



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

**Case reference** : **LON/00BF/LSC/2025/0989**

**Property** : **Flats 1, 3 & 4 Poets House,  
47 Erskine Road, Sutton, SM1 3AT**

**Applicants** : **Kathleen Joan Maynard (Flat 1)  
Radoslav Ivanov Totev (Flat 3)  
Lukasz Grzegorz Gardyna and Marzena  
Anna Liberra-Gardyna (Flat 4)**

**Representative** : **Alexander Bissett (Counsel) instructed  
by Coles Miller LLP**

**Respondent** : **Assethold Limited**

**Representative** : **Eagerstates 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** : **Judge Robert Latham  
Susan Coughlin MCIEH**

**Date and Venue of  
Hearing** : **19 February 2026 at  
10 Alfred Place, London WC1E 7LR**

**Date of decision** : **23 February 2026**

**Date of review  
decision** : **16 April 2026**

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**DECISION ON REVIEW**

**(Carried out under rule 55 of the Tribunal Procedure (First-tier  
Tribunal) (Property Chamber) Rules 2013. The Tribunal  
highlights in red the amendments which have been made)**

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## Decisions of the Tribunal

- ~~(1) The Tribunal determined that none of the service charges demanded by the Respondent on 6 March 2023 and 4 March 2024 are payable as the Respondent is not the registered owner of the property.~~
- ~~(2) Had the Respondent been the registered owner of the property, the Tribunal would have determined~~
- (3) **The Tribunal determines** that the following service charges were payable for the period 21 December 2022 and 5 February 2024:
  - (i) Insurance: £1,500, in respect of which each Applicant is potentially liable for 20%;
  - (ii) Communal electricity: £525, in respect of which each Applicant is potentially liable for 25%;
  - (iii) All other items are disallowed.
- (4) The Tribunal makes orders under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 so that none of the Respondent's costs of these proceedings may be charged to the Applicants either through the service charge account or as an administration charge.
- (5) The Tribunal determines that the Respondent shall pay the Applicants £341 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicants.

## The Application

1. By an application, dated 4 August 2025, the Applicant tenants seek a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the Act”) as to the amount of service charges payable for the service charge years December 2023 to March 2023 and March 2023 to December 2024 in respect of their flats at Poets House, 47 Erskine Road, Sutton, SM1 3AT (“the Property”). On 8 October 2025, the Tribunal emailed a copy of the application to the Respondent.
2. On 22 October 2025, the Tribunal issued Directions. The case was set down for hearing on 19 February 2026. The first step was for the Respondent to provide disclosure. The Directions provided:

"By 12 November 2025 the landlord shall send to the tenant by email copies of all relevant service charge accounts and estimates for December 2022 – March 2023 and March 2023 – December

2024, together with all demands for payment of service charges and details of any payments made"

3. On 27 October 2025, the Tribunal emailed a copy of the Directions to the parties. The Respondent did not comply with this Directions. On 17 November 2025, the Applicants applied for a debarring order. On 6 January 2026, the Tribunal wrote to the Respondent asking it to explain why it has not complied with the Directions. It made the following Direction:

"BY 4:00pm on 12 January 2026 the Respondent must confirm to the Tribunal and send a copy to the Applicant confirming: (i) If they have complied with Direction 2 and if not, why; (ii) What action they intend to take to remedy the breach and (iii) Why they should not be barred from taking any further part in the proceedings as a result".

4. On 12 January 2026, the Respondent emailed to the Tribunal, copied to the Applicants, two letters addressed to Ms Maynard dated 6 March 2023 and 4 March 2024.
5. On 13 January 2026, the Applicants wrote to the Tribunal complaining that the Respondent had still not complied with the Directions and making a further request for a debarring order. On 5 February 2026, the Tribunal emailed the Respondent a Notice that the Tribunal was minded to bar the Respondent from further participation in the proceedings pursuant to Rule 9(3), ((7) and 9(8) of the Tribunal (Procedure) (First-Tier Tribunal) (Property Chamber) Rules 2013 ("the Tribunal Rules"). The Notice stated:

"The Tribunal is minded to bar you from further participation in these proceedings on each or any of the following grounds, namely that:

- (i) you have failed to comply with the Tribunal's directions;
- (ii) you have failed to co-operate with the Tribunal, such that the Tribunal cannot deal with the proceedings fairly and justly; and
- (iii) the Tribunal considers that the manner in which the proceedings are being conducted are frivolous or vexatious, or otherwise an abuse of the process of the Tribunal."

