FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AF/LAC/2025/0619**
Property	**:**	**196c Kings Hall Road, Beckenham, Kent, BR3 1LJ**
Applicant	**:**	**Mr Rama Knight**
Respondent	**:**	**Flamboyant Investments Ltd**
Representative	**:**	**Bowood Ltd**
Type of application	**:**	**Application under section 27A Landlord and Tenant Act 1985 and Schedule 11 to the Commonhold and Leasehold Reform Act 2002**
Tribunal	**:**	**Tribunal Judge N O'Brien Ms C Barton MRICS**
Date of Determination	**:**	**28 July 2026**

DECISION

Decisions of the tribunal

(1) The Tribunal makes the determinations as set out under the various headings in this determination.

(2) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985

(3) The Tribunal does not make an order under Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

The Proceedings

1. The Applicant has sought 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 him. The Applicant applied to the tribunal using Leasehold Form 1 which is the form used to challenge administration charges however it is clear from the contents of the form that the Applicant is seeking to challenge both service charges and administration fees.

2. Standard directions were issued by the Tribunal on 23 January 2026 and were amended on 14 April 2026 to expand the documents and information which were to be disclosed by the Respondent in respect of the buildings insurance which it had sought to recover from the Applicant. The directions also provided for both parties to complete a Scott schedule of disputed charges. The Scott schedule which the Applicant completed related to the years 2020 and 2023 only. The directions also required the Applicant to prepare a single bundle of documents consisting of both the Respondent's documents and his documents for use at the hearing by 23 June. The Applicant did not comply and on 26 June 2026 the Tribunal sent a letter to the Applicant by email to ascertain why the bundle had not been filed and when it would be filed. The Applicant did not respond.

3. On 29 June the Tribunal directed that unless the Applicant filed a paginated indexed bundle by 30 June 2026 his case would stand struck out. The Applicant then filed a bundle however it did not comply with the directions in that it was not a single indexed pdf document containing all relevant documents. The Applicant was given one further chance to file a compliant bundle. The next version was paginated and indexed but omitted a number of documents on which the Respondent intended to rely, including the completed Scott schedule, its statement of case and the witness statement of its witness and representative Ms Kate McMackin. This prompted the Respondent's representative Ms McMackin to apply for an order declaring that the Applicant's case had been struck out. She also provided the Tribunal with her witness statement, the Respondent's statement of case and the schedule of disputed charges completed by both parties. This prompted the Applicant to file further documents which were not paginated, or indexed or in the form of a single PDF document.

The hearing

4. The Applicant appeared in person at the hearing, and the Respondent was represented by Ms McMackin of Bowood Ltd, the Respondent's managing agents. The hearing took place on 2 July 2026

5. The first matter which we had to consider was whether the Applicant's application had been struck out pursuant to the direction of the tribunal referred to in paragraph 3 above. We considered that the Applicant had

complied in substance with the direction that he file a bundle and that we had been provided with copies of all the documents which the Respondent wished to rely on in any event. We proceeded to hear the application.

6. It was unclear which service charge years the Applicant wished to challenge. He sought to challenge administration charges, management fees, accountancy fees and administration charges but was resistant to specifying any year in particular. His schedule of disputed costs referenced 2020 and 2023 only. He had included in his bundle copies of the relevant accounts for the years ending March 2022, March 2023 and March 2024. He had included documents relating to the insurance costs for 2022 to 2024 only. We decided at the start of the hearing that we would assess the reasonableness of the challenged service charges for those years, as well as administration charges levied in 2022 and 2023 in respect of asserted late payment of ground rent, and service charges.

The background

7. The property which is the subject of this application is a two-storey Edwardian terraced house which has been converted into two self-contained three-bedroom flats. It appears that the property was originally converted into three self-contained flats however at some point in the past Flats A and B were amalgamated into a single self-contained residential unit.

8. Neither party requested an inspection and the Tribunal did not consider that one was necessary.

9. The Applicant is the leasehold owner of Flat C pursuant to a lease which commenced on 12 March 1984 for a term of 125 years. The lease requires the landlord/freeholder to provide services and the tenant/leaseholder to contribute towards their costs by way of a variable service charge. The specific provisions of the lease are referred to below.

