



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

Case Reference : **MAN/00BY/OC6/2025/0003**

Property : **6 Stapeley Gardens, Halewood,
Liverpool L26 9YG**

Applicant : **Carol Ann Woodruff**
Representative : **Monument Square T/A Orme Associates
Property Advisers**

Respondent : **Gray's Inn Capital Limited**
Representative : **Stevensons Solicitors**

Type of Application : **Leasehold Reform Act 1967, Section
21(1)(ba)**

Tribunal Officers : **H Lewis, FRICS. Valuer Chair
J. Gallagher, MRICS**

Date of Decision : **20th April 2026**

DECISION

The sum payable for costs pursuant to section 21 (1) (ba) of the Leasehold Reform Act 1967 for a determination of the reasonable 'legal costs' payable under section 9 (4) of the Act is £1,483.25 plus VAT where relevant

Background

1. This is an application by the Applicant Mrs Woodruff for determination of the Respondent's costs payable by her following determination of the price payable for the acquisition by her of the freehold interest in the property under the Leasehold Reform Act 1967 (the Act). The applicant made the claim to acquire the freehold interest on 29 June 2021, and the First-tier Tribunal determined the price payable on 07 October 2022.
2. The application is made under s.21(1)(ba) of the Act and was submitted on 17 April 2025. The costs originally in dispute amount to £1875 + VAT in legal costs under s.9(4). The Respondent's submission now identifies its outstanding costs at £2890 plus Vat. In the application, it is confirmed that the Applicant has offered £750 + VAT.
3. Directions for determining this application were issued on 17th February 2026 directing the Respondent to serve a statement of costs within 21 days of the date of Directions. Thereafter, Applicant must, within 21 days of receipt of statement of costs, send to the Respondent, and to the Tribunal, comments on the Respondent's schedule including details of the amount of costs the Applicant considers to be reasonable.
4. The Respondent has complied with these directions. The applicant's agent also complied albeit, one day late. Mr. Orme is an experienced practitioner and would have been fully conversant with the procedural importance of meeting time deadlines. Nevertheless, the Tribunal is mindful of the overriding objective of being fair and just in accordance with Rule 3 and accordingly, is prepared, to accept the response.

The Law

5. The relevant law is set out below:

Leasehold Reform Act 1967, section 9(4)

(4) Where a person gives notice of his desire to have the freehold of a house and premises under this Part of this Act, then unless the notice lapses under any provision of this Act excluding his liability, there shall be borne by him (so far as they are incurred in pursuance of the notice) the reasonable costs of or incidental to any of the following matters: –

- (a) any investigation by the landlord of that person's right to acquire the freehold;
- (b) any conveyance or assurance of the house and premises or any part thereof or of any outstanding estate or interest therein;
- (c) deducing, evidencing and verifying the title to the house and premises or any estate or interest therein;
- (d) making out and furnishing such abstracts and copies as the person giving the notice may require;
- (e) any valuation of the house and premises;

but so that this subsection shall not apply to any costs if on a sale made voluntarily a stipulation that they were to be borne by the purchaser would be void.

Submissions

6. The Applicant is represented by Mr Andrew Hamlett-Orme of Monument Square Limited T/A Orme Associates Property Advisers acting as agent for Carol Ann Woodruff. Mr. Orme provides a detailed rebuttal argument to the respondent's statement of case including 'inter alia'; the definition of reasonableness, engaging in a timely manner, production of relevant documents and cooperation. He also sets out the chronology of relevant matters and an associated timeline which is summarised as follows:
7. The FTT determined the sum to be paid for the Freehold on 07 October 2022. On 14 February 2023 the TP1 transfer document was finally agreed between the parties. Engrossments were submitted for signature and duly returned on 23rd February 2023. On 24th April 2023, Mr. Orme, received an email stating that the TP1 had not been received. This only came to light when Mr. Orme requested a completion statement. On 11th May 2023, a further set of signed documents was issued by 'signed post'. A chasing email was sent on 29th January 2024. On 30th January 2024, solicitors for the respondent confirmed that they had the proposed Transfer executed by their client and they were in a position to complete.
8. It was at this stage that a further complication arose being compliance with Money Laundering Regulations in relation to identification requirements as a consequence of any monies received from the applicant.
9. On 03 June 2024, a colour copy of a driving licence, an online utility bill and a copy of a council tax bill were printed and posted to the respondent. These were rejected and deemed non-compliant by the respondent and the applicant was referred to the government web site for guidance on the correct procedure in producing identification documents.
10. On 07 February 2025 the applicant attended at the notaries office at Hill Dickinson, No. 1 St. Pauls Square, Liverpool, L3 9SJ to have her passport and a current water bill certified before being sent by post on 11 February 2025 with proof of their delivery confirmed on 22 February 2025.
11. On 19 March 2025, a completion statement (dated 12th March 2025) was issued to the Applicants detailing the purchase price, the valuer costs of £350 plus Vat and the solicitor costs of £1875 plus Vat. On 11 April 2025 the applicant wrote back agreeing to the fees in the completion statement except of legal fees of £1875 plus VAT. A counteroffer of £750 plus VAT was made.
12. On 17 April 2025, the matter of costs was referred FTT.

