



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

Case reference : **LON/00AH/LSC/2026/0198**

Property : **232B London Road, Croydon, CR0 2TF**

Applicants : **Mohammad Zia Ayub Khan**

Respondent : **Sajjad Hussain Shah**

Representative : **Chiltern Hills Letting and Sales**

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 : **Mr A Parkinson MRICS**

Date of decision : **14 July 2026**

DECISION

Decisions of the tribunal

- (1) The tribunal determines that no service charges are payable by the applicant for 232B London Road, Croydon CR0 2TF ('Flat B') for the service charge year ending 06 April 2026
- (2) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.
- (3) The tribunal determines that the Respondent shall pay the Applicant £341 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicant.
- (4) No determination has been made in relation to ground rent since the Tribunal does not have jurisdiction to determine ground rent.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and administration charges payable by the Applicant in respect of the 2026 service charge year.
2. The Applicant also seeks an order under section 20C of the 1985 Act.
3. The 2026 invoice that the Applicant is disputing includes ground rent which is not within the jurisdiction of the Tribunal and will not be considered as part of this case.
4. The Tribunal issued directions on 2 April 2026 setting out the requirements of the parties.
5. On 22 May 2022 the Applicant submitted an email request to the tribunal case officer seeking to (amongst other requests) Bar the Respondent from taking further part in the proceedings pursuant to Rules 9(7) and 9(8) of the 2013 Rules due to the Respondent's failure to comply the directions to serve their statement of case and supporting evidence by the strict deadline of 18 May 2026
6. The Applicant was asked to submit a Form order 1 request which he promptly submitted by email to the case officer on 22 May 2026.
7. The Respondent was directed to provide representations to the Tribunal by 1 June 2026 in response to the application to bar the Respondent. The Tribunal did not receive any response from the Respondent on this point.

8. The Respondent has failed to comply and accordingly has been barred from by the Tribunal from taking further part in proceedings under Rule 9 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.
9. On 26 June 2026 the tribunal case officer wrote to the Applicant stating that Tribunal had not received the paginated bundle by the deadline of 22 June 2026 as set out in direction 10 of the tribunal directions.
10. The Applicant responded by email on 26 June 2026 to the Tribunal's 26 June 2026 letter. The Applicant apologised for not complying with the bundle direction, explaining that they were abroad with unstable internet access with no access to their legal files in England. The Applicant stated that they also acted under a misunderstanding that no bundle was required because the Respondent failed to serve any documents by the 18 May 2026 deadline.
11. To avoid delaying the paper determination scheduled for the week of 13 July 2026, the Applicant proposed that the Tribunal use the documents already filed with the original application including the Application forms, Witness Statement, lease, and details of four previous Tribunal decisions as the final bundle given that the Respondent has not submitted any evidence or representations to avoid delaying the paper based determination.
12. A procedural Judge reviewed the Applicant's email of 26 June 2026 (sent to the Tribunal and copied to the Respondent's representative) and agreed that the Applicant's proposed method of dealing with the bundle is acceptable in the circumstances in order to allow the paper determination to go ahead as currently planned. The Tribunal therefore directed that the Applicant's original Application forms, Witness Statement, and the documentary evidence enclosed with the Application forms and Witness Statement (including the lease and four previous Tribunal decisions) shall stand as the final bundle for the purposes of the paper determination.

The hearing

13. Neither party requested an oral hearing. Therefore the Tribunal has considered this case on the basis of the papers.

The background

14. The property which is the subject of this application is a second-floor leasehold flat in a period building with retail at ground floor level and three residential flats (Flats A, B and C) above.

15. The Respondent is the freeholder of 232 London Road, Croydon CR0 2TF. The Applicant is the long leaseholder of Flat B. The Building is understood to be managed by Chiltern Hills Letting and Sales, on behalf of the Respondent.
16. 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.
17. There has been four previous cases concerning service charges for the Property which are:

LON/00AH/LSC/2011/0871,
LON/00AH/LSC/2014/0538,
LON/00AH/LSC/2018/0267, and
LON/00AH/LSC/2023/0361.

In each case, the Tribunal disallowed the charges claimed by the respondent.