6. The Parties were invited to make written representations on the question whether the Respondent should be debarred. The initial notice required such representations to be made by 16.00 on 18 February 2026. However, in view of the imminency of the hearing, on 11 February, the Tribunal emailed an amended Notice requiring representations to be made by 16.00 on 13 February. The Respondent has not made any representations whether by 16.00 on 11 February or 18 February 2026.

7. Meanwhile, the Applicants have done their best to comply with the further Directions so that the case can proceed today:
  - (i) On 9 December 2025, the Applicants served their Statement of Case and Scott Schedule.
  - (ii) On 13 January 2026, the Applicants each served a witness statement.
  - (iii) On 30 January 2026, the Applicants served a Bundle of Documents extending to 244 pages, to which reference will be made in this decision.
8. The Respondent has had the opportunity to respond to the Applicant's case, but has failed to do so.

### **The Hearing**

9. The Applicants were represented by Mr Alexander Bisset (Counsel) instructed by Coles Miller LLP. He provided a Skeleton Argument. He was accompanied by Mr Radoslav Ivanov Totev and Mrs Marzena Anna Liberra-Gardyna. Mrs Liberra-Gardyna gave evidence.
10. There was no appearance from the Respondent. Mr Bisset applied for the Respondent to be debarred from defending the claim pursuant to rule 9(3), ((7) and 9(8) of the Tribunal Rules. We made such an order, albeit that this is largely academic in that the Respondent had failed to appear.
11. In any event, the Tribunal was satisfied, having regard to rule 34 of the Tribunal Rules, that it was in the interests of justice to proceed with the hearing in the absence of the Respondent. We were satisfied that it was aware of the hearing and had made an informed decision not to attend.
12. Mr Bisset provided a Skeleton Argument. He contended that there were two issues for the Tribunal to determine:
  - (i) Are the service charges payable in that the Respondent has no more than an equitable interest in the Property; and
  - (ii) Are the service charges reasonable?
13. At the hearing, the Applicants produced a number of additional documents which should have been in their Bundle.

### **The Leases**

14. The Tribunal has been provided with copies of the leases for the three flats. The lease for Flat 1 is at p.130-167. PICS Investments Ltd ("PICS")

granted Ms Maynard a lease for a term of 125 years from 29 September 2017. The service charge year is from 1 April. Each Tenant is required to make a "fair and reasonable" contribution too the service charge. The service charge provisions are set out in Schedule 7.

15. The Tenant covenants to pay the estimated service charge in four equal instalments on 25 March, 24 June, 25 September and 25 December (Schedule 4, paragraph 2.1).
16. Before, or as soon as possible after each Service Charge Year, the Landlord covenants to send the tenant an estimate of the service charge costs for the year. As soon as reasonably practicable after the end of the Service charge Year, the Landlord covenants to send to the Tenant a certificate showing the service charge for the Service Charge Year (Schedule 6, paragraph 4). The Landlord further covenants to keep accounts, records and receipts relating to the Service Costs and to permit the Tenant, on giving reasonable notice, to inspect the accounts, records, and receipts. These mirror the statutory rights set out in section 21 of the Act.

### **The Law**

17. Section 18 of the Landlord and Tenant Act 1985 ("the Act") defines the concepts of "service charge" and "relevant costs":

“(1) In the following provisions of this Act “service charge” means an amount payable by a tenant of a dwelling as part of or in addition to the rent—

(a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord’s costs of management, and

(b) the whole or part of which varies or may vary according to the relevant costs.”

(2) The relevant costs are the costs or estimate costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with matters for which the service charge is payable.”

18. Section 19 gives this Tribunal the jurisdiction to determine the reasonableness of any service charge:

“(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period—

(a) only to the extent that they are reasonably incurred, and

(b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard;

and the amount payable shall be limited accordingly.”

19. In *Enterprise Home Developments LLP v Adam* [2020] UKUT 151 (LC) at [28], Martin Rodger KC, the Deputy President, restated the important principle that it is for the party disputing the reasonableness of sums claimed to establish a prima facie case.