13. The respondent is Gray's Inn Capital Limited represented by Stevensons Solicitors whose cost are in dispute.
14. The Respondent has set out its justification in a statement of case dated 9th March 2026. The statement of case also includes a detailed schedule of legal costs set out at pages 50 – 52 of the joint bundle. The justification is summarised as:
 - (i) Paragraph 3 sets out the normal amount of work required to administer the transaction.
 - (ii) Paragraph 4 confirms that property company is not registered for VAT. Consequently, the VAT payable on the costs incurred is recoverable from the Applicant.
 - (iii) Paragraph 5 confirms that Glenn Nigel Stevenson has the conduct of the case and sets out his relevant experience.
 - (iv) Paragraph 6 sets out the basis of the 'charging rates'
 - (v) Paragraph 7 sets out the reasonableness of the rates and case law.
 - (vi) Paragraph 8 makes the point that the Respondent is not a willing Seller and had no alternative but to incur costs to fully protect its interests
 - (vii) Paragraph 9 states that proportionality to the premium paid is not relevant to compulsory acquisition
 - (viii) At paragraph 10, the Respondent has highlighted the 'special factors' that have increased significantly the amount of time which would have needed to be spent on the case.

Reasons

15. Dealing first with the above paragraphs set out in in the respondent statement of case, the tribunal determines as follows:

Paragraph 3: There is nothing controversial in the schedule of work completed. Mr. Stevenson is an experienced solicitor who will have been familiar with the required arrangements and process required to complete such a transaction competently and expediently.

Paragraph 4: No evidence has been produced as to whether or not the Respondent is registered for VAT or can recover the VAT which has been charged in respect of the fees discussed above. However, provided it supplies the Applicants with written confirmation that it cannot recover the VAT in question, it is entitled to add an equivalent amount to the reasonable costs payable by the Applicants under section 9(4) of the 1967 Act.

Paragraph 5: The respondent solicitors conduct and experience is not disputed.

Paragraph 6: The appointment of Mr. Stevenson as an appropriate experienced solicitor is not in dispute.

Paragraph 7: Justification of the hourly charging rates is not proven but nor is it disputed, other than its totality. There is no evidence as to what might amount to a 'reasonable rate' for an experienced conveyancer dealing with such matters. On balance therefore, the Tribunal finds that the hourly rate for G. N. Stevenson is within the bounds of what might be expected. However, please refer to observations made under paragraph 19 below.

Paragraph 8: The Tribunal finds that the Respondent is entitled to investigate fully the applicant's entitlement to purchase. However, to describe the Landlord as "not a willing Seller" is irrelevant as far as the provisions contained within the Act is concerned and should not be used as a reason to delay matters or incur unreasonable costs.

Paragraph 9: The Tribunal notes clause 19(c)(1)(g) and (2)(b) to the Leasehold and Freehold Reform Act 2024 in cases where costs exceed the price payable. This clause is intended to introduce proportionality to the process whilst still recognising the need for 'due diligence'. On balance, the tribunal does not regard the legal costs to be disproportionate to the premium payable.

16. Turning now to paragraph 10 and the alleged 'special factors' adding to costs, we deal with these as identified in the statement of case.

A. Issue by the applicant's representative of a Notice of request for particulars of rights of way and restrictive covenants.

The Tribunal finds that these are not exceptional requests and should not add unreasonably to costs.

B. Failed to pay deposit on time.

The completion statement records that a deposit was paid on 7th September 2021.

C. Failure of applicant to appoint a licensed conveyancer or solicitor to complete and instead instructing a person with no obvious legal status to act as a conveyancer and therefore compelling the respondent solicitors as a matter of law to exercise extensive due diligence.

