FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00Ag/LSC/2025/1275**
Property	**:**	**Ground Floor Flat, 84 Compayne Gardens, London NW6 3RU**
Applicant	**:**	**Ms Mirah Saleh**
Representative	**:**	**Ms Anna Petani of Properties Actually Limited**
Respondent	**:**	**Edmund Phillip Schuster & Natalie Schuster**
Representative	**:**	**N/A**
Type of application	**:**	**Section 27A Landlord and Tenant Act 1985 – payability of service charges**
Tribunal members	**:**	**Judge Tagliavini** **Mr J A Naylor FRICS**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of hearing **Date of decision**	**:**	**17 July 2026** **31 July 2026**

DECISION

The tribunal's decisions

A. On application by the respondents, the tribunal joins Natalie Schuster the joint leaseholder as a respondent to this application.

B. The tribunal finds the following sums are payable by the respondents:

(i) Management fee charged by Ms Saleh – **nil allowed**.

(ii) Administration fee – **nil allowed.**

(iii) Late payment fee – **nil allowed.**

(iii) Pennine Estates management fee - **£150 only payable by respondents for the service charge year ending 31/03/2024.**

(iv) The tribunal allows **50% of the total costs** of the following items of which the respondents are required to pay a 20% share:

Cleaning of common parts;
Carpet wash;
Front entrance door change of keys;
Fire Risk Assessment;
Removal of trees from front garden;
Painting of front of house;
Vacuum cleaner;
Cleaning supplies.

C. The tribunal finds the following sums are reasonable and payable:

Water rates.

D. The tribunal finds the building insurance, including a loss of rent element to be reasonable and payable by the respondents. However, the tribunal finds that this sum had not been properly apportioned to the service charge year ending 31/03/2024, before being demanded of the respondents. The sum should therefore be recalculated and re-demanded from the respondents.

E. Notify lender fee – not pursued by applicant.

F. The tribunal makes an order under s.20C of the Landlord and Tenant Act 2985 so that none of the applicant's costs of this application can be added to the service charges.

G. The tribunal makes an order under Schedule 11, para. 5 of the Commonhold and Leasehold Reform Act 2002 so that none of the applicant's costs of this application can be sought from the applicant as administration charges.

The application

1. This is an application by the freehold landlord of the subject property at **Ground Floor Flat, 84 Compayne Gardens, London NW6 3RU** ('the property') seeking the tribunal's determination pursuant to s.27A of the Landlord and Tenant Act 1985 in respect of service charges incurred in the service charge year ending 31 March 2024 in the sum of £3,754.55 (less the £2,000 paid on account).

Background

2. The applicant is the freehold owner of the property which comprises a five-storey block of flats of which the respondent's flat occupies the ground floor. Under a lease dated 31 May 1993 made between Elias Saleh and Matitiyahou Sinai and Robert John Granger for a term of 125 years from 25 March 1993. Under the terms of the lease the respondent is required to pay 20% of the total service charges incurred.

The issues

3. In the application, the applicant sought the tribunal's determination as to payability of service charges incurred in the service charge year ending 31 March 2024.

4. In the form of a Scott Schedule, the respondent challenged the payability of the following items in the service charge year ending 31 March 2024.

   (i) Management fee;
   (ii) Administration fee;
   (iii) Pennine Estates management fee;
   (iv) Cleaning of common parts;
   (v) Carpet wash;
   (vi) Building insurance – loss of rent element only;
   (vii) Building insurance – accruals point;
   (viii) Front entrance door change of keys;
   (ix) Fire Risk Assessment;
   (x) Removal of trees from front garden;
   (xi) Painting of front of house;
   (xii) Vacuum cleaner;
   (xiii) Cleaning supplies;
   (xiv) Water rates;
   (xv) Late payment fee.
   (xvi) Notify lender fee – not pursued by applicant.

The hearing

5. At the oral hearing of the application the applicant was represented by Anna Petani of Property Actually Limited. The respondent did not appear and was not represented. The tribunal was also provided with a digital bundle of 173 pages. Although the hearing bundle contained a number of supporting documents, it did not include any signed witness statement from or on behalf of the applicant.

6. However, in a written statement the applicant stated:

> *1. The expenditure was genuinely incurred for the benefit of the Building and supported by invoices, statements and supporting documentation disclosed to the Respondents.*
>
> *2. Prior to service of the Respondents' Schedule in these proceedings, the Respondents had not separately disputed the individual expenditure items now challenged. The Respondents' previous position was primarily that their contribution should be limited to approximately £2,000 based on the estimated figure referred to in the LPE1 replies.*
>
> *3. The Applicant's position is that the LPE1 replies provided an estimate only and did not create a contractual cap on future balancing expenditure or prevent recovery of actual expenditure reasonably incurred under the Lease.*
>
> *4. The Building historically operated under a simple actual expenditure accounting system common in smaller privately managed buildings, whereby expenditure incurred during the relevant period was collated and apportioned between leaseholders after the year end.*
>
> *5. The Applicant accepts that accounting presentation historically was less formal than larger professionally managed blocks. However, the underlying expenditure itself was genuinely incurred and supported by invoices and supporting records.*
>
> *6. Pennine Estates historically undertook caretaker-style and building oversight functions relating to the day-to-day running of the Building. Maintenance and repair*

expenditure itself was charged separately where incurred.

7. The Landlord also personally spent time supervising matters relating to the Building and leaseholder issues, whilst Properties Actually Limited subsequently undertook administrative and accounting functions including preparation of statements, records and service charge demands.

8. The Applicant's position is that these functions were distinct in nature and not improper duplication.

9. The management structure has since been streamlined and simplified in later periods under a revised caretaker arrangement.