18. The Applicant now seeks a determination pursuant to section 27A of the 1985 Act as to the amount of service charges payable for the Flat for the 2026 service charge year. He also seeks an order for the limitation of the respondents' costs in these proceedings under section 20C of the 1985 Act.
19. The charges disputed by the Applicant relate to an invoice dated 22 January which was issued to the Applicant by Chiltern Hills Letting and Sales. The invoice purports to be a ground rent and service/management charge demand for service charge and ground rent arrears for 232B London Road Croydon, CR0 2TF. The invoice sets out the charges for service charges for 2026 at £1,250 and management charges for 2026 at £1,250 although it is not clear what the specific period the charges relate to as the invoice does not specify the period. The invoice also includes charges for ground rent which are not being considered by the Tribunal

The Law

20. The relevant legal provisions are set out in the appendix.

The Lease

21. The lease was granted by Carrington Investments Limited ('the Lessor') and Devonhurst Investments Limited ('the Lessee') on 15 September 1982 for a term of 99 years from 25 March 1982. At that time there were only two flats in the Building, Flat A on the first floor and Flat B on the second. The third floor was converted to form Flat C in 2012/13.

22. The Lease includes the following covenants:

- (a) Cl. 2(3)(i) – to pay to the Lessor a service charge equal to a one-half share of the expenses of the matters set out therein, including repair and insurance;
- (b) Cl. 2(3)(i)(e) – obligation to pay the costs and expenses incurred by the Lessor in employing managing agents to manage the building;
- (c) Cl. 2(3)(ii)(a) – the amount of the service charge and other charges hereinabove covenants to be paid shall be ascertained and certified by a certificate (hereinafter called ‘the certificate’) signed by the Lessors auditors or accountants or managing agents (at the discretion of the Lessor) acting as experts and not as arbitrators annually and so soon after the end of the Lessor’s financial year as may be practicable and shall relate to such year in manner hereinafter mentioned;
- (d) Cl. 2(3)(ii)(b) – financial year is from 7 April to 6 April;
- (e) Cl. 2(3)(ii)(c) – a copy of the certificate for each such financial year shall be supplied by the Lessor to the Lessee on written request and without charge to the Lessee;
- (f) Cl. 2.3(ii)(d) – contents of the certificate;
- (g) Cl. 2.3(ii)(f) – the Lessee shall with every half- yearly payment of rent reserved hereunder pay to the Lessor the sum of £37.50 in advance and on account of the service charge;
- (h) Cl. 2(3)(ii)(g) – as soon as practicable after the signature of the certificate the Lessor shall furnish to the Lessee an account of the service charge payable by the Lessee for the year, in question due credit being given therein for all interim payments made by the Lessee in respect of the said year and upon the furnishing of such account showing such adjustment as may be appropriate there shall be paid by the Lessee to the Lessor the amount of the service charge as aforesaid or any balance found payable or there shall be allowed by the Lessor to the Lessee any amount which may have been overpaid by the Lessee by way of interim payment as the case may require;
- (i) Cl. 3 – Lessor’s covenants, including to repair and keep the Property insured.

The issues

23. The Tribunal has identified the relevant issues for determination as follows:
- The charge on account for 2026 in the sum of £1,250 The Applicant disputes this on the ground that: Clause 2(3)(ii)(g) of the Lease strictly fixes the on account advance charge at £37.50 per half-year (£75 per annum). The invoiced sum exceeds this cap by £1,175.
 - Management charges of £1,250 for 2026. The Applicant disputes his liability to pay this charge on the ground that the costs are unreasonable because the Respondent has provided no services and no management of the property.
 - Whether the demand was accompanied by a Summary of Tenants Rights and Obligations as required by section 21B of the Landlord and Tenant Act 1985 .
 - Whether an order under section 20C of the 1985 Act and or paragraph 5A of Schedule 11 to the 2002 Act should be made.
 - Whether an order for reimbursement of application/ hearing fees should be made.
24. Having heard evidence and submissions from the Applicant and considered all of the documents provided, the Tribunal has made determinations on the various issues as follows.

On account Service Charges for the 2026 service charge year - £1,250 and on account Management Charges for the 2026 service charge year - £1,250

25. The lease specifies at Cl. 2.3(ii)(g) that *the Lessee (Applicant) shall with every half yearly payment of rent (ground rent) reserved hereunder pay to the Lessor (Respondent) the sum of £37.50 in advance and on account of the service charge on account service charges.*
26. In his application the Applicant states that the above lease clause fixes the advance charge at £37.50 per half year (£75.00) and that the invoices sum exceeds this by £1,175 and refers to previous tribunal decisions concerning charges for previous years.
27. The Applicant avers that there has been no management of the building to warrant a management charge of £1,250 in 2026. It is stated that the agent does not visit the Property or arrange any services such as cleaning

or repairs. The Applicant stated that he cleans the internal common ways and has placed his own insurance because the Respondent fails to insure the building.

28. The Applicant states in their application that the invoice for the disputed sums was not accompanied by the summary of rights and obligations required by section 21B of the 1985 Act.

