



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

Case Reference	: HAV/43UG/LSC/2025/0745
Property	: Flat 14, Old Auction House, 49 Guildford Street, Chertsey, Surrey, KT16 9BB
Applicant	: Lucie Slade and Alfred Slade
Representative	: Ms Slade in person
Respondent	: Assethold Limited
Representative	: None
Type of Application	: Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985
Tribunal Members	: Judge Pattni-Evans (Chair) Judge Dovar Mr Reichel
Date of Hearing	: 19 May 2026
Date of Decision	: 9 June 2026

DECISION

Summary of the Decision

The Tribunal hereby determines that:

- (A) The Applicant is not permitted to set off £750 against the service charge for the year ending 2022 by reason of clause 9 of her lease agreement.
- (B) For the service charge year 2021/2022, the service charges demanded for 'intercom callouts', 'works to shutters' and 'decorating after leak' totalling £310.11 are not payable by the Applicant and should be deducted from the demand in the 2022 service charge year.
- (C) For the service charge year ending 2023, the administrative charges of debt recovery costs totalling £1,677 are not payable.
- (D) For the reserve fund contributions, there is no provision in the lease permitting the establishment of a reserve fund and, as such, the Respondent was not entitled to levy a charge for a contribution towards the reserve fund in the service charge years ending 2022, 2023, 2024 and 2025.
- (E) 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 in favour of the Applicant, so that none of the landlord's costs of the Tribunal proceedings may be passed to the Applicant through any service charge or administration charge.
- (F) The Respondent shall reimburse the Applicant for the application fee and the hearing fee the sum of £341 within 14 days.

The Tribunal's reasons are set out below.

Introduction

1. This is an application by a leaseholder for a determination as to liability to pay, and the reasonableness of, service charges and administration charges for the years 2022 to 2025. The application names two applicants but in this case, the Tribunal heard only from Lucie Slade. The Tribunal has not received any authority for Alfred Slade, references to the Applicant should be read as such.

2. The Old Auction House, 49 Guildford Street (the “Building”), is a three-storey block containing 16 flats, one of which is the Applicant’s two-bedroom flat. Each flat is let on a long lease and the flats differ in size and amenities. The Applicant is the leaseholder of Flat 14, which is situated on the first floor of the Building. Her service charge contribution is 5.09%, a sum reflected on her service charge demands. The Respondent is Assethold Limited. The managing agent is Eagerstates Ltd.

3. The application listed the disputed charges for each year, as follows:

2022 – Internal damage to kitchen ceiling, £750.00
 1. Intercom callouts, £27.75
 2. Reserve fund, £200.00
 3. Works to shutters, £150.37
 4. Decorating after leak, £202.652023 - Reserve fund, £200.00
Debt recovery notice of proceedings x 4 at £120.00 each
Debt Recovery Action costs of £1,197.00
2024 - Reserve fund, £200.00
2025 - Reserve fund, £200.00

4. The application was received on 29 July 2025. The Applicant also sought 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.

The Hearing

5. Directions were issued on 26 November 2025 listing the application for a case management and dispute resolution hearing on 16 January 2026 which was attended by the Applicant but not the Respondent.
6. Tribunal Judge Jutton issued further directions dated 16 January 2026 (the January Directions) listing the matter for determination at an oral hearing and requiring the parties to exchange statements of case, with the Applicant to prepare a hearing bundle by 27 March 2026.
7. A further case management issue arose whereby the Tribunal had not received the Hearing Bundle; this was because the Applicant had not received the Respondent's statement of case as directed. On 7 April 2026, Judge Rai issued further directions (April Directions) for a final hearing and made an unless order debarring the Respondent from taking further part in the proceedings. The Respondent did not comply with that order either.
8. On 30 April 2026, the Applicant renewed her application to debar the Respondent on the basis that she had received no response from it. The matter was referred to the Regional Judge for consideration and, on 5 May 2026, a Case Officer from the Tribunal confirmed that the unless order had taken effect. Accordingly, the Respondent was debarred from further participation.
9. Notwithstanding the Respondent's debarment, the Tribunal must still determine the application. Debarment under rule 9 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 prevents further participation but does not dispose of the proceedings. The Tribunal remains obliged, in accordance with rule 3 and its statutory jurisdiction (as

set out below), to consider the evidence before it and determine whether the service charges are properly payable.

