



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

Case Reference	:	HAV/00HH/LSC/2025/0715
Property	:	28A Thurlow Hill, Torquay, TQ1 3EJ.
Applicant Applicant's Representative	:	Judit Erberling and Richard Delacroix Mr Jukes (Counsel)
Respondent	:	RG Securities (No. 2) Limited (1); Long Term Reversions (Harrowgate) Limited (2)
Respondent's Representative	:	Miss Purkiss (Pier Limited) and Mr Morgan (Remus Management Limited)
Type of Application	:	Determination of the reasonableness of service charges ; Section 27A and 19 of the Landlord and Tenant Act 1985 (the Act) Cost limitation orders; Section 20C of the Act and paragraph 5A of Schedule 11 Commonhold and Leasehold Reform Act (CLARA)
Tribunal Members	:	Judge C A Rai Peter Cliffe-Roberts FRICS
Date type and venue of Hearing	:	13 May 2026 Face to Face Torquay and Newton Abbott County and Family Court, Nicholson Road, Torquay TQ2 7AZ.
Date of Decision	:	19 May 2026

DECISION

1. The Tribunal determines that the service charges recoverable by the Respondent are as follows:
 - a. 2024/2025 £990.00
 - b. 2025/2026 £980.40.

2. The Tribunal makes the following orders.
 - a. All or any of the costs incurred or to be incurred by the Respondent in connection with the proceedings before this Tribunal are not to be recovered as relevant costs in determining the amount of the service charges payable by the Applicant.
 - b. The Applicant's liability to pay a particular administration charge in respect of litigation costs incurred or to be incurred by the Respondent in relation to these proceedings are extinguished.
3. The reasons for the Tribunal's decision are set out below.

Background

4. The Applicant applied to the Tribunal for a determination as to the reasonableness of service charges in the years 2021/2022, 2022/2023, 2023/2024 and 2024/2025. Later the Tribunal established that the Respondent had obtained a County Court Judgement Order dated 18 November 2023 against the Applicant which appeared to relate to the two earlier years. The Tribunal has no jurisdiction to consider any challenge by the Applicant made to the service charges already determined by that judgement.
5. The Tribunal accepted that it has jurisdiction to consider the Applicant's challenges to the 2023/2024 and 2024/2025 service charge years.
6. At the hearing the Applicant asked that it reconsider its position with regard to 2022/2023 since the Judgement had been issued prior to the end of that year.
7. The Property is the basement flat, and part of the building known as Greenfields, 28 Thurlow Road, Torquay TQ1 3EG. It was described the insurance assessment as being assumed to be a Victorian mid-terrace house converted later into 3 flat dwellings, two of which are accessed via a communal entrance with the last, (the subject property) being independently accessed to the rear.
8. The correct postal address of the Property is 28A Thurlow Hill, Torquay TQ1 3EJ. The building fronts on to Thurlow Road. The only access to the Property is from the rear of the building from Thurlow Hill. The significance of the description and the difference in the addresses for the building and the Property became apparent during the hearing.
9. The Tribunal held a Case Management and Dispute Resolution Hearing (CMH) on 24 October 2025. Following that hearing Judge N. Jutton issued directions which were later substituted by the Directions made by Judge Jutton on 27 November 2025, (the November Directions).

10. In the November Directions Judge Jutton rescheduled the listed hearing date and directed that the Applicant provide a single statement identifying which service charge items were disputed and why. In paragraph 9, he reminded the Applicant that the Tribunal could not determine any issues which had already been decided by the County Court [35].
11. The Tribunal received a hearing bundle comprising 250 pages. References to numbers in square brackets in this decision are to the electronically numbered pages in that bundle.
12. Whilst the Tribunal has reviewed all the information it has received from the parties, it is required to provide reasons which are adequate, clear and appropriately concise, and which focus on the principal controversial issues on which it decided the case. Its reasons are intended to be proportionate, not only to its resources but to the significance and complexity of the issues it has decided. Its reasons only refer to the key issues and disputed evidence.

