FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/12UB/LBC/2023/0009**
Property	**:**	**1, 3, 13, 21, 27 The Eights Marina, Cambridge CB4 1ZA**
Applicant	**:**	**(1) Glynn and Irene Snelling** **(2) Gordon Ward** **(3) John Price** **(4) Parmir Singh Rai** **(5) Philip Curtis & Liubov Burashnikova**
Respondent	**:**	**Eights Management Company Ltd**
Date of Application	**:**	**20 November 2024**
Type of application	**:**	**Application for an order under s.20C Landlord and Tenant Act 1985**
The Tribunal	**:**	**Tribunal Judge S Evans**
Date/ place of hearing	**:**	**N/A**
Date of decision	**:**	**22 April 2026, on the papers**

DECISION

DECISION

The Tribunal determines that 50% of the costs incurred by the Applicant in connection with proceedings in case reference CAM/12UB/LBC/2023/0009 are to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Applicants, pursuant to section 20C of the Landlord and Tenant Act 1985.

Introduction

1. The Applicants seek an order under s.20C Landlord and Tenant Act 1985 order against the Respondent.

The Parties

2. Eights Management Company Ltd ("EMC") is the Respondent.

3. The Applicants are all leaseholders of various flats in Eights Marina, Cambridge CB4 1ZA ("the Property").

Background

4. By application dated 26 September 2023 , EMC brought an application in this Tribunal under case reference CAM/12UB/LBC/2023/0009 for an order that Stephen Ingram and Xi Lin, the leaseholders of the flat called 20 Eights Marina, Cambridge CB4 1ZA were in breach of lease.

5. EMC initially sought a determination of a breach of clause 4.4, clause 3/ Schedule 3 paragraph 3.22, and clause 4.2/paragraphs 8.01 and 8.26 of the 8th Schedule to the subject Lease.

6. At the hearing, through counsel, EMC explained that it no longer advanced any breach of clause 4.4 of the Lease, nor was any allegation of nuisance to be pursued. Therefore, EMC's main contention was that clause 3/Schedule 3 para. 3.22 was breached by the Respondents' taking in of a paying 'lodger'. Its secondary contention, which it accepted stood or fell with his main contention, was that leaseholders of flat 20 had committed a breach of clause 4.2/paragraph 8.01 of the 8th Schedule in these terms:

   > "not at any time to use or occupy or permit the Demised Premises to be used and occupied except as a private residential apartment for a reasonable number of persons".

7. By decision dated 24 September 2024, the Tribunal identified the key issue as being whether Ms Huang (the paying 'lodger') and Mr Ingram used flat 20 as their residence. The application was dismissed, for reasons which included:

(1) It was common ground that Mr Ingram occupied flat 20 at all material times as his private residence;

(2) As for Ms Huang, this was not a grant of a short term right to use; it was for an initial period of 6 months, and lasted longer than that, given the extensions agreed. That contrasted with transient user as found in other legal cases;

(3) The use by Ms Huang in the relevant period did not lack the necessary character of residential use, but had a degree of permanence and intent to use flat 20 as a residence;

(4) While there was an element of commerciality to the arrangement, there was no evidence that Mr Ingram did make a profit from the transaction with Ms Huang. The money she paid included utilities, internet use and council tax;

(5) Moreover, a circumstance in the case which was absent from all the other authorities cited to the Tribunal was Mr Ingram's intention to have someone in flat 20 as company, on account of his mental health issues. That element of intention to find companionship provided a different perspective through which his arrangement with Ms Huang needed to be seen. It seemed to the Tribunal that this factor added to the conclusions that a reasonable person would consider the use by Ms Huang of flat 20 to be use as a residence.

8. The Tribunal also made an order in favour of the leaseholders pursuant to section 20C of the Landlord and Tenant Act 1985, for the following reasons:

"The discretion given to the Tribunal under s.20C is to make such order as it considers just and equitable. In *Tenants of Langford Court (Sherbani) v Doren Limited* LRX/37/2000, which concerned an application for the appointment of a manager under section 24 of the Landlord and Tenant Act 1987 and in which the Applicant tenants had been successful, the Lands Tribunal (Judge Rich QC) made the following remark:

> "28. In my judgement the only principle upon which the discretion should be exercised is to have regard to what is just and equitable in all the circumstances. The circumstances include the conduct and circumstances of all parties as well as the outcome of the proceedings in which they arise."