The tribunal's decision

29. The tribunal determines that no advance charges are payable for the service charge year ending 6 April 2026.

Reasons for the tribunal's decision

30. The Tribunal accepts the Applicant's uncontested evidence that the invoiced sum for on account service charges exceed the permissible sums at Cl. 2.3(ii)(g) of the lease.
31. In addition, the on account service charges are not payable as the statutory requirements for service charge demands have not been complied with including section 21B of the 1985 Act, which requires demands to be accompanied by a summary of the rights and obligations in the prescribed form.

Application under s.20C and refund of fees

32. The Applicant made an application for a refund of the fees of £341 that he has paid in respect of the tribunal proceedings. Having taken into account the determinations above, the tribunal orders the Respondent to refund the fees paid by the Applicant within 28 days of the date of this decision.
33. In the application form the Applicant applied for an order under section 20C of the 1985 Act. Taking into account the determinations above, the tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.

Name: Mr A Parkinson

Date: 14 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 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).

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 18 Meaning of “service charge” and “relevant costs”

- (1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
 - (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
 - (b) the whole or part of which varies or may vary according to the relevant costs.
- (2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.
- (3) For this purpose -
 - (a) "costs" includes overheads, and
 - (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19 Limitation of service charges: reasonableness

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period -
 - (a) only to the extent that they are reasonably incurred, and
 - (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;and the amount payable shall be limited accordingly.
- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 20 Limitation of service charges: consultation requirements

- (1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—
 - (a) complied with in relation to the works or agreement, or
 - (b) dispensed with in relation to the works or agreement by (or on appeal from) the appropriate tribunal .

- (2) In this section “relevant contribution”, in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.
- (3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.
- (4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—
 - (a) if relevant costs incurred under the agreement exceed an appropriate amount, or
 - (b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.
- (5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
 - (a) an amount prescribed by, or determined in accordance with, the regulations, and
 - (b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.
- (6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.
- (7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

Section 20C Limitation of service charges: costs of proceedings

- (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 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) The application shall be made—
 - (a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;

- (aa) in the case of proceedings before a residential property tribunal, to that tribunal;
 - (b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
 - (c) in the case of proceedings before the Upper Tribunal, to the tribunal;
 - (d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.
- (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.

...

Section 21B Notice of accompany demands for service charges

- (1) A demand for the payment of a service charge must be accompanied by a summary of rights and obligations of tenants of dwellings in relation to service charges.
- (2) The Secretary of State may make regulations prescribing requirements as to the form and content of such summaries of rights and obligations.
- (3) A tenant may withhold payment of a service charge which has been demanded from him if subsection (1) is not complied with in relation to the demand.
- (4) Where a tenant withholds a service charge under this subsection, any provisions of the lease relating to non-payment or late payment of service charges do not have effect in relation to the period for which he so withholds it.
- (5) Regulations under subsection (2) may make different provisions for different purposes.
- (6) Regulations under subsection (2) shall be made by statutory instrument which shall be subject to annulment in pursuance of resolution of either House of Parliament.

...

Section 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.
- (3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
 - (a) the person by whom it would be payable,
 - (b) the person to whom it would be payable,
 - (c) the amount which would be payable,
 - (d) the date at or by which it would be payable, and
 - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013

Orders for costs, reimbursement of fees and interest on costs

- 13.-** (1) The Tribunal may make an order in respect of costs only –
- (a) under section 29(4) of the 2007 Act (wasted costs) and the costs incurred in applying for such costs;
 - (b) if a person has acted unreasonably in bringing, defending or conducting proceedings in –
 - (i) an agricultural and land drainage case,
 - (ii) a residential property case, or
 - (iii) a leasehold case; or
 - (c) in a land registration case.
- (2) The Tribunal may make an order requiring a party to reimburse to any other party the whole or part of the amount of any fee paid by the other party which has not been remitted by the Lord Chancellor.

...

- (7) The amount of costs to be paid under an order under this rule may be determined by –
 - (a) summary assessment by the Tribunal;
 - (b) agreement of a specified sum by the paying person and the person entitled to receive the costs (the “receiving person”);
 - (c) detailed assessment of the whole or a specified part of the costs (including the costs of the assessment) incurred by the receiving person by the Tribunal or, if it so directs, on an application to a county court; and such assessment to be on the standard basis or, if specified in the costs order, on the indemnity basis.
- (8) The Civil Procedure Rules 1998(a), section 74 (interest on judgment debts, etc) of the County Courts Act 1984(b) and the County Court (Interest on Judgment Debts) Order 1991(c) shall apply, with necessary modifications, to a detailed assessment carried out under paragraph 7(c) as if the proceedings in the Tribunal had been proceedings in a court to which the Civil Procedure Rules 1998 apply. The Tribunal may order an amount to be paid on account before the costs or expenses are assessed.