The Hearing

13. The Applicant was represented by Counsel, Mr Jukes. The Respondent was represented by Miss Purkiss legal representative for Pier Management Limited (Pier) with Mr Daniel Morgan of Remus Management Limited (Remus). Two other representatives from Remus also attended the hearing.
14. At the beginning of the hearing the Tribunal identified that it intended to consider the service charge years 2023/2024 and 2024/2025 (the Disputed Years). (The service charge year begins on 25 December). Mr Jukes requested that it also considered 2023/2024 (the Additional Year). He said that the County Court Order was made on 8 November 2023, prior to the end of the 2022/2023 service charge year. Therefore, the alleged debts to which it related, excluded the actual service charges for that year, as these had not been finalised when the claim was made.
15. Later during the hearing, the Respondent disclosed a complete copy of the County Court claim dated 11 July 2023 to the Applicant and the Tribunal.
16. The Applicant had disputed several administration charges made by the Respondent during the disputed years. In the position statement sent to the Tribunal prior to the case management hearing, the Respondent had waived all the charges. Miss Purkiss confirmed at the beginning of hearing that it would not seek to recover any of those charges from the Applicant. The Tribunal noted that in any case, there was limited evidence in the bundle that all of those charges had been separately demanded.

17. The Applicant sought an assessment of the reasonableness of insurance charges, charges on account of fire alarm system works, Remus's administration and legal fees and their management fees. It also said that the demands for service charges were not sent to the correct address for the Property but had been sent to 28 Thurlow Road, to which it had no access, and from which it was unable to recover mail.
18. Demands for insurance and ground rent are issued and administered by Pier. Remus is employed by the freeholder to supply and manage the services and service charges. Remus was previously employed by the first Respondent, prior to the transfer of the freehold to the second Respondent on 31 July 2025 [180] and is retained by the current freeholder.
19. The Applicant is liable under the terms of its lease to contribute 40% of the cost of the insurance and service charges.
20. The following facts were established during the hearing.

Insurance demands

21. The Applicant disputed the amount of insurance charges, some of which are additional administration charges raised following nonpayment or overdue payment. Prior to the hearing Pier had waived recovery of all those charges, including charges not identified by the Applicant in the application, as is recorded in paragraph 28 of its position statement, provided prior to the CMH [28].
22. Until it made the application the Applicant said it had not been provided with:
 - a. a full copy of the policy
 - b. details of commission and brokerage fees
23. The Applicant submitted that, without the information, it was unable to assess if the premiums demanded are reasonable and cover had been obtained on the best terms [45].
24. With its statement the Respondent disclosed a full copy of the current year's policy and provided an explanation of the six different sums demanded in the Disputed Years [125].
25. The amounts demanded are listed below.

Date	Description	Amount
25 Mar 2022 – 24 Mar 2023	Building insurance in advance	275.59
25 Mar 2023- 24 Mar 2024	Building insurance in advance	316.39
25 Mar 2024 – 24 Mar 2025	Building insurance in advance	356.65
25 Mar 2025 – 31 Mar 2025	Building insurance in advance	7.21

1 Apr 2025 – 31 Mar 2026	Building insurance in advance	376.26
7 Feb – 24 Mar 2025	Additional Building insurance	15.14
25 Mar – 31 Mar 2025	Additional building insurance	1.93
1 April 2025 – 31 Mar 2026	Additional building insurance	100.52

26. The substantial increase in the amount demanded in 2025/2026 was explained by the Respondent as reflecting:-
- a. An adjustment to the period of cover; and
 - b. The increase in the amount of cover following Pier obtaining an assessment of reinstatement costs in February 2025.
27. The Applicant's contribution towards the premium in the current insurance period (expiring 31 March 2026) increased by £100.52 to £476.78, partly attributable to the increase in cover.
28. The Respondent did not explain the adjustment in the amount of the cover to the Applicant until after it had made the application.
29. The Bundle contains statements of Anticipated Service Charge Expenditure for the Disputed Years [62,63], which documented contributions from the Applicant of £7,221.60 for 2024/2025 which included within the general service charges, £313 for public liability insurance.
30. The certificate of insurance cover for March 2023/2024 includes Property Owners Liability for £10,000,000 [217].

Management Fees

31. The Applicant challenged the amount of the management fees because it said it does not receive a management service. It suggested that it has not seen evidence of quarterly visits which the Respondent claimed to have made.