### **The Background**

20. Poets House is now a semi-detached house with five flats. In August 2015, PICS acquired the freehold and converted the Property to create the five flats. Flat 47 A has its own entrance. The other four flats, including the flats of the three Applicants, share a common entrance. The First and Third Applicants are the original lessees, their leases being dated 3 July 2018 and 7 January 2019. In September 2022, the Second Applicant acquired Flat 3.
21. On 21 December 2022, PICS sold the freehold interest to the Respondent. However, the Respondent has not registered its interest at the Land Registry. The Applicants have provided Official Copy of Register of Title, dated 22 January 2026, which still records PICS as the freehold owner.
22. On 22 December 2022, Eagerstates Ltd ("Eagerstates") wrote to the tenants to inform that they had been appointed to manage the Property on behalf of the Respondent who was the new owner. Eagerstates stated that they would be continuing the service currently at the Property for the time being.
23. On 6 March 2023 (at p.64), Eagerstates issued a demand to the tenants for payment of a service charge of £1,310.71 for the period "December – March 2023". The letter purported to provide "Accurate Service Charge Account" for this period, albeit that the service charge year did not end until 31 March. The demand was not made in accordance with the terms of the lease. There was a demand for the fee of an accountant, albeit that no audited service charge accounts have been provided.
24. The Applicants sent a number of letters querying the sums demanded, dated 20 March, 20 April, 27 April, and 17 January 2024. Mrs Liberra-Gardyna sent these by recorded delivery. Particulars were sought of the

sums demanded. Invoices were requested. The Respondent did not respond to these letters.

25. On 14 March 2023, the Applicants incorporated Poets House RTM Company Limited ("the RTM Company") with a view to acquiring the statutory Right to Manage ("RTM"). On 20 March 2023, the RTM Company served its Claim Notice on both PICS and the Respondent. A purported counter notice, dated 28 April 2023, was served. It was signed by Mr Ronni Gurvits, who was described on the counter notice as "duty authorised agent of PICS Investments Ltd". The address given was that of Scott Cohen, solicitors. On 26 June 2023, Gentle Mathias LLP, solicitors for PICS, emailed the Tribunal and requested they be removed as a Respondent, in the light of the transfer. That application was allowed by the Procedural Judge. The Applicants produced an email from a Mr Abdul Siddeek, a director of PICS, which stated that "PICS Investment Ltd never authorised Ronni Gurvits to sign/issue this counter notice". In a Statement of Case dated 15 August 2023, Mr Gurvits referred for the first time to a counter notice, dated 28 April 2023. This had been signed on the Respondent's behalf by Eagerstates Limited. In the applicant's Reply date 18 August 2023, the applicants denied having received service of the Respondent's counter notice and referred to the fact no previous mention of this notice had been made by the Respondent, either to the applicant or to the tribunal and the Applicant's request for proof of service of this counter notice had not been answered.
26. On 12 September 2023, (LON/00BF/LRM/2023/0016), Judge Tagliavini found that no valid counter-notice had been served and that the statutory RTM had been acquired. The Judge rejected the Respondent's contention that it had served a counternotice. The Respondent sought permission to appeal, but this was refused.
27. On 8 January 2024, the RTM Company wrote to the Respondent confirming that it would take over the RTM on 6 February 2024. On 6 February, the RTM Company acquired the statutory RTM and assumed responsibility for the management of the Property. On the same day, the RTM Company wrote to the Respondent confirming this. The RTM Company repeated the previous requests for a full breakdown of costs and invoices. No response was received. The RTM Company repeated the requested breakdowns of costs and invoices, noting that it was crucial for them to have a clear understanding of the financial transactions. There has been no response.
28. On 4 March 2024 (at p.61), the Respondent sent its second demand for service charges. Flat 1 was required to pay £1,573.60 (20%) for the "external service charge" and £622.97 (25%) for an "internal service charge". Again, £360 was charged for an accountant, albeit that certified service charge accounts have never been provided. The demand related to the period "March 2023/2024", albeit that March 2023 had been included in the earlier demand and that the RTM had been acquired on

6 February 2024. The demand was not made in accordance with the terms of the lease.

29. On 7 March, 4 June and 2 September 2024, the RTM Company sent further letters requesting a full breakdown of costs and invoices. No response was received. A further demand was made for a service charge for the period "June – September 2024".

### **The Tribunal's Determination**

#### **Issue 1:**

30. Section 27 of the Land Registration Act 2002 provides that a disposition of a registered estate does not operate in law until registration is completed. At most, the Respondent has an equitable interest.
31. Mr Bisset referred the Tribunal to *159-167 Prince of Wales Road RTM Co Ltd v Assethold Ltd* [2024] EWCA Civ 1544; [2025] 2 P&CR 14. The issue on appeal was whether a purchaser of a freehold and headlease who had not yet become the registered proprietor at the date of a right to manage claim notice was a "landlord" for the purposes of recovering costs under s.88 of the Commonhold and Leasehold Reform Act 2002 ("CLRA"). Falk LJ held at [28] (emphasis added):

I do not agree that an equitable owner can be a "landlord" for the purposes of ss.79(6) and 88 of the CLRA. In its ordinary and natural meaning, a "landlord under a lease" means the landlord as a matter of law. Both the freehold and headlease interest were existing registered estates. Their legal owners at the relevant time were the two Millcastle entities, not Assethold, because under s.27(1) of the Land Registration Act 2002 the transfers did not operate at law unless and until they were completed by registration. Until Assethold became the registered owner the legal estate remained vested in Millcastle. It could not therefore be said that Assethold was a landlord under any lease of the premises.