In the instant case, the [leaseholders of flat 20] have been successful. It does not always follow that a successful party should always have costs protection, but the Applicant chose to pursue an historic breach which was not likely to provide a case for forfeiture. Whilst [EMC] may have wished to have some form of precedent to wave at other persons in the building who act similarly to Mr Ingram, as this very case shows (based on the authorities cited to us) each case is a question of fact and degree, and must turn on its individual circumstances.

We do not consider the application to have been vexatious or unreasonable, and many applications are pursued which ultimately fail. That alone is not decisive, as we have already held.

We do treat more significantly the late withdrawal of the claim of subletting under clause 4.4. It seems to us that this allegation had created a lot of paperwork in a case already overburdened with reams of material.

In our consideration, in all the circumstances, it would not be just and equitable for [EMC] to be able to recover the costs of these proceedings through the service charges against the [leaseholders of flat 20].

We therefore determine that none of the costs incurred by [EMC] in connection with these proceedings are to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the [leaseholders of flat 20], pursuant to s.20C of the Landlord and Tenant Act 1985."

9. On 8 December 2024 the leaseholders of flat 20 made an application for costs against EMC under rule 13 of the Tribunal Procedure Rules 2013. By decision dated 16 April 2025 this was not successful. They then sought permission to appeal, which was refused by this Tribunal by decision dated 29 August 2025.

10. The Applicants to the instant application now wish to have section 20C protection from the costs of the previous proceedings.

Procedural History

11. There was a delay in giving of directions until 19 November 2025, owing to a backlog awaiting sufficient administrative staff to process the application.

12. On 24 November 2025 Messrs Ward, Price, Singh Rai and Mr Curtis/Ms Burashnikova gave written confirmation that they joined in the application.

13. The directions indicated the Tribunal was minded to make a s.20C order in favour of the Applicants, so EMC was asked first to produce its bundle in opposition to the application. This it did on 10 December 2025 (73 page

bundle). The Applicants followed (91 page bundle). A brief supplementary reply dated 19 January 2026 was filed by EMC. Further submissions were made by Mr and Mrs Snelling on 27 January 2026.

14. The Tribunal has read all the materials carefully. Pressures of work has prevented the sooner circulation of this decision, for which it apologises.

EMC's representations

15. EMC opposes the Application for the following main reasons:

(1) its application for breach of lease was not in any way unreasonable or vexatious;

(2) the decisive reason for the Tribunal section 20 C order in favour of the leaseholders of flat 20 was to act as compensation for their costs of defending the application;

(3) it was not unreasonable for EMC to have used lawyers;

(4) the proceedings were a matter of last resort, as the leaseholders of flat 20 would not engage. For example, the first time that EMC saw the leaseholders' evidence was when it was contained in their bundle, including advice from the Leasehold Advisory Service;

(5) EMC had been repeatedly advised by his own lawyers that the lease protected against short term rentals;

(6) leaseholders had complained of short term rentals at meetings;

(7) EMC asked for the leaseholders of flat 20 to sign an undertaking that they would not repeat their conduct, but the leaseholders refused;

(8) EMC has no assets of its own;

(9) EMC has an open complaint against its solicitors Stone King, in particular in relation to the withdrawal of the allegation of breach of clause 4.4 of the lease, which EMC alleges its solicitors decided to drop by e-mail at 0630 on the morning of the hearing, and EMC did not agree with that course;

(10) the applicants in this case had campaigned to get other lessees to join the section 20C application;

(11) the applicants could have submitted a resolution to change EMC's direction, as they are shareholders of EMC (as it has advised in the email to Mr Price of 19 February 2024);

(12) the final cost of the proceedings was £15,983, not £30,000 as had been suggested by the Applicants in their application;

(13) EMC did not consider ADR cost effective because the leaseholders of flat 20 were insistent on a financial settlement which EMC could not pay;

(14) EMC agrees it did not give shareholders or lessees a vote in the course of action, but it was not obliged to do so;

(15) other cases of leaseholders' non compliance have been dealt with amicably;

(16) the possibility of using ground rents was raised by EMC as a way of meeting Mr Ingram's threat of legal proceedings, not as a way of covering the section 20C shortfall of costs.