Cost limitation applications

32. The Applicant has applied for cost limitation orders. Although in its written submissions the Respondent stated it would not challenge those it was stated at the hearing, that it had changed its mind and wished to recover its costs associated with the hearing which costs are not included within the annual management fee.

The Lease and the Law

33. In the lease the tenant covenants with the landlord to pay the rent (ground rent) and all other money payable or repayable to the Landlord under this lease [153] and to comply with the tenant's obligations in the lease [154]. Those obligations are set out in Part 1 of Schedule 5. Paragraph 2 refers to the Tenant's Share of the Property Expenses which shall be ascertained and certified by a Certificate signed by the Landlord's auditors or accountants or managing agents as soon after the end of the relevant financial year as practicable.
34. Paragraph 2.5 says that the expression "the expenses and outgoings incurred by the Landlord" as hereinbefore used shall be deemed to include not only those expenses outgoings and other expenditure described which have been actually disbursed incurred or made by the Landlord during the year in question but also such reasonable part of such expenses outgoings and other expenditure hereinbefore described which are of a periodically recurring nature (whether recurring by regular or irregular periods) whenever disbursed incurred or made (but not in respect of any period prior to the commencement of the said term) or otherwise including a sum or sum of money by way of reasonable provision for anticipated expenditure in respect thereof as the Landlord or its accountants or managing agents (as the case may be) may in their reasonable discretion allocate to the year in question as being fair and reasonable in the circumstances" [167].
35. Paragraph 2.6 says that with every annual payment of rent the tenant shall pay the landlord a sum in advance which shall be the greater of the sum of £120 or the previous years Tenant's Share of the Property Expenses on account of the current years Tenant's Share of the Property Expenses (such payment hereinafter called "the interim payment" [167].
36. What should happen is that, at the beginning each service charge year the Landlord will demand a sum from the Tenant equivalent to the actual share payable by the Tenant in the previous year. In practice that amount is unlikely to be identified until the service charge accounts are prepared. Sums which periodically recur such as annual maintenance charges may be added together with "a sum of money by way of a reasonable provision for anticipated expenditure as either the Landlord, its managing agent or accountant may allocate **in their reasonable discretion**" [165].(Tribunal's emphasis).
37. Following the issue of the Certificate the landlord is obliged to supply the tenant with a statement of account giving credit for the interim payment making an adjustment up or down if these are less than, or exceed the interim amount collected.
38. In the context of these proceedings Section 19 of the Act confers jurisdiction on this tribunal to decide if service charges are reasonable both in terms of their recoverability under the term of the relevant lease and if the works or services are provided are of a reasonable quality.

39. The issue of liability to pay the service charges is not disputed. The applicant is a leaseholder, and the Respondents were and are the Landlord during the disputed years.

Costs limitation applications

40. In summary, Section 20C of the Act gives the Tribunal jurisdiction to make a cost limitation order preventing a landlord from recovering costs incurred in the proceedings as service charges. Paragraph 5A of schedule 11 to CLARA enables the Tribunal to make an order extinguishing or reduction the recovery of litigation costs as a particular administration charge from a leaseholder.

The Tribunal's determination

Generally

41. The hearing was challenging for both parties and their representatives and the Tribunal wishes to record its thanks to both parties for their submissions. The Tribunal was particularly grateful to the Respondent's representative for providing the Applicant with paper copies of the hearing bundle and obtaining and sending a further statement of account and a copy of the county court claim to the Applicant and the Tribunal. It was also grateful to the considerable efforts made by the Applicant's counsel for facilitating the Applicant's participation in the hearing.
42. Prior and during the hearing the Tribunal told the parties that it had not identified a clause in the lease which would enable the Respondent to demand reserve payments. Following the hearing it has identified such a provision, to which it has referred later in this decision and which it has taken into account in this determination.