The issues

10. The Applicant has not consistently identified the charges he sought to challenge in these proceedings. At the start of the hearing the tribunal identified the issues which it could determine as follows:

    (i) The reasonableness of service charges for the years ending 31 March 2022, 31 March 2023 and 31 March 2024 in respect of;

    - Management fees
    - Buildings Insurance
    - Accountancy Fees

(ii) The payability and reasonableness of the administration charges levied in 2022 and 2023 amounting to £144 for each year.

The Legal Framework

11. The Tribunal's statutory power to determine variable service charges is contained in sections 18-30 of the 1985 Act. 'Service charge' is defined in section 18 of the 1985 Act as 'an amount which is payable directly or indirectly for services repairs maintenance improvements or insurance or the landlords costs of management, the whole or part of which varies or may vary according to the relevant costs'. Section 19(1) provides that a service charge is only payable insofar as it is reasonably incurred and the services or works to which it relates are of a reasonable standard. Section 19(2) provides that where a service charge is payable before a relevant cost is incurred, no greater amount is payable than is reasonable.

12. Section 27A of the 1985 Act gives the tribunal jurisdiction to determine by whom and to whom service charges are payable, and in what amount.

13. Disputed facts are decided on the balance of probabilities. The legal burden of proof lies on the party who requires the assistance of the tribunal i.e. if it is the tenant who asserts he has overpaid, it lies on the tenant; if it is the landlord seeking payment, it lies on the landlord. If the tenant is challenging the reasonableness of a service charge he or she must firstly properly identify the challenge in his or her pleadings and secondly provide some evidence that the charges he or she wishes to challenge are unreasonable. If the tribunal is satisfied that there is some credible evidence which, if unchallenged, would support a finding that the charge was unreasonable, the burden of proof will move to the landlord to show that the sums claimed are in fact reasonable; S*ee Spender v FIT Nominee Ltd [2025] EWCA 1578 at paras 79, 89*.

14. It is apparent from the lease that the leasehold interest was initially purchased from the London Borough of Bromley pursuant to the Right to Buy. The copy of the lease in the Applicant's bundle is incomplete however the copy attached to his Leasehold 1 Form is complete. By Clause 4(d) the leaseholder covenanted to pay all of the landlord's costs of preparing a notice under section 146 of the Law of Property Act 1925. By Clause 4(c) and Clase4(d) the lessee covenanted to pay service charges as defined in the Sixth Schedule to the lease. Service charges are defined in the Sixth Schedule as the landlord's costs of complying with its obligations, contained in Clause 6(b) of the lease to maintain the building. We were not taken to any additional provisions in the lease which might oblige the Applicant to pay the administration charges which form part of the subject matter of this dispute.

15. 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.

Management Fees

16. The management fees which the Respondent sought to recover amounted to £804 in 2022, £864 in 2023 and £900 in 2024, inclusive of VAT. Mr Rana does not dispute the payability of these charges, he considers that they are too high for the service he receives. It was clear that he was concerned that the managing agent would not engage with the leaseholder's suggestion that they purchase the freehold. He has not supplied us with any comparable quotes indicating that the fees sought are higher than the market rate for comparable properties. He submits that neither the Respondent nor its agent have ever attended the property, and that when he or the other leasehold owner have reported any disrepair issues, they have been advised to undertake the repairs themselves.

17. Ms McMackin accepted that the leasehold owners have been advised to undertake repairs themselves but pointed out that this is more cost effective then requiring the freeholder to do such works. As there are only two leaseholders, any repairs which will cost more than £500 in a single year will trigger the requirement to carry out a statutory consultation pursuant to section 20 of the 1985 Act. She told us that the freeholder places insurance through its broker and that the managing agent is not involved with the placing of the insurance, nor does the agent liaise with the insurer in respect of any claims. She did not accept that the agent had never attended the building but accepted that this was not done regularly. She submitted that as the freeholder had no interest in disposing of his freehold interest outside of the statutory framework, the managing agent could not engage with the leaseholders until they commenced a formal process to purchasing the freehold.

18. In their response to the Scott schedule the Respondents assert that the cost of management includes arranging minor works. However it appears that such works are carried out by the leaseholders themselves. In our experience the market rate for managing a small building such as this would be £350 to £500 per unit plus VAT. In circumstances, given that the agent does not arrange for any repairs we consider that a reasonable charge for each year would be £350 per flat, or £700 for the building, inclusive of VAT. We do not consider that the Applicant has proven that the management service he has received merits any further reduction.

