



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

Case reference : **LON/00BE/LSC/2025/0868**

Property : **Unit 6, 166 Tower Bridge Road, London
SE1 3LZ**

Applicants : **AHGR Ltd**

Representative : **Daniel Bromilow (counsel)**

Respondent : **Simon Charles**

Representative : **Nicholas Towers (counsel)**

Type of application : **For the determination of the liability to
pay service charges under section 27A of
the Landlord and Tenant Act 1985**

Tribunal members : **Judge J Moate and Ms C Barton MRICS**

Venue : **10 Alfred Place, London WC1E 7LR**

Date of decision : **16 June 2026**

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the sum of £23,385.92 is payable by the Respondent in respect of the service charges for the years 2019-2025.
- (2) The Tribunal does not make any determinations about a) what has been paid towards that sum by the Respondent and b) appropriation of that sum towards any outstanding debt.
- (3) The Tribunal determines that the landlord is entitled to demand a service charge of 5.47% per annum based on the terms of the Lease.

The application

1. The Applicant seeks 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 Respondent in respect of the service charge years 2019 to 2025.

The hearing

2. The hearing took place on 09 June 2026. The Applicant was represented by Mr Daniel Bromilow, and the Respondent was represented by Mr Nicholas Towers.
3. Mr Christopher Case, Managing Agent for the Property, attended on behalf of the Applicant to give evidence. Mr Simon Charles did not attend.
4. Mr Bromilow relied on the Applicant’s skeleton argument dated 28 January 2026, which had been prepared for the previous (adjourned) hearing, along with two authorities which were not before the Tribunal. Mr Towers relied on his skeleton argument dated 04 June 2026, along with the decision in *SAS Institute Inc v World Programming Ltd* [2019] EWHC 2496 (Comm) and an extract from Chitty on Contracts (36th Ed.)
5. The Applicant had made an Order 1 application dated 08 June 2026 seeking to rely on additional correspondence in the updated bundle of 818 pages. At the start of the hearing, Mr Bromilow stated that he did not intend to rely on that application or the additional documents. For simplicity, the parties nevertheless agreed to use the updated bundle at the hearing.

The background

6. The property which is the subject of this application is a flat within a block of flats at 166 Tower Bridge Road, London.

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.
8. The Respondent holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the Lease will be referred to below, where appropriate.
9. The service charges in question are for interim service charges expressed to be for the “Block” and for “Internal C Parts”. They are as follows:

Y/E 24 March 2019:	£920.48	(demanded on 17/12/18)
Y/E 24 March 2020:	£3,672.56	(demanded on 04/09/19, 27/09/19 and 13/12/19)
Y/E 24 March 2021:	£3,599.88	(demanded on 20/03/20, 01/07/20, 14/09/20 and 08/12/20)
Y/E 24 March 2022:	£3,578.24	(demanded on 30/03/21, 18/06/21, 21/09/21 and 06/12/21)
Y/E 24 March 2023:	£3,518.52	(demanded on 23/03/22, 20/06/22, 16/09/22 and 07/12/22)
Y/E 24 March 2024:	£3,876.52	(demanded on 17/03/23, 22/06/23, 18/09/23 and 11/12/23)
Y/E 24 March 2025:	£4,219.72	(demanded on 22/03/24, 17/06/24, 19/09/24 and 09/12/24)
TOTAL:	£23,385.92	

The issues

10. Mr Towers submitted in his skeleton argument that the Respondent was not advancing a case that any individual service charge was unreasonable. He said the Respondent’s argument went to an accounting question, namely what had been paid in respect of the service charges demanded from 2019-2025, plus a small issue regarding the percentage proportion payable under the Lease.
11. In the light of this, the parties identified the following relevant issues for determination as follows:
 - a) The “accounting point”:

- (i) what payments the Respondent has made towards the service charges demanded; and
 - (ii) whether the landlord is entitled to appropriate sums paid to an outstanding debt.
 - b) The correct apportionment: whether the landlord is entitled to charge 5.47% per annum based on the terms of the Lease.
 - c) Based on the above, the amount payable by the Respondent in respect of the service charges for the years 2019-2025.
12. Having heard evidence and submissions from the parties and considered all of the documents provided, the Tribunal has made determinations on the various issues as follows.

The accounting point

13. Mr Bromilow submitted that, save for the apportionment issue (issue b), there was no dispute as to the payability of service charges demanded between 2019-2025 under the terms of the Lease. Nor was there a dispute as to reasonableness. He observed that the Applicant contended the total amount demanded in respect of service charges for this period was £23,385.92 whereas the Respondent contended (at paragraph 5 of the Respondent's skeleton argument) it was £23,386.52. That was a difference of £0.60. He contended that the Respondent's case with respect to issue a) was one of accounting only.
14. He argued that the "accounting point" in a) could not be resolved by the Tribunal because it was a complex accounting exercise which the Tribunal could not undertake. His reasoning was that the accounts included variable administration charges which did not form part of the application before the Tribunal, along with ground rent which was outside the Tribunal's jurisdiction. He further contended that the Tribunal would need to consider service charge accounts before 2019 to determine any outstanding amounts and relevant appropriation. These historical accounts also did not form part of the application before the Tribunal.
15. He asked the Tribunal to deal with a) as a preliminary issue, because if the Tribunal agreed with the Applicant's position on this, the only point for determination would be issue b), thereby significantly narrowing the scope of the hearing.
16. Mr Towers accepted that, save for the apportionment issue, there was no dispute about the payability and reasonableness of the service charges demanded under the terms of the Lease. He agreed that service charge demands of £23,386.52 had been made by the Applicant between 2019 and 2025. He argued, pursuant to the Court of Appeal decision in