Buildings insurance

43. The Tribunal finds that the amounts charged by the Respondent for buildings insurance during the disputed years is reasonable. The Respondent is not obliged to obtain insurance from the insurer offering the most competitive rates.
44. However, the demands in the bundle demonstrate that Pier supplied little information to the Applicant and did not explain the reason for the additional sums demanded in 2025/2026 until it provided statements in response to the Application. The Applicant is obliged to provide transparent information to leaseholders with regard to buildings insurance. [Schedule to the Act]
45. The policy information disclosed shows that the policy includes Property Owners Liability of £10,000.000 [218].
46. The Tribunal therefore determines that charges within the general service charges for public liability insurance are not reasonable and are not recoverable from the Applicant.

The fire alarm panel

47. In their statement the Applicant stated that Devon “Somerset Fire and Rescue Service carried out an independent inspection of the fire alarm system on 24 September 2024, identified a long standing fault on the communal fire alarm panel and noted the absence of maintenance log entries” [45]. It said it disputed its liability to pay the charges levied by the Respondent.
48. In response, the Respondent denied being contacted by the Fire and Rescue Service, but Daniel Morgan admitted that the Respondent was contacted by Torbay Borough Council in October 2024 who raised concerns about the Fire Alarm panel [51]. He said in his statement that Remus had explained it had had difficulty obtaining funds from the leaseholders and Torbay had been sympathetic. The Accounts in the bundle shown a bank credit of £12,508.34 at the end of 2024 [83].
49. The Respondent disclosed a letter, dated 12 February 2025, sent to the Applicant by Remus [55]. That letter was sent to 28 Thurlow Road.
50. It is not clear to the Tribunal if the Applicant had seen the letter before it was disclosed with the Respondent’s statement. The letter refers to a Notice of intention to carry out works dated 31 July 2020. It offered no explanation as to why the works were not completed in 2020 but recorded that estimates were provided and no observations were subsequently received. The estimated costs of the works were £4,569.49. A summary of estimates was attached with pro forma response forms and observations were invited. The letter states that “At the last accounting date there was an amount of £10,238.20 in the Reserve Fund, which can be used to cover the costs of the work”.
51. The Applicant’s bundle contains a copy of an invoice dated 11 June 2025 from AP Electric Contractors Ltd [54]. The sum invoiced was £2,889.49. The Respondent submitted that the works referred to in that invoice have been completed although it admitted that the wording on the invoice is misleading. The Applicant disputed that any connection between the panel and its Property has ever been made.
52. The Tribunal finds that the Respondent’s statement is inaccurate, albeit it suspects not deliberately.
53. Torbay Borough Council would have been informed of the outcome of the inspection of the Fire Alarm Panel which explains why it contacted the Respondent since it has the power to enforce any statutory omissions. The Respondent’s letter to the Applicant which is dated approximately six months after that contact discloses that £10,238.20 was held in reserves so it seems odd that the works were not carried out until June 2025. Furthermore, the Respondent has stated that it did not have a contract for maintenance of the Fire Safety System but the demands for on account payments for both disputed years refer to a sum of £250 on account of the Fire Safety System costs.

54. The Tribunal cannot identify whether or not the Respondent has made any attempt to connect the Property to the fire alarm system. Neither does it have jurisdiction to require this, but any costs charged to the service charge account would only be reasonable if the costs were incurred to provide a system which is operational for the benefit of the Property as well as the remainder of the Building.
55. From the information provided by the Respondent in the bundle and the statement of account provided during the hearing it would appear that any sums demanded on account of these works in previous years have been recredited and that the actual cost of the works has been paid out of reserves.
56. What the Tribunal cannot identify is whether the amount recovered from the Applicant by the Respondent in its County Court claim included any costs on account of the fire alarm panel. That may be the case because the information which the Respondent has provided demonstrates that it demanded “on account” payments in successive years.
57. When comparing the amounts demanded on account from the Applicant with the invoiced costs, taking into account that the Applicant is obliged to contribute 40% of the total service charge the on account demands made in previous years seem excessive, notwithstanding that these costs have been recredited to the Applicant’s service charge account.

The Service charge demands and supplementary information disclosed

58. The service charge demands and statements in the bundle, all of which were produced by the Respondent, reveal that the following amounts were demanded from the Applicant either during the disputed years or in respect of payments relating to those years.

