



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

Case reference : **LON/00BE/LSC/2025/0956**

Property : **11 Austral Street, London SE11 4SJ**

Applicant : **Gary Coia (Flat A)
Georgis Nazar (Flat B)
Gohil Ranjena (Flat C)**

Representative : **Anthony Gold Solicitors**

Respondent : **Assethold Limited**

Representative : **Eagerstates Limited**

Type of application : **Application under section 27A Landlord
and Tenant Act 1985**

Tribunal : **Deputy District Judge Samuel sitting as
a Tribunal Chair
Kevin Ridgeway MRICS**

Date of Decision : **27 April 2026**

DECISION

Decisions of the tribunal

(1) The tribunal determines that the sum of £6,360.49 is not payable by the Applicants in respect of the service charges for the years 2022-2023.

(2) The tribunal determines that the sum of £3,411.25 is not payable by the Applicants in respect of the service charges for the year 2023-2024.

(4) The tribunal determines that the Respondent shall pay the Applicant £114 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicant

(5) The Tribunal determines that the Respondent shall pay the Applicants costs assessed at £5,000 pursuant to Rule 13(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

The application

1. The Applicants seek a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the 1985 Act”) as to the amount of service charges payable by the Applicant in respect of service charge years 2022/2023 and 2023/2024.

The background

2. The property, which is the subject of this application, is a three story Victorian conversion into 3 flats. The Applicants exercised their right of collective enfranchisement effective from December 2023. The Respondent is the previous freeholder.
3. The Applicant seeks reimbursement of payments made in the service charge year 2022 to 2023 for electricity costs and the costs of window repairs.
4. The Applicant seeks reimbursement of the service charge payments made on account for the 4 month period after the enfranchisement.
5. The Applicant seeks reimbursement of the service charges for the four months before the enfranchisement on the basis that the Respondent had deliberately frustrated the enfranchisement process in order to maximise the returns from the service charges.
6. The Applicant seeks costs pursuant to Rule 13(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.
7. 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.

The hearing

8. The Tribunal had the benefit of an electronic bundle of 258 pages. At the hearing only Mr Mitchell, Solicitor for the Applicants, attended and he had provided a witness statement [174-180] and legal submissions.
9. The only participation the Respondent took in the proceedings was to apply to strike out the claim on 26 September 2025 which was dismissed by Judge Nicol and a further application dated 17 October 2025 to again strike out the claim and seek an apology from Judge Nicol. Judge Foskett reviewed the second application and informed the Respondent that, as Judge Nicol had dismissed the first application, his route to challenge that was by way of a review and or appeal.
10. The Tribunal issued directions on 29 August 2025. The Respondent failed to comply with the order for disclosure by 26 September 2025, failed to file witness evidence and took no part in the proceedings.

11. The Tribunal notes that at paragraph 21 of the Directions of 29 August 2025, the Respondent was warned of the following:

*If the **Respondent** fails to comply with these directions the Tribunal may bar them from taking any further part in all or part of these proceedings and may determine all issues against it pursuant to rules 9(7) and (8) of the 2013 Rules.*

12. Having heard from the Applicants' solicitor and considered all of the documents provided, the tribunal has made determinations on the various issues as follows.

Service charge challenged

13. The Applicants sought repayment of two aspects of the service charges for 2022 to 2023 and 2023 to 2024: electricity costs and window repairs.

The Tribunal's decision

14. The Tribunal determines that the amount paid in respect of service charges for the year 2022/2023 and 2023/2024 should be reduced by £6,360.49.