32. Falk LJ went on to hold at [30]:

The approach taken in *Sunny Gardens* is consistent with the general approach of the courts in other areas. For example, in *Brown & Root Technology Ltd v Sun Alliance and London Assurance Co Ltd* [2001] Ch. 733, 742, Mummery LJ said this in the context of an assignment of a lease which had not been registered:

"...it is necessary to keep clear and distinct the position between the transferor and the transferee and the position

of a third party. Transfer of the beneficial title is not, in this context, relevant to the legal relationship between the lessees and the lessors....As between lessors and lessees, there is binding Court of Appeal authority in *Gentle v Faulkner* [1900] 2 Q.B. 267 for the proposition that assignment means, in the absence of a context showing an extended meaning, an assignment of the legal estate, and not of the beneficial interest, eg by declaration of trust of the lease. It is not a matter of intention to assign, a point highly relevant to the passing of beneficial title, but of whether a defined event has occurred. That event is not completion, as Mr Dowding contended; it is the transfer of the legal title to the lease...".

33. Mr Blisset also relied upon the FTT decision (Anthony Harris LMM and Ms Beckwith MRICS) in *237A Brixton Hill, London, SW2 1 EQ* (LON/00AY/LSC/2025/0760) in which the FTT applied this principle to a service charge dispute.
34. ~~The Tribunal accepts the Applicants submission that the Respondent has no right in law to demand the payment of service charges as it is not registered as the freehold owner of the Property. It has no more than an equitable interest.~~
35. ~~On 30 March 2026, the Respondent referred the Tribunal to the decision of the Upper Tribunal of *RM Residential Ltd v Westacre Estates Ltd* [2024] UKUT 56 (LC); [2024] L&TR 19. Judge Elizabeth Cooke held that an equitable owner whose legal interest had not been registered by the Land Registry, was entitled to demand the payment of service charges:~~

~~“39. During the gap the vendor holds the legal title on a bare trust for the purchaser. As a bare trustee the vendor has no power to make decisions about the property and must act at the direction of the purchaser.~~

~~40. Section 24 of the Land Registration Act 2002 says: “A person is entitled to exercise owner’s powers in relation to a registered estate or charge if he is- (a) the registered proprietor, or (b) entitled to be registered as the proprietor.”~~

~~41. The practical effect of that is well known to anyone who has bought a house and to conveyancers: on completion day the transfer is signed and dated, the keys are handed over, and the purchaser moves. The property belongs in equity to the purchaser, and to say that at that stage it is not the owner of the property both flies in the face of everyday reality and betrays a failure to understand equitable ownership. True, there are just a few things the equitable owner cannot do in the registration gap,~~

such as giving notice to quit; but entering the property is not one of them.

42. As I said above the upper floors of the property were subject to long leases, and the appellant had vacant possession of the commercial units on the ground floor. It was entitled to enter the ground floor at will; so far as the long leasehold property was concerned it was able to exercise whatever rights to enter were reserved to it, as landlord, by the leases. Equally it took on, at completion, all the landlord's obligations to maintain the property, and took the 10 benefit of the tenant's covenants to pay the service charge (section 3 of the Landlord and Tenant (Covenants) Act 1995, codifying the common law of privity of estate).

43. So the appellant's right to take possession of the property and carry out the work cannot be in doubt.

44. Turning to ground 2, equally there can be no doubt about its standing to apply for a dispensation under section 27A of the 1985 Act. Mr Auld pointed out that section 30 of that Act states that for the purposes of the service charge provisions a landlord "includes any person who has the right to enforce payment of a service charge", and that that provision although intended for the protection of management companies is also apt to cover an equitable owner. I would put it more strongly than that; the owner of the property, albeit in equity and not yet at law, is the landlord. Section 18 of the 1985 Act defines service charges by reference to a landlord's costs, and an unregistered purchaser, for whom the legal owner holds on a bare trust, is the landlord in all senses relevant to the recovery of service charges imposed for the recovery of the landlord's costs."