28.06.2024	Demand [67]	486.07
22.11.2024	Statement of account [76]	4,472.49
22.01.2024	Statement of anticipated expenditure 2023/2024 Total £18,054 (inc) Public liability ins 313.00 Project management 990.00 Surveyors fee 1,050.00 Reserve contribution 3,000 Major works 10,000 [62]	7,221.60
16.12.2024	Statement of anticipated expenditure 2024/2025 Total £8,348 (inc) Fire systems maintenance 250 Project management Fee 1200 Surveyors fee 1,050 Reserve contribution 3,000 [61]	3,339.20
16.12.2024	Demand [79]	3,339.20

16.12.2024	Supplementary billing fire alarm installation	-3,832.32
23.04.2025	Balancing credit [65]	-761.87
08.04.2025	Overdue reminder [77, 78]	7,049.82

59. It was established during the hearing that Remus invoiced the Applicant two supplementary amounts of more than £3,000, (£3,193.69 and £3832.42) described as Fire alarm installation in **both May 2022 and June 2022**. Those demands predate the disputed years and both amounts were re-credited in June 2022 and December 2022. Those demands and credits are evidence of the haphazard way in which service charges for expenditure anticipated, but never carried, out was demanded by the Respondent.
60. The annual Service Charges demanded in advance from the Applicant in the following service charge years are set out below.

Years		Annual	Monthly
2021/2022	Service charge	1,450.80	120.90
	Reserve Fund	1,200.00	100.00
2022/2023	Service charge	6,492.80	541.06
2023/2024	Service charge	7,221.60	601.80
2024/2025	Service charge	3,339.20	278.26
2025/2026	Service charge	3,396.80	283.07

61. The Applicant was consulted about works to the Fire Alarm Panel in 2020, which were eventually completed in 2025. The Respondent provided no evidence of any other substantial works or redecoration but allocated a reserve fund of £10,000 in 2023/2024 for “unidentified major works”.
62. The Respondent has regularly included in sums demanded in advance costs for public liability insurance which cover is included in the buildings insurance premiums, recovered separately and in addition to the service charge contributions demanded from the Applicant.
63. No explanation has been put forward by the Respondent to explain why such substantial service charge demands were made of the Applicant when the sums demanded do not appear to match the services provided. No explanation about the calculation of the amount of the reserve funds demanded has been disclosed.
64. The Tribunal has concluded that the amounts demanded in both disputed years are both excessive and unreasonable. The amount demanded for the reserve fund in 2023/2024 is not a reasonable provision for anticipated expenditure. The information provided by the Respondent does not reveal any anticipated expenditure, save and except the replacement of the fire alarm panel which it delayed carrying out for many years.

Applicant's address

65. Mr Jukes stated that none of the demands within the bundle or the letters sent to the Applicant by the Respondent have been sent to the Applicant's postal address. Contrary to the Respondent's claim the Applicant's property has a separate postal address and postcode and its own letter box.
66. The two other flats share an entrance, which fronts Thurlow Road. The property has its own access which fronts Thurlow Hill. It does not have any access to the common hallway serving the other two flats. Any key provided in the past, no longer unlocks that door and the leaseholders of the other two flats do not want the Applicant to access their communal hallway.
67. The bundle contains correspondence between the Applicant and Remus, in which the Applicant notified Pier of its postal address [241] in December 2021. The correct address which is 28a Thurlow Hill is set out in the Applicant's email to Pier dated 16 May 2023 [243].
68. Miss Purkiss said that the Respondent relied on the lease when sending demands and letters. The address shown on the lease is wrong. It was explained during the hearing that the lease was granted out of the freehold property which is 28 Thurlow Road TQ1 3EG but the address of the leasehold flat is shown in the lease as 28A Thurlow Road but with two different post code TQ1 3EJ.[147] [160]. It does not however, refer to Thurlow Hill. The property register for Title Number DN 602449 records the address of the Property as Bottom Flat, Greenfield, 28 Thurlow Road TQ1 3EG.
69. The solicitor who first registered the leasehold title should have checked the address and amended the Property Register. (The register shows that the first leaseholder was Timro Investments Limited and Farnpoint Limited in 2010).
70. Clause 7.2 of the Respondent's lease states that "a party's address for service is to be his address in this Lease or as last notified in writing to the other..."[158].
71. The Respondent suggested, more than once, during the hearing that by using the address shown in the land register it had used the correct address for the Respondent. That is incorrect.
72. The Applicant explained that part of the reason for it being unable to defend the county court claim made by the Applicant was because it had not received correspondence from the Court or the Respondent. From the information in the bundle and the additional information provided during the hearing it is apparent that the only address ever used by the Respondent is 28 Thurlow Road which has resulted in all the correspondence sent to the Applicant being sent to the communal hall shared by the users of the other two flats, to which the Applicant said it has no current access.

