FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**MAN/00BN/LSC/2025/0610**
Property	:	**9 OWEN STREET and PARKING SPACE 299 MANCHESTER**
Applicant	:	**NJS INVESTMENTS LIMITED**
Respondent	:	**THOMAS JON PICKERSGILL and ALICE MARY PICKERSGILL**
Type of Application	:	**Application as to payability of service charges, section 27A Landlord and Tenant Act 1985**
Tribunal Members	:	**Judge A Davies** **K Kasambara, MRICS**
Date of Decision	:	**18 May 2026**

DECISION

---

1. The Applicant is substituted for the former applicant FQ Developments Limited.

2. The Respondents' contribution towards insurance costs for the 12 months ending 31 December 2023 incurred by the landlord for the time being of 9 Owen Street and parking space 299, Manchester M15 4UF is payable in the sum claimed by the Applicant: £906.54.

3. All other claims in Claim Number L5QZ1948 are remitted to the County Court at Manchester for adjudication.

REASONS

1. On 15 January 2024 FQ Developments Limited issued a claim in the County Court for recovery of ground rent, costs and insurance rent payable in respect of 9 Owen Street and its related parking space 299, Manchester, together referred to in these reasons as the Property. The Property is situated in East Tower on an estate known as Deansgate Square, which is managed by Deansgate Square Estate Management Company through its agent, Zenith Management Limited.

2. The Defendants to the County Court claim were Mr and Mrs Pickersgill who had acquired a long lease of the Property on 22 March 2021. They filed a defence. On 16 January 2025 the case was referred by District Judge Moss to this Tribunal for determination of the service charge element of the claim, namely the contribution payable under the lease towards the cost of insurance.

3. Meanwhile the group of companies to which FQ Developments Limited belonged underwent restructuring. On 7 October 2024 FQ Developments Limited granted an interim lease of Deansgate Square to FQ Investments Limited, who on the same day surrendered that part of the lease that related to East Tower to NJS Investments 1 Limited ("NJS"). Also on 7 October 2024 FQ Developments and FQ Investments Limited assigned to NJS all monies due from leaseholders of East Tower and all past and future liabilities associated with East Tower, by means of a document titled Deed of Assignment of Arrears.

4. FQ Developments Limited went into members' voluntary liquidation on 15 October 2024.

5. Neither the County Court nor the tribunal was notified of these changes until 14 April 2026, some 5 weeks prior to the date fixed for the tribunal's final hearing. Directions were given on 6 May 2026 requiring the solicitors for FQ Developments Limited and NJS to inform the liquidators of FQ Developments Limited of the tribunal proceedings, to enable them to decide whether they wished to be represented at the final hearing. The solicitor with supervision of the Applicant's file was also ordered to attend the final hearing to give an account of their conduct. Meanwhile NJS was added as a second Applicant.

6. At the final hearing, Mr Long of counsel for the Applicant advised the Tribunal that an email had been received the same morning from Manchester County Court confirming that NJS had been substituted for FQ Developments Limited as Claimant in Claim Number L5QZ1948. Mr Long also produced a letter from the solicitors acting for the liquidators of FQ Developments Limited in which the tribunal was informed that the liquidators had no knowledge of the County Court claim or the transfer to the Tribunal, and that they did not wish to attend the final hearing or to take any part in the proceedings.

7. Mindful that its jurisdiction in this case stems from the County Court order of 16 January 2025 referring the service charge issue for determination, the Tribunal concluded that it was bound to accept NJS as Applicant in place of FQ Developments Limited, since the County Court had done so. In making this decision the Tribunal also had regard to the fact that the liquidation was voluntary and did not signify insolvency, and that the companies involved had the same directors and addresses, meaning that information and documentation dating from before 7 October 2024 should be readily available to NJS.

8. Mrs Pickersgill reminded the Tribunal that the leaseholders had not been notified of the assignment of monies owed by leaseholders of East Tower flats within 28 days as provided for in the Deed of Assignment of Arrears dated 7 October 2024. However notice was eventually sent to all leaseholders, and the Tribunal concluded that this delay did not affect the validity of the Assignment.

9. Mr Hardwick, the solicitor at Brethertons having supervision of the file for the Applicant, attended the hearing as ordered but did not address the Tribunal.

10. At the outset of the hearing, which took place on a Monday morning, the Tribunal was informed that Brethertons had supplied an amended hearing bundle on the previous Friday, along with a skeleton argument prepared by Mr Long. These documents had been seen by the Respondents over the weekend but the Tribunal members had not received them. The amended hearing bundle was supplied to the tribunal office after 5 pm on Friday 15 May, too late to be of use. Other than pages specifically referred to by Mr Long during the hearing, it has not been read or

accepted, the Tribunal having previously received and noted an electronic hearing bundle supplied in accordance with directions.

The Applicant's statement of case

11. The electronic hearing bundle did not include the Applicant's original Statement of Case, but a paper copy was provided at the hearing and referred to by counsel. An undated and unsigned "Statement of Case in Reply" was also filed on behalf of the Applicant. Although the Respondents had pointed out in their statement of case that the Tribunal did not have jurisdiction to determine issues of ground rent and costs, the Applicant pursued its claim before the Tribunal for these payments until the hearing, when they were withdrawn by counsel.