10. The hearing therefore took place at Havant Justice Centre, as directed, and was attended by the Applicant, Lucie Slade, together with her mother. There was no attendance on behalf of the Respondent or Alfred Slade.
11. The Applicant is a litigant in person and has dyslexia. There was some confusion on her part as to which documents she was required to submit for the final hearing. We were satisfied that, although imperfect, the bundle substantially complied with the January and April Directions and that we had copies of the relevant documents needed to determine this application. We also permitted the Applicant's mother to assist her in navigating the papers during the hearing as a reasonable adjustment to enable her effective participation.
12. The absence of reference to a particular document or submission should not be taken to indicate that it has not been considered. The Tribunal has focused on the key issues requiring determination. In preparing these reasons, the Tribunal has had regard to the Senior President of Tribunals' Practice Direction, Reasons for Decisions, dated 4 June 2024.

Law

13. The relevant law is contained in the Landlord and Tenant Act 1985 ("LTA 1985"). Under section 27A(1), an application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if so, as to the person by whom it is payable, the person to whom it is payable, the amount payable, the date by or at which it is payable, and the manner in which it is payable.
14. Under section 19 of the LTA 1985, a tenant is liable to pay a service charge only to the extent that the costs are reasonable. The Tribunal must therefore decide whether the costs were reasonably incurred and, where they relate

to works or services, whether those works or services were carried out to a reasonable standard. Where charges are demanded in advance, the sums sought must represent a reasonable estimate of the likely costs.

Internal Damage to the Kitchen Ceiling (yr end 2022), set-off £750

15. The Applicant's case, in summary, is that she was entitled to set off against her 2022 service charge demand sums that she expended on repairing damage to her Flat, as the Respondent was responsible for the damage and had failed to reimburse her.
16. The issues first arose in 2021, when the Applicant paid for repair works following a leak which affected her flat in the sum of £780 but, because of an earlier typographical error, upon which she then based other calculations, she invited us to revise the figure to £750.
17. She had referred the matter to Eagerstates Ltd (the managing agent), who advised her that they would pursue £750 through the building insurance. She received no further response on the matter. The Applicant said that, in the absence of a response from the Respondent regarding reimbursement for expenses incurred in repairing the leak, she deducted the cost of the initial repairs in the sum of £750 from her service charge demand in 2022.
18. As part of determining whether service charges are payable, the Tribunal has a limited jurisdiction to consider historical set-off claims raised by way of defence to service charge liability. It is not, however, the Tribunal's function in these proceedings to determine any standalone claim for damages. The issue is whether the Applicant was entitled to withhold the sum of £750 from the service charge demand. As a starting point, the Tribunal must consider the terms of the lease. Clause 9 provides:

The rent, insurance rent, service charge and all other amounts due under this lease shall be paid by the tenant in full without any set-off,

counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

19. In the Tribunal’s view, the terms of this clause are clear and unambiguous and do not permit a leaseholder to withhold payment for historical disrepair. As such, the Applicant was not permitted to deduct the sum of £750 from her service charge demand in 2022 because clause 9 of her lease agreement prevented her from doing so.

Intercom callouts, £27.75, Works to shutters, £150.37, and Decorating after leak, £202.65, (yr end 2022)

20. In 2022/2023, the Applicant explained that she raised queries in relation to items on her service charge demand, namely “intercom callouts”, “works to shutters” and “decorating after leak”. She therefore calculated what she understood to be her contribution and withheld payment pending clarification from the Respondent, this came to a total sum of £380.77 – this figure was reached by apportioning the sums on her service charge demand for year-end 2022 by 16 as follows:

<i>Item</i>	<i>SC demand</i>	<i>%16</i>
Intercom callouts	£444	£27.75
Works to shutters	£3,242.40	£150.37
Decorating after leak	£2,406.00	£202.65

21. As to the intercom charges, the Applicant explained that there was an intercom serving the main building and a separate intercom serving her flat. She has an intercom handset in her flat, but it has never worked. She said that she had reported this on multiple occasions to Eagerstates and they agreed to send someone to repair it, but that did not occur.

22. As to the “works to shutters”, she explained that there are no shutters in the communal areas and she suspected that the shutters were located in another building. Similarly, “decorating after leak” was not attributed to

any specific communal area. The Applicant explained that she had raised queries with the Respondent concerning those sums but had received no response.

23. The Tribunal accepted the Applicant’s explanation in relation to these itemised sums.

24. Accordingly, the Tribunal assesses these sums under section 19 of the LTA 1985 as unreasonable and deducts them from the 2022 service charge demand. However, the Applicant’s calculations were based on an apportionment by 16 and were therefore incorrect. The Tribunal has recalculated those figures by reference to the Applicant’s service charge apportionment liability of 5.09%, as follows:

<i>Item</i>	<i>SC demand</i>	<i>5.09 %</i>
Intercom callouts	£444	£22.60
Works to shutters	£3,242.40	£165.04
Decorating after leak	£2,406.00	£122.47

25. In conclusion, for the service charge year 2021/2022, the service charges demanded for ‘intercom callouts’, ‘works to shutters’ and ‘decorating after leak’ totalling £310.11 are not payable by the Applicant and should be deducted from the demand in the 2022 service charge year.