Insurance Costs 2022 to 2024

19. The cost of building insurance for 2022 was £1334.68. The cost for 2023 was £1527.96 and for 2024 it was £1543.26. Mr Rama was concerned that the premium was based on a reinstatement value that was based a

desktop valuation. He noted that it appears to be on the basis that the building contained 3 self-contained flats rather than two. He was concerned that there was no evidence that the Respondent had tested the market prior to placing the insurance through its broker. He estimated that a reasonable cost of insurance could be £300 per annum less than the premium paid by the Respondent. He did not supply us with any comparable evidence to support this.

20. Ms McMackin told us that there had been a site visit in 2018 to calculate the reinstatement cost. While she acknowledged that the desktop valuation in 2021, which is included in Appendix A13 to her statement mistakenly stated that there were 3 units in the building, an earlier desktop valuation correctly identified that there were 2 units in the building. She did not consider that this error would make any significant difference to the reinstatement cost.

21. Following the amended directions of 14 April 2026, the Respondent was required to disclose the buildings claims history, the polices of insurance for each year in dispute, the details of any additional risks covered and the details of any renumeration, commission or any other benefit associated with the placing or managing the insurance received by the landlord or its agent. The Respondent complied with this direction. In an email dated 27 April 2026 sent to both the Applicant and the Tribunal the Respondent stated that the policy was part of a block policy which covered a number of buildings in the Respondent's portfolio and that no commission or other benefit was paid to either the broker or the landlord as a result of placing insurance with the insurer.

22. We are not satisfied that the Applicant has established that the costs of insurance were unreasonably high. He has supplied no comparable evidence to support his contention that it would have been possible for the Respondent to insure the building for £300 per annum less than the actual cost. We determine that the insurance costs were reasonable.

Accountancy Fees

23. The accountancy fees for 2022 were £216. In 2023 they were £213.12 and in 2024 they were £247.30. In his schedule of disputed charges Mr Rana submits that these costs are excessive and that no invoice is provided. He did not expand on this challenge in his statement of case or witness statement. Again Mr Rana had supplied us with no comparable evidence to show that these fees are unreasonably high.

24. The Respondent has now supplied the underlying invoice and submits that the costs are modest. We consider that the cost is reasonable, and well within the range of costs that we would expect to see for the preparation of straightforward accounts for smaller blocks or conversions. We consider furthermore that it is reasonable for the

landlord to have formal accounts prepared. We determine that the sums demanded are reasonable and payable.

Administration Charges

25. The Respondent's position is that the administration charges of £144 charged in 2023 have already been the subject of a County Court determination. Attached to Ms McMackin's statement as Appendix A 31 is a county court judgment in the sum of £2546. Appendix A32 consists of the Claim Form, Particulars of Claim and a statement of sums sought which includes a late payment fee of £96 and a referral fee of £48. It appears that judgement has been obtained in respect of this sum and consequently the tribunal has no jurisdiction to determine it.

26. The same administration fees were sought by the Respondent in 2022. In its statement of case the Respondent relied on it's managing agent's late payment procedure as providing the justification for these fees. However we have not been taken to any provision in the lease which would oblige the Applicant to pay these sums, and we cannot identify any such provision. We consider that the sum of £144 demanded as an administration charge in 2022 is not payable by the Applicant.

Application under s.20C and refund of fees

27. The Applicant made an application for a refund of the fees that he had paid in respect of the application. Having heard the submissions from the parties and taking into account the determinations above, and in particular the inconsistent way that the Applicant presented his challenge and his unexplained failure to lodge a compliant bundle in time, and the limited extent to which his challenge has succeeded, the Tribunal does not order the Respondent to refund any fees paid by the Applicant.

28. In the application form the Applicant applied for orders under section 20C of the 1985 Act and paragraph 5A of Schedule 11 of the 2002 Act preventing the Respondent from seeking to recover its costs of these proceedings from the Applicant as an administration charge or a service charge. Taking into account the determinations above, and the procedural history, the tribunal determines it is not just and equitable in the circumstances to make such orders.

Name: Judge N O'Brien **Date:** 28 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).