The Tribunal finds that the issue to be determined is the competence of the conveyancer. In this regard, the Tribunal accepts that Mr. Orme is an experienced practitioner and that it has no evidence before it that an alternative legal conveyancer would have expedited the matter sooner, thereby saving costs.

D. Failure of the applicant or her representative to respond properly to correspondence therefore involving frequent and considerable due

diligence with several months often elapsing before a reply from the applicant's representative was received

The Tribunal finds that matters had been left to drift. There is no requirement on the Landlord to expedite matters and it has not done so. Equally, the applicant's representative might have avoided the identification delay by conforming fully to the government guidance rather than attempting to justify its alternative position. Accordingly, the Tribunal finds that the delay in verifying identification documents could have been handled better by both parties.

- E. Failure of the applicant or her representative to promptly supply required documents for money laundering requirements.

The Tribunal finds that neither party dealt with this issue in a timely manner. Mr Orme maintains that, not only did the documents provided meet the requirements, but that the onus of conforming with money laundering requirements was his as the applicant's agent. He also refers to two earlier cases in which Stevensons Solicitors appear where the leaseholders' identification documents were not requested. On the other hand, the respondent was clear in their requirements by providing extracts from the government web site detailing acceptable identification documents. It took from around 9th May 2024 until 11th February 2025 for this to be resolved.

- F. Inappropriately serving of Notice to complete by applicant on 6th June 2024.

The Tribunal finds it was not appropriate to serve a completion notice when it would have been known that all pre-completion requirements had not been met. In particular, the applicants would have know that identity requirements of Money Laundering Regulations were not complete.

- G. The long delay to complete has of course also unnecessarily increased in that up to date I.D. will now be required under money laundering regulations and the file will need again to be extensively reviewed prior to completion.

The Tribunal refers to commentary above

Costs

17. The costs schedule is set out at pages 50-52 of the joint bundle. The costs originally in dispute amounted to £1875 plus VAT. The Respondents submission now identifies the outstanding costs at £2890 plus VAT.

18. We find that the starting point is £1875.00 as confirmed in the completion statement from the Respondents dated 12th March 2025 described as “Stevensons costs” This figure would have included for all the time expended in dealing with the ‘Identification’ issue. It would also have included for the anticipated costs to complete the transaction.
19. The tribunal cannot rely upon the cost schedule submitted in evidence for precise cost adjustment as either the number of units or the hourly rate (or both) have been increased to revise the costs upwards from £1875.00 to £2890.00 plus VAT.
20. However, the schedule is a useful vehicle as it describes the timeline of activities undertaken by the respondent. For the tribunal it is informative in highlighting costs that appear unreasonable and require further consideration beyond that already given in reverting back to the original starting point of £1875.00. Those adjustments are set out below.
21. The costs schedule for the period 09/05/2024 to 12/03/2025 paragraphs 16 to 20, amount to 17 units. These costs mostly relate to ‘identification’ and are considered unreasonable due to failures found on both sides to resolve the Identification documentation issues in a satisfactory manner. Accordingly, we have reduced the units charged by 50% to 8.5. (0.85 hours).
22. The final element is at paragraphs 21 to 23 which deals with the period of 21/03/2025 to current day and amounts to 11 units. We find that costs associated for this period are a repetition of the ID argument and are also attributable to resolving the legal costs dispute and are therefore irrelevant. Paragraph 23 of the schedule does refer to costs for ‘completion and accounting to its client’ but these completion formalities would have been contemplated in the original cost schedule of £1875.00. There is therefore an element of duplication to which, as a matter of judgement, we make an allowance of 30%. Accordingly, we have reduced the units charged to 3.3 (0.33 hours).

23. The revised cost schedule is confirmed as:

Starting Cost	£1,875.00
Less:	
At 20. above £325 @ 0.85 = £276.25	
At 21. above £350 @ 0.33 = <u>£115.50</u>	<u>£ 391.75</u>
	£1,483.25

24. The Tribunal notes that a period of some 30 months passed between the determination date of 7th October 2022 and receipt of the completion

statement on 19th March 2025. By any standard, this must be considered extreme. The Tribunal finds there is weakness in both arguments.

25. The Tribunal determine that the legal costs applicable and payable to Stevensons solicitors is £1,483.25 plus VAT if proven to be relevant.

H Lewis: Valuer Chair

Appeal

- A. If either party is dissatisfied with this decision, they may apply to this Tribunal for permission to appeal to the Upper Tribunal (Lands Chamber). Any such application must be received within 28 days after these written reasons have been sent to the parties (rule 52 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013).