Debt recovery notice of proceedings: £120 × 4, and debt recovery action costs arising from non-payment of the account: £1,197 (year ending 2023)

26. The issue for determination is whether the sums claimed for “debt recovery notice of proceedings” (£120 on four occasions) and “debt recovery action costs” (£1,197) are payable and, if so, whether they are reasonable. The Tribunal considers that these are administration charges within the meaning of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 and therefore within its jurisdiction.

27. The Applicant submits that these sums are not payable. The debt recovery charges arose from her decision to set off the disputed sums in the year ending 2022. However, the Applicant explained that she received only one written communication from the debt recovery agent and that subsequent demands of £120 were made by email under the subject line “notice of proceedings”, although no proceedings commenced.
28. The Applicant had not refused to pay her service charge; save for the £750, she had simply sought clarification and a breakdown of the sums claimed for the intercom, works to shutters and decorating after the leak. She further submitted that no proper invoices or adequate particulars had been provided for the administration charges or the alleged notices of proceedings. She said that the charges were excessive, in particular the four sums of £120 and the total of £1,197, and that they were incurred in circumstances where she was raising legitimate queries with the managing agent.
29. The Tribunal determines as follows. Under paragraph 1 of Schedule 11 to the Commonhold and Leasehold Reform Act 2002, an administration charge includes a sum payable by a tenant in connection with the enforcement of an obligation under a lease. By paragraph 2 of Schedule 11, such charges are payable only to the extent that they are reasonable. The lease also permits the recovery of costs incurred in enforcing the tenant’s covenants, including professional costs.
30. The Tribunal is not satisfied that four separate charges of £120, said to arise from correspondence, are reasonable within the meaning of paragraph 2 of Schedule 11. Nor is the Tribunal satisfied that the sum of £1,197 for debt recovery action has been adequately particularised or justified, particularly in circumstances where the Applicant was seeking clarification of the account. That raises a case that the sums are unreasonable. As the Respondent has been debarred, it is not able to, nor has it, sought to justify those sums.

31. Accordingly, the Tribunal determines that the administrative charge of £1,677, is not payable.

Reserve Fund £200 (yr end 2022, 2023, 2024 and 2025)

32. The Applicant challenged the Respondent's ability to levy a charge for the reserve fund which appeared as a charge of £200 on estimated service charge accounts in each year. Her neighbour had previously attended a hearing where it was determined that the lease made no provision for contributions to the reserve fund. The Applicant did not have a copy of that decision, nor did she take us to any of the specific provisions in her lease; she explained that she had not studied it in any detail.
33. The Tribunal considered that the relevant starting point was the lease and noted that there was no clause permitting the establishment of a reserve fund. The ability to collect reserve fund contributions depends on express or implied provision in the lease and, in the absence of such provision, the freeholder cannot demand such payments. The Respondent therefore had no entitlement under the terms of the Applicant's lease to require contributions towards a reserve fund.

Costs and Fees

34. At the hearing, and in accordance with the January Directions, the Tribunal heard the Applicant's submissions in respect of costs and the reimbursement of Tribunal fees.
35. The Applicant has been substantially successful in these proceedings. Under rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal has the power to make an order in respect of costs, including the reimbursement of fees, where it considers it just to do so.

36. In the exercise of that discretion, the Tribunal considers it appropriate that the Applicant should recover the Tribunal fees incurred in bringing this application. Accordingly, the Respondent shall reimburse the Applicant for the application fee and the hearing fee, those sums having been reasonably incurred. The Respondent shall therefore repay the Applicant the sum of £341 within 14 days.
37. The Applicant applied for an order under section 20C of the Landlord and Tenant Act 1985. Such an order may prevent costs incurred by the landlord in the proceedings from being recovered through the service charge payable by the tenant. In addition, an application was made under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002. Such an order may reduce or extinguish the tenant's liability to pay an administration charge.
38. The Applicant has succeeded on the majority of her application. The Tribunal has also taken into account its findings and the Respondent's lack of engagement in correspondence and, indeed, in these proceedings. In the circumstances, the Tribunal is satisfied that it is just and equitable to make orders under section 20C and paragraph 5A in favour of the Applicant preventing the Respondent from seeking to recover any of their costs of this application either through the service charge or by way of administration charge.

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).