Benwell Road RTM Co Ltd v Davies [2025] 1 WLR 4645 that the Tribunal did have jurisdiction to determine the appropriation point “in principle”. He nevertheless accepted that practically speaking it would be arduous to go through 15 years of accounts to establish what monies had been allocated to which debts and that such an exercise might not be an appropriate use of the Tribunal’s resources.

17. Mr Bromilow responded that the Tribunal should not deal with the appropriation point “in principle”. He argued that the detailed accounting exercise and enforcement of any outstanding sums found to be due was an issue for the County Court; it would not be appropriate to determine the issue of appropriation in isolation, without a full consideration of the background accounts.
18. The Tribunal noted that neither party had raised any jurisdictional points in their statements of case or skeleton arguments and asked the parties to step outside to see if they could to reach agreement as to what they were asking the Tribunal to determine.
19. Upon reconvening, Mr Bromilow argued that although in principle the Tribunal had jurisdiction to determine the appropriation point “in the abstract”, in practice it would be impossible to calculate how much was payable without conducting a full accounting process. This was outside the scope of the application and/or the jurisdiction of the Tribunal because the payment demands in question included variable administration charges and ground rent. He submitted that the Applicant sought a determination as to the payability and reasonableness of the service charges under the terms of the Lease and a determination of the correct apportionment.
20. Mr Towers submitted that the Tribunal could make a declaratory finding as to appropriation, but it would be difficult to undertake an accounting exercise to determine what was outstanding because the payment demands included ground rent and variable administration charges, which would need to be separated out to determine any apportionment.

The Tribunal’s decision

21. The Tribunal determines that the sum of £23,385.92 is payable by the Respondent in respect of the service charges for the years 2019-2025.
22. The Tribunal does not make any determinations about a) what has been paid towards that sum by the Respondent and b) appropriation of that sum towards any outstanding debt.

Reasons for the tribunal's decision

23. Under s27A of the 1985 Act, the Tribunal has jurisdiction to determine whether a service charge is payable and the amount which is payable:

27A Liability to pay service charges: jurisdiction

(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to—

(a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

24. Pursuant to the decision in *Benwell Road RTM Co Ltd v Davies* [2025] 1 WLR 4645, the Tribunal's jurisdiction includes the ability to determine both what has been reasonably charged and what is payable by the tenant and when. At paragraph 41 of that decision Sir Geoffrey Vos MR put it as follows:

41. In *Termhouse (Clarendon Court) Management Ltd v Al-Balhaa* [2022] 1 WLR 1529, Newey LJ left these points open, when he said at para 31:

“Mr Cowen accepted that FTT decisions on applications under section 27A of the 1985 Act sometimes state what is due from the tenant rather than just whether the relevant service charges were properly imposed. He queried whether the FTT in truth has jurisdiction to make such decisions, but we do not need to resolve that question. It seems to me that, even assuming that it is open to the FTT to say what a tenant actually owes rather than merely what has properly been charged, such a decision will be no more than declaratory, and in fact I should be surprised if the FTT went so far as to purport to order a tenant to make a payment in respect of outstanding service charges, let alone to require the tenant to do so within any particular time frame. Even, therefore, in a case in which the FTT expresses a conclusion on what the tenant currently owes, the landlord will not be able to resort to either section 176C of the 2002 Act or section 27 of the 2007 Act for enforcement. If needs be, the landlord should issue new proceedings in the County Court in which the FTT's decision will be binding on the parties”. (Emphasis added.)

42. I respectfully agree with the thrust of Newey LJs approach. But with the benefit of the assistance of specialist counsel in this case, we can now go further. It is indeed open to the FTT to

determine both what has been reasonably charged and what is payable by the tenant and when. Those decisions will not, however, take effect as an enforceable judgment. Only the court can give such a judgment, leading, if necessary, to the processes of enforcement.