36. In the light of this decision, which is binding on this Tribunal, we are satisfied that the Respondent has been entitled to demand the payment of service charges.

#### Issue 2: The Reasonableness of the Sums Demanded

37. ~~Despite our finding on Issue 1,~~ the Tribunal was also asked to make a determination as to the reasonableness of the sums demanded. The Respondent was managing the Property between the following dates:

(i) On 21 December 2022, the Respondent acquired the freehold interest. However, until its interest is registered, it only has an equitable interest. No service charge accounts have been proved for the handover year 1 April 2022 to 31 March 2023.

(ii) On 6 February 2024, the RTM Company acquired the statutory right to manage. The Respondent has not accounted for any accrued uncommitted service charges.

38. We must consider whether the Applicants have established a prima facie case that any service charge is not payable. It is then for the landlord to satisfy the tribunal that the sum demanded is payable and reasonable. The Respondent has taken an informed decision not to seek to justify the sums demanded. The evidential burden on the Applicants is a low one in that (i) the sums have not been demanded in accordance with the terms of the lease; (ii) no audited service charge accounts have been provided; (iii) the Respondent has failed to disclose the invoices requested by the tenants; and (iv) the Respondent has failed to provide the disclosure required by the Directions or to respond to the current application.

### Insurance

39. The Respondent has claimed £4,829.13 for insurance: (i) 6 March 2023: £2,385.42 for "insurance January 2023 + brokers fee" and £461.71 "insurance by previous freeholder; and (ii) £1,982 for "Insurance January 2024 + brokers fee". The Applicants contend that this is manifestly excessive. We agree.

40. In determining this issue, we have regard to the following factors:

(i) PICS had insured the Property up to 15 May 2023. The Respondent is only entitled to claim the cost of insuring the Property from 16 May 2023 to 5 February 2024, a period of 9 months.

(ii) PICS have included the following sums for insurance in their service charge accounts: (a) 2018/9: £821.15; (b) 2019/20: £860.42; (c) 2020/21: £872.09; and (d) 2021/22: £868.44. These seem low.

(iii) The RTM Company have insured the Property at an annual premium of £2,658.30.

(iv) Against this background, the annual premium of £1,982 charged by the Respondent is not unreasonable. However, it is only entitled to claim it for a period of 9 months. We therefore allow the sum of £1,500. Each Applicant is potentially liable for 20% of this cost.

### Communal Electricity

41. On 4 March 2024, the Respondent demanded £1,069.29 for communal electricity. No evidence has been provided of any meter readings or invoices. Mrs Liberra-Gardyna stated that the Respondent had had no access to the meter. There are two internal lights, two external lights, and

a fire alarm system. The Applicants contend that this is manifestly excessive. We agree.

PICS have included the following sums for communal electricity in their service charge accounts: (a) 2018/9: £413; (b) 2019/20: £978; (c) 2020/21: 0 ; and (d) 2021/22: £356.41. We conclude that £450 per annum would be a reasonable charge for electricity. We allow £525 for the 14 month period between 21 December 2022 and 5 February 2024. This charge has been borne by the four tenants who share the communal hallway. Each Applicant is therefore potentially liable for 25% of this cost.

#### Other Service Charge items

42. There is a CCTV camera at the Property. Mrs Liberra-Gardyna stated that Eagerstates had not visited the Property. She recorded the following visits: (i) 9 February 2023: gutter cleaner; (ii) 22 February 2023: an attempt to clean the windows; (iii) 18 January 2024: a visit to spread salt; (iv) 23 January 2024, a visit by window cleaners; and (v) 23 January 2024, a visit to address the drains.

43. The Tribunal disallows the following sums demanded on 6 March 2013:

(i) Window Cleaning: £120. Mrs Liberra-Gardyna stated that there was only one visit during this period. An extended mop was used. There are seven windows to her flat; only one was cleaned. No attempt was made to clean the window at the rear of the Property. The Tribunal is satisfied that no adequate service was provided.

(ii) Gutter Cleaning: £234. The Property has limited guttering. There are no trees in the immediate locality. PICS had not considered that such a service was required. We agree. This service was not necessary and was unreasonably incurred.

(ii) Accountant: £120. No audited accounts have been prepared as required by the lease. This is disallowed.

(iii) Management Fee for December 2022 – March 2023: £375. Eagerstates did not visit the Property. They ignored the correspondence sent by the lessees. The Tribunal is satisfied that no adequate service was provided.