The Applicants' representations

16. The most pertinent representations by the Applicants contained in their application and written materials may be summarised as follows:

(1) a section 20C order has already been granted in favour of the leaseholders of flat 20;

(2) EMC had given no breakdown of its legal costs;

(3) the allegation under clause 4.4 of the lease had been withdrawn on the day of the hearing;

(4) the leaseholders had told EMC that there had been no breach of lease, and the Tribunal judge had given a preliminary view that forfeiture was unlikely to result;

(5) EMC never put the obtaining of advice to the vote, and details of the case were withheld from the leaseholders;

(6) the leaseholders of flat 20 had offered ADR which had not been accepted;

(7) the leaseholders of flat 20 had been forced to obtain the advice of counsel, who had even then tried to avoid a hearing;

(8) they were never consulted at any point as shareholders, and so there was no discussion of the risks of proceeding to litigation;

(9) There was noncompliance of the subject clauses by other leaseholders in the building, but they had not been taken to the Tribunal;

(10) EMC had not explained why it would be equitable to recover against some leaseholders but not others;

(11) EMC did not engage in ADR;

(12) there had been no nuisance, inconvenience, safety risk, or material detriment to other leaseholders by the actions of those in flat 20;

(13) EMC had continued their assertion of breach of lease even after the Tribunal's substantive decision;

(14) EMC had written "cease and desist" correspondence to the leaseholders of flat 20, pre-determination, thereby escalating the dispute;

(15) EMC had tried to reintroduce ground rent to cover the costs of the proceedings.

The Law

17. Section 20C of the 1985 Act provides as follows, so far as material:

> "(1)A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property Tribunal or leasehold valuation Tribunal or the First-tier Tribunal, or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.
>
> (2)...
>
> (3)The court or Tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances."

18. In *Conway and others v Jam Factory Freehold Ltd* [2013] UKUT 0592 (LC) the following principles were distilled by the Upper Tribunal:

19. The purpose of the discretion conferred by section 20C was first considered by the Court of Appeal in *Iperion Investments Corporation v Broadwalk House Residents Limited* (1996) 71 P & CR 34. That was an appeal from a decision making a section 20C order in favour of a tenant following forfeiture proceedings in which the landlord had been ordered to

pay the tenant's costs of the proceedings. Peter Gibson LJ first pointed out that section 19 of the 1985 Act prevents a landlord from recovering so much of a service charge as consists of costs unreasonably incurred, before noting that section 20C goes further. Parliament had obviously intended to address cases:

"... where the tenant has been successful in litigation against the landlord and yet the costs of the proceedings are within the service charge recoverable from the tenant."

20. At page 40 he continued:

"To my mind, it is unattractive that a tenant who has been substantially successful in litigation against his landlord and who has been told by the court that not merely need he pay no part of the landlord's costs, but has had an award of costs in his favour should find himself having to pay any part of the landlord's costs through the service charge. In general, in my judgment, the landlord should not 'get through the back door what has been refused by the front'"

21. *Tenants of Langford Court (Sherbani) v Doren Limited* LRX/37/2000 concerned an application for the appointment of a manager under section 24 of the 1987 Act in which the applicant tenants had been successful. The Lands Tribunal (Judge Rich QC) referred to *Iperion* before making the following remarks:

"28. In my judgement the only principle upon which the discretion should be exercised is to have regard to what is just and equitable in all the circumstances. The circumstances include the conduct and circumstances of all parties as well as the outcome of the proceedings in which they arise.

29. I think that it can be derived from [Iperion] that where a court has power to award costs, and exercises such power, it should also exercise its power under s20C, in order to ensure that its decision on costs is not subverted by the effect of the service charge.

30. Where, as in the case of the LVT, there is no power to award costs, there is no automatic expectation of an Order under s.20C in favour of a successful tenant, although a landlord who has behaved improperly or unreasonably cannot normally expect to recover his costs of defending such conduct.

31. In my judgement the primary consideration that the LVT should keep in mind is that the power to make an order under s.20C should be used only in order to ensure that the right to claim costs as part of the service charge is not used in circumstances that make its use unjust. Excessive costs unreasonably incurred will not, in any event, be recoverable by reason of s.19 of the Landlord and Tenant Act 1985. Section 20C may provide a short route by which a Tribunal which has heard the litigation

giving rise to the costs can avoid arguments under s.19, but its purpose is to give an opportunity to ensure fair treatment as between landlord and tenant, in circumstances where even although costs have been reasonably and properly incurred by the landlord, it would be unjust that the tenants or some particular tenant should have to pay them.

