Respondent from accessing financial documents at any time as per the attached correspondence at pages 109-113 of the Bundle. Notwithstanding this, the service charges from 1 September 2019 to 31 August 2021 were settled as part of the Mediation Agreement. The accounts for the year ending August 2022 to August 2024 were disclosed to the Respondent on 28 February 2025 in line with the Directions. A copy of the email serving Disclosure is attached hereto at pages 121-143 of the Bundle. The Respondent has been aware that all times it could attend at the Applicant's managing agent's offices to inspect the invoices and/or any other relevant documentation regarding the accounts.

Insurance

45. There is no express or implied provision in the Lease which states insurance must be provided for loss of rent of the commercial units, and in any event the statutory obligations of the RTM company do not extend to recovery of rent from the commercial units which are excluded units. It is well established that RTM companies cannot manage the commercial parts of the Building (*Victoria Place Flats RTM Company Ltd and others v Assethold Limited* - HAV/00HP/LSC/2024/0523). Further at no time has the Applicant agreed with the Landlord that it will insure for this purpose. Consequently, no such insurance will be provided by the Applicant, and this does not constitute a breach of the Applicants statutory obligations. Indeed, to provide such cover would ultimately risk non - recovery of that element of the service charges from the Leaseholders.
46. The Respondent's assertion that insurance refunds (relating to loss of rent cover) were mishandled is denied. Any adjustments to cover were made on the advice of the appointed parties representing the Applicant

upon renewing the insurance and not to the prejudice of the Respondent. The Applicant understands the loss of rent is not a service charge item which the building service charge should carry, i.e. the residential lessees should not be contributing towards this cost.

47. The Applicant also denies that there has been any mismanagement of insurance claims by the Applicant. Whilst the Applicant acknowledges that a leak occurred in 2018 it robustly denies any suggestion of negligence or mismanagement. At the time, Canonbury classified the issue as a non-communal matter based on initial inspections and the information available from professional contractors.
48. Whilst it is admitted that there has been a substantial claims history for water ingress, this is not due to anything done by the Applicant. The Applicant has worked diligently over the years with the assistance of its managing agents to improve the claims performance and reduce the insurance premiums to a more reasonable level. The Applicant attached a claims history at page 66 of the bundle
49. Any reports of water ingress are investigated and dealt with in a timely manner and in the event it relates to the RTM's responsibilities and obligations under the Lease it is remedied by the RTM via their managing agents within a reasonable time frame.
50. The Applicant acknowledges that the insurance premium has been increased. The Applicant exhaustively explored all options to reduce the premiums to be paid both with its managing agents and its brokers to obtain the most competitive quote. The directors of the Applicant company are leaseholders and are therefore also adversely impacted by the increases in insurance. When the premium is set the insurer takes into consideration the claims history and inflationary increases looking at buildings with similar risk profiles. A number of claims have been submitted on the policy relating to water ingress. The building insurers also increased the premium due to perceived risks following defects identified as a result of surveys carried out post the Grenfell Fire. It is important to note that due to the Applicant's proactive action to remediate identified defects a more competitive insurance premium was negotiated during recent renewal.
51. Steps taken by the Applicant to obtain a competitive quote are
 - (i) It engaged with multiple brokers including Tysers to ensure all options were covered. Unfortunately, there was limited response due to the challenging conditions. Underwriters such as AXA, Aviva, RSA, Zurich and others declined on the basis of insufficient information regarding insulation materials and the overall risk profile of the property. Whilst First Underwriting was interested, they requested specific

details on the foam filler material used in the cladding and without this they were unable to provide terms.