73. The Tribunal has concluded that notwithstanding that the Applicant attempted to correct its postal address by emailing the Respondent on two separate occasions the Respondent has made no attempt to send post to the correct address. This may have disadvantaged the Applicant in relation to its receipt of correspondence from the County Court.
74. It is questionable whether any of the service charge demands that have been disclosed in the bundle were correctly served and whether on that basis any, if not paid are actually outstanding. The error can be corrected by the service charge demands being reissued. It is the case that the Applicant is aware that it should contribute towards service charges and has endeavoured to engage with the Respondent with regard to charges demanded. The engagement of the Respondent is somewhat less transparent. Despite confirming by email that it has amended the Applicant's address it does not seem that the necessary amendment was subsequently made.

Management Fees

75. The Applicant has challenged the amount of the Management Fees. Whilst the Tribunal understand why and has some sympathy given its determination it still does not consider that the amounts charged by Remus and Pier, to be excessive. The amounts shown in the demands for the disputed years are £923 and £927. Assuming, which in the absence of contrary evidence, it has that Remus visited the Property four times each year it finds that this is a reasonable charge.

Service charges recoverable

76. The Tribunal determines that for 2024/2025 the following service charges are payable by the Applicant.

Gardening £250, General repairs £750, Audit £548 Management Fees £927 which total £2,475 of which the Applicant is liable to contribute 40% = **£990.**

77. The Tribunal determines that for 2025/2026 the following service charges are payable by the Applicant.

Gardening £250, General repairs £750, Audit £524, Management Fees £927 which total £2,451 of which the Applicant is liable to contribute 40% = **£980.40.**

78. Should the Respondent wish to recover sums on account of future expenditure it must comply with the provisions in the lease and demonstrate that any estimated sums are “**a reasonable provision for anticipated expenditure**” .

79. Whilst the Landlord its managing agent or accountant may use its reasonable discretion to allocate a provision on account of future expenditure it should identify to what provision that allocated sum relates, preferably in consultation with the leaseholders who are being requested to fund it. Demanding additional sums on account of costs twice within a service charge year and then re-crediting the sums demanded, as it did in 2022 is not reasonable.

Additional year

80. The Tribunal has not seen a statement of anticipated expenditure for the Additional Year. It did not receive specific submissions from Mr Jukes. It appears, in reliance on the information contained in the most recent statement, supplied during the hearing, that the amount demanded was £6,492.80. The Tribunal suspect that this included a substantial reserve provision. However, it does not have information as to whether any part of that sum was included in the County Court claim. Therefore, reluctantly it has made no determination for the Additional Year.

Cost limitation orders

81. Having considered the request made by the Applicant and the submissions made by the Respondent I have decided to make both costs limitation orders requested.
82. The Tribunal makes an Order under Section 20C of the Act because it considers to be just and equitable to do so. The demands for service charges during disputed years were excessive. The Respondent did not provide the Applicant with information it requested and did not attempt to identify on its quarterly visits to the Property that the Applicant's property had its own letter box and a different postal address.
83. For the same reasons as set out in the preceding paragraph, the Tribunal considers it would be wrong for the Respondent to recover any litigation costs from the Applicant as administration charges and has therefore decided that it is just and equitable to make an order under Paragraph 5A of Schedule 1 to CLARA extinguishing the Applicant's liability to pay litigation costs.

Appeals

1. A person wishing to appeal this decision to the Upper Chamber must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision. Where possible you should send your further application for permission to appeal by email to **rpsouthern@justice.gov.uk** as this will enable the First-tier Tribunal to deal with it more efficiently.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.