32. Oppressive and, even more, unreasonable behaviour however is not found solely amongst landlords. Section 20C is a power to deprive a landlord of a property right. If the landlord has abused its rights or used them oppressively that is a salutary power, which may be used with justice and equity; but those entrusted with the discretion given by s. 20C should be cautious to ensure that it is not itself turned into an instrument of oppression."

22. In *Church Commissioners v Derdabi* [2011] UKUT 380 (LC), the Tribunal (Judge Gerald) offered further observations on section 20C applications and emphasised the breadth of the discretion. "Circumstances" which were identified as of relevance included "the landlord being a resident-owned management company with no resources apart from the service charge income" (paragraph 21).

23. In *Conway* itself, the UT held:

"75. In any application under section 20C it seems to me to be essential to consider what will be the practical and financial consequences for all of those who will be affected by the order, and to bear those consequences in mind when deciding on the just and equitable order to make."

Discussion and Determination

24. The representations now made do not colour the section 20C determination made on 24 September 2024 to the extent that the Tribunal would need to revisit that decision. All the reasons given by the Tribunal remain relevant: EMC chose to pursue an historic breach which was not likely to provide a case for forfeiture; the leaseholders of flat 20 were the successful parties; and there was a very late withdrawal of the allegation under clause 4.4 which had hitherto been EMC's sheet anchor.

25. The Tribunal would hasten to add that it was certainly not decisive in the section 20C determination of 24 September 2024 that the leaseholders of flat 20 had incurred legal costs in the defence of the application.

26. However, the material now before the Tribunal provides important context. The decision by EMC to proceed with the application for breach of lease was influenced by a number of pressures, including but not limited to: independent legal advice which assured EMC there was a sound case which was later undermined; the fact that EMC has no assets; the fact that the leaseholders of flat 20 wanted (and perhaps still want) a financial

settlement; and the fact that some but not all of the leaseholders disagreed with short-term lets in the building, even though the Tribunal would accept there had been no significant wider harm caused by flat 20's conduct.

27. It is possibly the case that EMC could have relieved some of those pressures by more actively engaging in ADR with the leaseholders of flat 20. The minutes of the meeting of 23 July 2024 reveal that EMC considered it cheaper to go the FTT rather than having ADR. That was not a wise view, even though, as has been previously found, EMC's decision to bring the application for breach of lease was not of itself unreasonable nor oppressive in action.

28. The leaseholders who are Applicants in this case are not successful parties in the same sense as the leaseholders of flat 20, and it would be wrong to equate their respective positions. Even if they were judged successful parties, there can be no expectation in a case such as the present that the Tribunal would automatically grant section 20C protection. In one sense, the current Applicants are innocent bystanders, but there is some small merit in the argument by EMC that they could have exercise their rights as shareholders more actively, albeit the Tribunal notes that they were constrained by a lack of information which EMC could legitimately give about the case against flat 20.

29. On the material before the Tribunal now, only Mr. Price has stated (see e-mail of 9 January 2025) that he did not support EMC's application to the FTT for breach of lease. This e-mail has to be treated with caution, however, because it has been made with the benefit of hindsight.

30. EMC has a property right in accordance with paragraph 6.02 of the 6th Schedule to the lease to recover its costs of the proceedings against the Applicants in circumstances where it has no resources apart from service charge contributions. The financial consequences for the 5 applicants of refusal of a section 20C order is an important consideration also, but the sums in issue here do not seem excessive (and in any event, if they are unreasonable in amount, the Applicants still have rights under s.27A of the Landlord and Tenant Act 1985 to challenge them).

31. Weighing all the above factors, the Tribunal finds scales are tipped towards the Applicants, but not to any significant degree. The Tribunal considers that it would be just and equitable to order that 50% of the costs of the proceedings under case reference CAM/12UB/LBC/2023/0009 are not to be regarded as relevant costs to be taken into account in determining the amount of service charge payable by the 5 Applicants.

32. So as to be clear, this means that the relevant costs to be taken into account in determining the amount of any service charge payable in the future by the Applicants are £7991.50 (being half of £15,983).

33. As regards the costs of this application made by the Applicants, the Tribunal has a discretion under Rule 13 to reimburse the costs of the same. Given that the Applicants have been ultimately successful on the application, the Tribunal determines that EMC shall reimburse the costs of the application to the Applicants within 28 days of the date of this decision.

Name: Tribunal Judge S Evans **Date**: 22 April 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).