Reasons for the Tribunal's decision

15. The failure of the Respondent to disclose any evidence meant the Tribunal had to do the best it could from the evidence before it. There were finalised accounts for 2022/2023 showing a charge for £6,726.00 for Fascia and Gutter work which is what the Applicants described as including window repair.
16. It was the Applicant's evidence in their spreadsheet at 186 in the bundle that there was an advance payment for window repairs and the works were not done. They put the cost of the window repairs at £4,248.00
17. The absence of any evidence to counter the claim led the Tribunal to accept the Applicants' case and the Respondent is to repay £4,248.00.
18. Further, the Tribunal were shown a demand for electricity from 9 June 2025 for £2,112.49 [188] for the common parts at 11 Austral Street, London SE11 4SJ. The two sets of accounts the Tribunal had: the estimated accounts for 2023/2024 [183] and the final accounts for 2022/2023 [185] showed charges for electricity for the common parts. The Tribunal accepted that the electricity for the common parts had not been paid by the Respondent and that £2,112.49 should be re-paid to the Applicants. The Tribunal were unable to apportion the non-payment to either specific service charge year.

Service charge challenged

19. The Applicants sought reimbursement of their service charges paid on account for the period when they had enfranchised 4 December 2023 to 31 March 2024.

The Tribunal's decision

20. The Tribunal determines that £3,411.25 was not payable in respect of service charges for 2023/2024.

Reasons for the Tribunal's decision

21. The failure of the Respondent to disclose any documentation meant the Tribunal had to do its best at calculating what the service charges would have been for the period in question.

22. The Tribunal determined that payments had been made for the whole year and that one third of those payments would have covered the period when the Applicants had enfranchised. It may have been there were some costs that were 'front loaded' in the year but the Respondent had chosen not to put forward this as an argument or provide any evidence.

23. The best the Tribunal could do was divide the estimated service charges of £10,233.74 by three to account for the 4 months when the Applicants had enfranchised. This was £3,411.25

Service charge item & amount claimed

24. The Applicants sought repayment of service charges for the 3 months before the enfranchisement due to the Respondent deliberately delaying the process to accrue more service charges.

Tribunal's decision

25. The Tribunal is not satisfied that services were not provided in the relevant period.

Reasons for the Tribunal's decision

26. The Tribunal was told that no service charges were provided by the Respondents in the period running up to the enfranchisement.

27. There was, however, no witness evidence of this from the Applicants. The other aspects of the case, the windows and the electricity were clearly evidenced and the apportionment of the service charge after enfranchisement was one of common sense. In the absence of evidence of the specific services that were not provided in the three months prior to enfranchisement, the Tribunal could not be satisfied that no services were provided. It appeared that making the order sought would be akin to a punishment for behaviour in other legal proceedings. The Tribunal were not satisfied on the balance of probabilities that no services were provided prior to the enfranchisement.

Costs

28. The Applicants sought their costs pursuant to Rule 13(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

29. After the hearing, the Tribunal issued directions providing for the Respondent to make representations in relation to the Tribunal's decision that it was minded to make a costs order and gave reasons for that view.
30. No representations were received by the Respondent notwithstanding the Tribunal informing the Respondent that a failure to respond to the directions may in itself be further evidence of unreasonable conduct. [*Lea v GP Ilfracombe Management Co Ltd* [2025] 1 WLR 371 paragraph 34]
31. The Tribunal has regard to the Court of Appeal case *Lea v GP Ilfracombe Management Co Ltd* [2025] 1 WLR 371 which confirmed the appropriate test was that set out in *Ridehalgh v Horsefield* [1994] Ch. 205, *Willow Court Management Co (1985) Ltd v Alexander* [2016] UKUT 290 (LC), [2016] L. & T.R. 34 and *Dammermann v Lanyon Bowdler LLP* [2017] EWCA Civ 269, [2017] C.P. Rep. 25.
32. In *Willow Court Management Company (1985) Ltd v Alexander* [2016] UKUT 290 (LC) at 28, the Upper Tribunal gave guidance on how First-tier Tribunals should apply Rule 13.
33. The UT set out a three-stage test:
- 28. At the first stage the question is whether a person has acted unreasonably. A decision that the conduct of a party has been unreasonable does not involve an exercise of discretion but rather the application of an objective standard of conduct to the facts of the case. If there is no reasonable explanation for the conduct complained of, the behaviour will properly be adjudged to be unreasonable, and the threshold for the making of an order will have been crossed. A discretionary power is then engaged and the decision maker moves to a second stage of the inquiry. At that second stage it is essential for the tribunal to consider whether, in the light of the unreasonable conduct it has found to have been demonstrated, it ought to make an order for costs or not; it is only if it decides that it should make an order that a third stage is reached when the question is what the terms of that order should be.*
34. The Respondent has chosen not to respond to the directions as to Rule 13 costs. There is therefore no explanation from the Respondent for the lack of engagement in the Tribunal process.
35. This was a case where there was a change of ownership during the service charge year. By the time of the change, all payments had been made in advance on an estimated basis. This inevitably meant there would need to be an accounting.
- a. The Respondent held all the information in relation to the accounts and in particular the actual expenditure during the service charge years in dispute.
 - b. None of the disclosure that was ordered was complied with.
 - c. The Applicants only had the estimated accounts for 2023/2024 [183] and the final accounts for 2022/2023 [185].
 - d. They complained that works had not been carried out that appeared in those accounts.
 - e. The Respondent could clearly have provided receipts for works done during the year that were being questioned by the Applicants.