- (ii) The Applicant made all efforts to reassure the insurance companies by demonstrating proactive risk management, by way of example regular rodding and drainage checks. They also undertook discussions with Steve Cooper of Hollis, an expert in fire safety to clarify the fire safety implications of the insulation materials. However, despite the Applicant's efforts to obtain clarification of the foam filler material within the cladding nothing definitive could be obtained or the exact composition of the cladding. The only viable quotation was obtained via St Giles, the current insurer. Given the limited market options, the Directors decided to proceed with the renewal through St Giles with index linking.
- (iii) Again in 2023 and 2024 the Applicant actively approached the insurance market to obtain the most competitive quotes. Whilst the market exercise was undertaken numerous insurers declined insurance and these included Allianz, Arch Insurance, Aviva, AXA, First Underwriting, NIG, Royal and Sun Alliance, Zurich. Irrespective of this the Applicant was fortunate to negotiate concessions which included the following:
 - (a) Removal of exclusions related to louvre shutters upon confirmation of their security
 - (b) Increase of the Property Owner's Liability (POL) to 5 million Reduction of the storm excess of £10,000
 - (c) A 10% rebate clause on the net premium if no claims occurred during the policy year
- (iv) In addition the Applicant undertook risk mitigation and site improvements which included:
 - (a) Regular site meetings and inspections Engagement with MJ Fire for fire safety information
 - (b) Ongoing work on a PAS9980 Report in collaboration with SEM Planned installation of fire alarm systems and consideration of

Premises Information Box (PIB) and Building Safety Case Report (BSC)

52. Irrespective of the proactive approach by the Applicant it became clear that insurer requirements required detailed information on materials, fire safety systems and claims history and hence given the development's prior claims and market saturation prohibited obtaining other competitive quotes.
53. The Applicant and its managing agents were proactive in taking steps to mitigate premium increases by obtaining alternative quotes where possible.
54. The Applicant argues that the Respondent's case that there was no consultation on the Waking Watch and the Fire Systems Repairs and Maintenance should be dismissed by the Tribunal. This argument was not made in the Respondent's statement of case. It relates to a period prior to the claim, and whilst the Applicant accepts that some part of the balancing charge will relate to these items, in order for it to defend itself it would need a proper statement of case. The Respondent's argument is not substantiated with evidence and moreover, it was only mentioned in passing in the Respondent's statement of case. The Applicant would have to investigate matters preceding the period of the current managing agents. Moreover, if it was found that consultation was required, which is not agreed, it would need time to make an application for dispensation. The applicant argues that it is totally inappropriate for this matter to be considered now.

The tribunal's decision

55. The tribunal determines that the amount of £22,041.07 claimed by the Applicant is payable and reasonable.

Reasons for the tribunal's decision

56. The Tribunal agrees with the Applicant that the Respondent has failed to make a proper challenge to the disputed service charges and has failed to make clear in its challenge how much of the service charge it is disputing.
57. The Tribunal accepts the evidence of the Applicant that it offered to make invoices available to the Respondent at its offices. In addition the Tribunal does not accept that the Respondent had a right to examine each invoice to check that the sums demanded are payable and reasonable. The queries raised by the Respondent in respect of the invoices are not such as to make any substantive case that the monies demanded are not reasonable and payable. The Applicant has responded to the queries raised at the hearing to the best of its ability and knowledge.

58. The Tribunal also accepts the argument of the Applicant that any challenge to the balancing charge relating to a failure to consult needed to have been made properly. The Respondent did not make clear to the Tribunal how much of the balancing charge related to the consultation argument. The Respondent also failed to make clear to the Applicant that it was making such a challenge in its statement of case. This was necessary as any failure is now historic, so the challenge required to be particularised, and the Respondent given an opportunity to investigate, respond and if appropriate make an application to dispense with consultation. The Respondent failed to provide the Applicant with that opportunity.
59. The Tribunal finds that the insurance charges are reasonable and payable. It finds that the Applicant has used its best endeavours to achieve a reasonable quotation, in very difficult circumstances.
60. The Tribunal also determines that any allegations of mismanagement by the previous managing agents have either not been made out, or have no relevance to the claim before it.

The next steps

61. This matter should now be returned to the County Court.

Name: Judge H Carr

Date: 13th 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).