25. Accordingly, the Tribunal agrees with both parties that, in theory, it can determine what the tenant actually owes.
26. The Respondent accepts that the service charges demanded are reasonable and payable under the terms of the Lease. The issue in this case is whether the payments made have been properly accounted for and properly appropriated to an outstanding debt which first arose in 2009.
27. The Tribunal agrees with both parties that it would be impossible in a one-day hearing for the Tribunal to pick over the payment demands and any relevant background accounts for the period from 2009 to 2025 to ascertain which service charges have been paid and which payments have been attributed to which debt. Moreover, such an accounting exercise would not be an appropriate use of the Tribunal's resources. The task is further complicated by the fact that the payment demands include variable administrative charges, which are not part of the application before the Tribunal, and ground rent, which falls outside of the Tribunal's jurisdiction.
28. The Tribunal considers that it would not be appropriate to make an "in principle" decision on the appropriation argument, as this goes hand in hand with a consideration of the sums appropriated in each period, which information the Tribunal does not have and which falls, at least in respect of ground rent and variable administration charges, outside the scope of this application. It would be unhelpful for the Tribunal to pre-determine part, but not all, of the question of what remains due and owing by the tenant. This is a matter which quite properly falls within the jurisdiction of the County Court if it cannot be resolved between the parties.
29. Accordingly, pursuant to the parties' agreed position, the Tribunal determines that the sum of £23,385.92 is payable by the Respondent in respect of service charges for the years 2019-2025. The Tribunal finds that the lower amount is payable (as opposed to the amount of £23,386.52, a difference of £0.60) because a) this was agreed by Mr Bromilow and b) this is the correct sum of the service charges demanded.
30. The Tribunal does not make any determinations about a) what has been paid towards that sum by the Respondent and b) appropriation of that sum towards any outstanding debt.

The correct apportionment

31. Paragraph 1.3 of the Fifth Schedule of the Lease defines “Block Service Charge” as follows:

5.36% per annum of all proper and reasonable costs charges and other expenses incurred by the Landlord of and incidental to the observance and performance by the Landlord of its obligations and responsibilities set out in the Sixth Schedule Part 1 hereto and the Management Fee (or such other reasonable and fair percentage thereof as the Landlord shall from time to time deem to be appropriate)

32. Mr Bromilow submitted that he was bound to accept that the Lease provides a percentage of 5.36% but that it also allows for such other reasonable and fair percentage as the landlord deemed appropriate. He called Mr Case to confirm his statement as to why the amount had been varied to 5.47%.
33. Upon questioning by Mr Towers, Mr Case said he was involved in the decision and that he remembered that there was an error in the Lease because the percentages did not add up to 100%. He said he did not remember whether everyone’s percentages changed or just the percentage for the Respondent, because it was such a long time ago.
34. Mr Bromilow submitted that it was manifestly fair and reasonable to adjust the percentage by a small amount to ensure the percentage totalled 100%. He said that the adjustment had taken place 6 years before the Respondent had purchased the flat, had been applied ever since and that no complaint had been made until this Application. He said that given the significant delay, recollections were bound to be hazy.
35. At paragraph of his skeleton argument, Mr Towers acknowledged the effect of *Aviva Ground Rent Investors GP Ltd v Williams* [2023] UKSC 6, [2023] AC 855 and *Bradley v Abacus Land 4 Ltd* [2025] EWCA Civ 1308; [2026] H.L.R. 5, was that where the Tribunal is considering a provision where the lease requires the landlord to act reasonably or exercise a reasonable discretion, a landlord will only have acted in breach of that contractual obligation if the decision was one that no reasonable landlord could have reached. In oral submissions he argued that although it was superficially attractive to say the reason for the adjustment was that the percentages taken together did not add up to 100%, the issue was that there was no evidence of how this process was carried out or whether it applied to the Respondent’s flat only, or to everyone. He argued that if it applied only to the Respondent’s flat, it would be unreasonable. He further argued that although the sum of circa £400 over five years did not appear to be much, over the duration of the Lease it was significant.

The Tribunal's decision

36. **The Tribunal determines that the landlord is entitled to demand a service charge of 5.47% per annum based on the terms of the Lease.**

Reasons for the Tribunal's decision

37. The Lease clearly provides a discretion for the landlord to adjust the percentage apportionment of the service charge so long as it is reasonable and fair. The Tribunal accepts Mr Case's oral evidence that the adjustment was made in 2002 because the percentages overall did not add up to 100%. The Tribunal also accepts Mr Case's evidence that he cannot remember whether everyone's percentages changed, because the adjustment took place around 24 years ago.
38. The Tribunal reminds itself that it can only interfere with a discretionary management decision of this sort if it is unreasonable: the landlord's decision will be flawed only if it is one that no reasonable landlord could have reached (*Bradley v Abacus Land 4 Ltd* [2025] EWCA Civ 1308; [2026] H.L.R. 5, para 73).
39. The Tribunal is not persuaded that the Applicant's decision to adjust the service charge percentage by 2.05% is one that no reasonable landlord could have reached. The Tribunal considers it not unreasonable for a landlord to increase the percentage to ensure the service charge adds up to 100%. Mr Towers' arguments concerning the lack of evidence about whether the increase was applied to other flats, and the cumulative effect of the percentage increase over the duration of the Lease might have had some merit if the adjustment had been applied recently, without explanation. However, given the reasonable explanation for the adjustment, the effluxion of time, the fact that the adjustment was made before the Respondent entered into the Lease and has been consistently applied ever since, and the Respondent's failure to challenge it until now, the Tribunal considers these arguments must fail.

Name: Judge J Moate

Date: 16 June 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).