- f. None of the accounting or dispute resolution provisions in the Fifth Schedule of the Leases appear to have been followed.
- g. The Respondent has made no effort to provide any reconciliation at the end of their tenure. They are therefore at risk of becoming unduly enriched at the cost of the Applicants
- h. The only participation the Respondent took was to apply to strike out the Application and then renew that application when it was dismissed. It is easy to see why such an application was considered a potential abuse of process as there was clearly a reconciliation process that needed to be undertaken.
- i. When invited to make representations as to the costs process, the Respondent chose not to provide any argument or explanation.
- j. When judging whether there has been unreasonable conduct, consideration must be given to the knowledge of the Tribunal process the person may have and judge that against a reasonable standard for a person with the same knowledge. The Respondent is an experienced litigator, a frequent user of the Tribunal and there is little doubt that their actions and or inactions have been deliberate and calculated.

36. Applying an objective standard, the foregoing is unreasonable conduct.

37. Notwithstanding that finding, should an order for costs be made?

- a. While causation is not a necessary ingredient in assessing the second stage [*Willow Court, op cit*, paragraph 40], in this case, causation is very much in issue.
- b. As part of the enfranchisement process, there was considerable correspondence in the bundle between the parties as to the terms of that process and service charge apportionment.
- c. The Applicants' solicitors do not appear to have received any satisfactory answers or disclosure.
- d. They had no choice but to bring Tribunal proceedings in the face of apparent stonewalling by the Respondent.
- e. That stonewalling continued throughout the Tribunal process.
- f. The costs incurred by the Applicants in bringing the proceedings were directly caused by the inaction of the Respondent.
- g. A professional, legally qualified Respondent who chooses to not engage, for whatever tactical reason, is by its nature preventing the Tribunal from being able to further the overriding objective. The non-cooperation at all stages of the process was serious and caused costs to be incurred that could have been avoided.

38. The Tribunal considers a costs order should be made for the foregoing reasons.

39. What should the terms of the order be?

40. At the hearing, the Tribunal considered a costs schedule provided by the Applicants in the total of £6,480. The Tribunal considered the rate charged and each item individually. When considering some items, the Tribunal found them not to be reasonable or proportionate and summarily assessed the bill at £5,000.

41. The question for the Tribunal is how much of that assessed bill should the Respondent be ordered to pay?
42. While causation is not a pre-requisite for a costs order, in this case the Tribunal has found a direct causative link between the Respondent's behaviour and the costs incurred.
43. In the circumstances, the Tribunal orders the Respondent to pay the Applicants' costs of these proceedings assessed at £5,000 within 28 days of this decision.
44. The Applicants also made an application for a refund of the fees that they had paid in respect of the application. Taking into account the determinations above, the tribunal orders the Respondent to refund any fees paid by the Applicant within 28 days of the date of this decision.

Name: Judge Samuel

Date: 27 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).