44. The Tribunal disallows the following sums demanded on 4 March 2024:

(i) Window Cleaning: £390. Mrs Liberra-Gardyna stated that there was only one visit during this period. Again, an extended mop was used. There are seven windows to this flat; only one was cleaned. No attempt

was made to clean the window at the rear of the Property. The Tribunal is satisfied that no adequate service was provided.

(ii) Fire Health & Safety Risk Assessments: £108; monthly testing of fire Health & Safety: £432; Fire Health & Safety Signs: £50; Fire Health & Safety Alarm Service and drains: £600. Mrs Liberra-Gardyna stated that none of this work had been done. The Respondent has not carried out any inspection of the interior of the Property. No fire health and safety signs have been erected. We accept her evidence and disallow these items. We are not satisfied that any of these costs have been incurred.

(iii) Gutter Cleaning: £468. Mrs Liberra-Gardyna stated that there had been no gutter cleaning during this period. We disallow this item.

(iv) Surveyors for insurance purposes: £1,500; Surveyors for preparing PPM schedule: £1,140. Mrs Liberra-Gardyna stated that there had been no visit by any surveyor. No report has been provided. On 20 March 2023, the RTM Company had served its Claim Notice claiming the statutory RTM. In such circumstances there would have been little point in obtaining these reports. We accept Mrs Liberra-Gardyna's evidence and disallow these items.

(v) Grit Spreading: £114. Mrs Liberra-Gardyna confirmed that some salt was spread on 18 January 2024. However, she could see no purpose to this work. There was no ice. We therefore disallow this item.

(vi) Drains Cleaning: £228. Mrs Liberra-Gardyna confirmed that a contractor attended 23 January 2024. She stated that there was no problem that required a visit. We accept her evidence and disallow this item.

(vii) Accountant: £360. No audited accounts have been prepared as required by the lease. This is disallowed.

(viii) Management Fee for March 2023/2024: £1,578. Eagerstates did not visit the Property. They ignored the correspondence sent by the lessees. The Tribunal is satisfied that no adequate service was provided.

(ix) Locksmith: £246. Mrs Liberra-Gardyna stated that there had been no problem with the locks. No lock was changed. No new keys were provided to the tenants. We are not satisfied that this charge was incurred and disallow it.

### **Consequential Orders**

45. The Applicants applied for a refund of the tribunal fees of £341 which they have paid. We have disallowed a large number of the service charge

items. We are satisfied that the Respondent should refund the tribunal fees of £341 which the Applicants have paid within 28 days.

46. The Applicants also applied for orders under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 so that none of the Respondent's costs of these proceedings may be charged to the Applicants either through the service charge account or as an administration charge. We make such orders. These orders may be academic, given that the RTM Company is now managing the service charge account.

### **Costs under Rule 13(1)(b)**

47. Mr Bisset made an application for a penal costs order under rule 13(1)(b) of the Tribunal Rules. This is normally a "no costs" jurisdiction. Rule 13(1)(b) of the Tribunal Rules permits this tribunal to make a costs order if satisfied that a party has acted unreasonably "in bringing, defending or conducting proceedings". Guidance was given on how this discretion should be exercised by the Upper Tribunal in *Willow Court Management Company (1985) Ltd v Mrs Ratna Alexander* [2016] UKUT 290 (LC); [2016] L&TR 34. This decision was affirmed by the Court of Appeal in *Lea and Others v Ilfracombe Management Co Ltd* [2024] EWCA Civ 1241; [2025] 1 WLR 371. The Upper Tribunal (at [28]) adopted a three-stage approach. The first stage is to consider the reasonableness of the conduct; the second stage is whether in the light of the unreasonable conduct, the Tribunal ought to make an order for costs; and the third is the terms of any costs order.
48. The Tribunal indicated to Mr Bisset that were he to establish a prima facie case for a penal costs order, we would have given Directions giving the Respondent the opportunity to respond to this. This is not a case in which the landlord has brought the proceedings. It is therefore necessary for the Applicants to establish unreasonable behaviour in the conduct of the proceedings themselves (see *Willow Court* at [95]). The failure to engage with proceedings cannot be categorised as being unreasonable. It rather affords an applicant an "open goal" in the proceedings. The limited disclosure that was made is no more unreasonable than making no disclosure at all. In the light of the strong indication given by the Tribunal, Mr Bisset indicated that he no longer proposed to pursue this application.

**Judge Robert Latham**  
**23 February 2026**

**Judge Robert Latham**  
**16 April 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).