10. The Applicant denies that the service charge regime under the Lease requires perfect accounting presentation in order for genuinely incurred expenditure to be recoverable.

11. The Applicant maintains that the overall service charge expenditure remained . The Applicant maintains that the overall service charge expenditure remained reasonable having regard to the size of the Building, insurance costs, maintenance obligations, cleaning, management and upkeep requirements.

12. The Applicant notes that several matters now challenged by the Respondents relate to relatively modest expenditure items which formed part of the ordinary management and upkeep of the Building during the relevant period.

7. In a written Statement of Case, the respondent set out the issues in dispute. The respondent informed the tribunal that in August 2023 he became the joint leaseholder of the subject flat with his wife Natalie Schuster and requested she be joined as a party to this application and that she be permitted to adopt her husband's statements and evidence.

8. Mr Schuster informed the tribunal that he accepted that, in principle service charges are payable and he had paid £2,000 on account. However, he disputed reasonableness of the heads of service charges and payability of administration fees as itemised at paragraph 4 above.

9. The respondents asked the tribunal to:

(a) *Determine that the balancing service charge sum of £1,754.55 claimed in respect of the year ending 31 March 2024 is not payable, alternatively is payable only in the reduced amount (if any) the Tribunal considers reasonable having regard to the Schedule of Disputed Items and the matters set out in this Statement of Case;*

(b) *Determine that no late payment fee is payable by the Respondents;*

(c) *Determine that interest under clause 3.14 of the Lease is payable (if at all) only on such principal sum (if any) as the Tribunal determines is payable, and only from such date as the Tribunal determines that sum became properly due;*

(d) *Record that the Tribunal does not regard the "notify lender" issue as one falling for determination under section 27A, alternatively decline the Applicant's request on the merits;*

(e) *Make an order under section 20C LTA 1985 that none of the Applicant's costs of these proceedings be recoverable through the service charge;*

(f) *Make an order under paragraph 5A of Schedule 11 CLARA 2002 reducing to nil the Respondents' liability to any administration charge in respect of the Applicant's litigation costs in connection with these proceedings; and*

(g) *Order such other relief and make such further orders as the Tribunal considers appropriate, including reimbursement of the Respondents' tribunal fees (if any).*

The tribunal's reasons

10. The tribunal found the presentation of the applicant's case to be disorganised as Ms Petani was not assisted by the absence of her client and the lack of any witness statement. Further, Properties Actually Limited had only become involved in the management of the subject property sometime in late 2024 or early 2025, having previously only been involved on the administration side. Therefore, Ms Petani was without any detailed knowledge of the management of the building

during the period in issue and was unable to provide the tribunal with any details as to what Ms Saleh had carried out for the £2,000 management fee she had personally charged the leaseholders, or fully explain why the respondents were being charged three separate charges in respect of (i) Building maintenance and management fees; (ii) Freeholder's management fee and (iii) Professional Fees (administration fees).

11. The tribunal finds that pursuant to clause 5.7 of the lease the applicant is entitled to charge management fees if she manages the subject building herself. Alternatively, she is permitted by this clause to employ and charge for managing agents and other professionals. The respondent is not however entitled to charge a management fee for both her own fees and a second charge for her managing agents. This is a double recovery of costs and is not permitted under the terms of the lease.

12. The tribunal finds the annual management agent fee of £3,000 charged by Pennine to be excessive and reduces this to £1,500. However, the tribunal was not satisfied on the evidence provided , that Pennine had in any event, managed the building to a reasonable standard during the relevant period and therefore reduces the adjusted sum of £300 payable by the respondent by 50%. This provides a sum of £150 that is payable for management agents' fees for the service charge year ending 31/03/2024.

13. Ms Petani informed the tribunal that there was no written contract between the applicant and Property Actually Limited but stated they had assisted with the production of a 1 page statement of accounts having received the invoices, prepared and issued demands for payment of service charges to the respondents. Similarly, no written contracts for cleaning, maintenance or management were produced by the applicant.

14. However, the tribunal was satisfied that on the balance of probabilities the items charged in respect of the cleaning and maintenance of the building had been carried out, although only some of these were supported by invoices. However, the tribunal was informed that Pennine were also carrying out these works and charging seperately for them. Consequently, the tribunal finds that not only were the management fees of £3,000 charged by Pennine excessive, there also appears to be an element of double recovery in respect of their other charges. Therefore, the tribunal determined it was reasonable to reduce these to 50% of the costs charged as itemised above at paragraph B.

15. The tribunal accepted Ms Petani's submission that only one broker was involved in the placement of the buildings insurance and that the element covering the loss of rental income was a standard inclusion.

16. The tribunal accepts the respondent's submission that the buildings insurance charge covering the period 25/12/2023-24/12/2025 has been charged in full to the service charge year ending 31/12/2024. The tribunal finds this sum should be properly allocated so that only the sum attributable to the period 1/04/2023 to 31/03/2024 is payable by the respondents for that service charge year.

16. The tribunal finds the costs and coverage of the building insurance to be reasonable and appropriate. Therefore, it allows these costs in full.

17. Adminstration/late payment fees are not payable under the terms of the lease and therefore the tribunal disallows this sum in full.

18. The tribunal also makes and order under s.20c of the Landlord and Tenant Act 1985 and Schedule 11, para 5 of the commonhold and Leasehold Reform Act 2002 so that none of the applicant's costs of this application can be charged to the respondent either as service charges or administration fees.

Name: Judge Tagliavini **Date: 31 July 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 should be made on Form RP PTA available at https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber

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).