12. Presenting the case for insurance rent to the Tribunal, Mr Long confirmed that the service charge year to which it related – which was not specified in the County Court particulars of claim seen by the Tribunal – was the 12 months ending 31 December 2023. Mr Long identified the terms of the lease requiring the landlord to insure East Tower and the common parts of the Deansgate Square estate, and entitling the landlord to recover the costs of doing so from the leaseholders. He referred to a letter dated 30 March 2026 from Lockton Companies LLP, the Applicant's insurance broker, which confirmed that in 2023 quotations had been sought from some eleven respected real estate insurers, and that a comparison exercise had been undertaken. Mr Long explained that the chosen insurance policy was checked to ensure that the cover complied with the definition of Insurance Risks at clause 1.1 of the lease. He argued that in instructing Locktons to undertake this exercise, the Applicant had acted reasonably and that the resulting premium, while not necessarily the cheapest available, was of a reasonable amount.

13. In the absence of a full explanation from the Applicant, Mr Long explained, by reference to documents produced to the Tribunal, the means by which the Applicant had calculated and in due course invoiced the Respondents' share of the insurance premium for (a) East Tower and (b) the common parts of the estate. The premium for the Property had been apportioned by reference to floor area and amounted to £849.28, and the premium for the common parts of the estate had been apportioned according to the number of apartments in each building and resulted in a premium of £57.26 payable by the Respondents.

14. The Applicant was unable to produce evidence that it had served the Respondents with a Summary of Tenants' Rights and Obligations when the insurance rent was invoiced in December 2022 in the sum of £906.54. Under section 21B of the Landlord and Tenant Act 1985, a service charge is not payable until such a Summary, in the form specified by regulations, is provided with the service charge demand. This omission – if omission it was – was corrected on 4 July 2023 when the Applicant's solicitors sent the Respondents a letter of claim prior to issue of the County Court proceedings. The letter enclosed a demand for payment together with a Summary of Tenants' Rights and Obligations, receipt of which was confirmed by the Respondents at the hearing.

15. Finally, Mr Long submitted that the claim for insurance rent must succeed because the Respondents had failed either to provide evidence of any alternative insurance premium which was available in 2023, or to identify any fault in the choice of insurer or apportionment of the premium. He cited *ASP Independent Living Limited v Godfrey [2021] UKUT 0313 (LC)* for the proposition that a leaseholder disputing a service charge must provide evidence to support his position rather than merely putting the landlord to proof that the service charge is reasonable. Also cited was *Country Trade Ltd v Noakes [2011] UKUT 407 (LC)* in which the Upper Tribunal stated that a tribunal should expect to see comparative or market evidence of an alternative insurance premium before setting aside as unreasonable a premium accepted by the landlord.

<u>The Respondents' case</u>

16. Speaking for herself and her husband, Mrs Pickersgill admitted that they did not object to the amount of the premium or to the method of apportionment. She explained that they had paid the insurance rent due in 2021 via their conveyancing solicitor on their purchase of the Property. They had paid it in 2022 because "we wanted to be good residents". However they had failed to pay it in 2023 and subsequent years as a form of protest and in an attempt to obtain a response from the landlord or managing agents when they raised concerns regarding the lease.

17. Firstly, they had asked for confirmation that that FQ Developments Limited had authority to continue the litigation once it was in liquidation. She said they had

received no adequate response to this, although eventually the query seems to have led to the late applications to substitute NJS for the original Claimant/Applicant.

18. Secondly, they explained to the Tribunal that the lease they had signed was not the same as the lease that was registered in their name at the Land Registry. They were adamant that they had signed and returned to their solicitor a lease which prohibited the keeping of pets at East Tower. They acknowledged that the registered lease permits the keeping of pets with the prior consent of the management company, subject to any conditions that might be applied. Knowing the specific term that was contained in the lease they had signed, the Respondents believed that the Applicant was in breach of the lease by allowing pets to be kept by leaseholders and condoning the consequent fouling of parts of the estate.

19. Thirdly, they said that no Summary of Tenants' Rights and Obligations was served with any of the service charge demands sent by the managing agents. However they acknowledged that this fault had been corrected in relation to the demand currently before the Tribunal, when Brethertons sent them the letter of claim in July 2023.

Conclusion

20. The Tribunal accepts the Respondents' assertion that they had not received helpful replies to the queries they had raised about their lease and about the status of the original County Court claimant. At the hearing, it appeared that the Respondents had perhaps not understood that Zenith Management Limited were independent estate managers appointed by the landlord, and that queries should have been addressed to that company.

21. The Tribunal also accepts that there was a discrepancy between the lease agreed and signed by the Respondents and that which was submitted to the Land Registry on their behalf. However the Land Registry application was filed by the Respondents' solicitor, and there is no reason to believe that the Applicant or its predecessor was aware of or responsible for the discrepancy. The registered lease is the Respondents' lease. The Respondents' belief that the landlord was in breach of the lease terms was genuine but unfounded.

22. The Respondents were right to query the status of FQ Developments Limited as Applicant. This was confirmed by the liquidators' statement to the Tribunal that

they had no knowledge of the proceedings. Counsel confirmed at the hearing that the Applicant did not intend to pursue any claim for costs against the Respondents in relation to the tribunal proceedings and the Tribunal acknowledges that this is a correct response (a) to the Applicant's failure to apply to be substituted as Applicant at the proper time and (b) to the Applicant's persistence in claiming before the Tribunal payments which the Tribunal had no jurisdiction to order. The Respondents themselves have not incurred any legal or other costs in these proceedings.

23. The Respondents were right to object to the Applicant's continuing demand, before the Tribunal, for ground rent together with costs which they claimed were due under the terms of the lease. Such claims are out with the jurisdiction of the Tribunal and are remitted to the County Court.

24. The Respondents did not raise any substantive objection to the amount of the insurance premium included in their service charges. The Tribunal is satisfied that the 2023 insurance was properly placed by or on behalf of the Applicant after an analysis of the market, that the resulting premium was reasonable, and that the share of the premium attributed to the Respondents is also reasonable.