FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00BK/LAC/2026/0004**
Property	:	**Flat 136, Arthur Court, Queensway, London W2 5HP**
Applicant	:	**Mr Roberto Puvia**
Representative	:	**none**
Respondent	:	**Arthur Court Management Ltd**
Representative	:	**Keystone Law**
Type of application	:	**An application under Schedule 11 to the to the Commonhold and Leasehold Reform Act 2002 as to whether administration charges are payable.**
Tribunal members	:	**Mr R Waterhouse FRICS**
Venue	:	**10 Alfred Place, London, WC1E 7LR**
Date of hearing/ decision	:	**4 August 2026.**

DECISION

<u>Decisions of the Tribunal</u>

(1) The Tribunal determines the following;

(i) that the £90.00 late fees are not payable

(ii) that the interest is payable but should be recalculated on the basis of the Tribunal determination of allowable items

(iii) that the sums £8,500 and £22,000 in respect of legal costs demanded, 20 November 2024 and on 11 February 2026 respectively are payable.

(iv) that the sum of £559.00 in respect of the Locksmith charge/replacement incurred in September 2023 is payable.

(2) The Tribunal makes an order under section 20c or paragraph 5A

<u>Background</u>

1. By an application dated 15 January 2026, the Applicant seeks a determination of liability to pay an administration charge or for a variation of a fixed administrative charge.

2. The Application sought a determination as to whether service charges are payable under section 27A.

3. The Application also "invites the Tribunal to consider whether the circumstances justify the appointment of a manager under Part II of the Landlord and Tenant Act 1987.

4. The Application requests an Order under Landlord and Tenant 1985 section 20C and an Order under the Commonhold and Leasehold Reform Act 2002 Sch 11 para 5a.

5. The Directions were issued on 13 March 2026. These concerned solely three matter (i) for the determination under Schedule 11 to the Commonhold and Leasehold Reform Act 2002 as to whether administration charges are payable and (ii) limitation of the landlord's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985 and (iii) an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

6. The matter was decided on the papers without hearing.

Procedural History

7. The Applicant is a long leaseholder of Flat 136 of Arthur Court.

8. The Respondent is Arthur Court Management Ltd (ACML) is an elected body which manages the 93 flats within Arthur Court block on behalf of the Leaseholders and which issues service charge demands.

9. Issues between the Applicant and Managing Agent have developed since 2020.

10. It is said in the Applicant's Statement that an application made to the FtT by the Respondent was withdrawn, 17 August 2024 following payment.

11. A statement of account was issued by the Respondent concerning Flat 136, and which was said by the Applicant to show only current service charge, reserve fund contributions with no administration charges, interest or legal costs. The Applicant [74/266] relies on this as evidence that the point of withdrawal of proceedings previously indicated a "normalised account position."

Preliminary Matters

Scope

12. The Application provides for a greater scope of challenge than that identified in the Directions.

13. The Application also made an unspecified challenge under the Landlord and Tenant Act 1985 section 27A, and consideration of the appointment of a manager under Part II of the Landlord and Tenant Act 1987.

14. The Tribunal notes the items in para 13 are separate heads of claim that would require separate applications. Additionally, no challenge was made by the Applicant in respect of the omission of these items within the Directions of 13 March 2026.

15. The Tribunal therefore determines that these heads of challenge have not been pursued and makes no determination on them.

16. There has been a considerable history with the charges on Flat 136. In the payment by the leaseholder of a sum around August 2024 and the withdrawal of FtT application by the Arthur Court Management Ltd does not take the Tribunal very far. It seems that the Applicant leaseholder believed that the payment of a sum and the subsequent withdrawal of the FtT application, resulted in a position where there were no arrears, and the normal course of service charge demand and payment could commence unfettered by charges associated with arears.

17. The Applicant has not stated that the items in the application before the Tribunal today, are matters that had been specifically addressed by the previous payment in August 2024. The Applicant in their concluding position on disputed charges [81/266] says

"the disputed charges, individually and collectively were not reasonably incurred and or are not recoverable under the lease.

The Applicant further submits that the Respondents accounting records lack sufficient transparency and consistency to establish the proper basis, allocation and recoverability of a substantial part of the disputed sums.

18. The Tribunal finds that the issues within the application have not been determined or agreed previously and will be the subject of the determination below.

Compliance with Directions

19. By case management application dated 6 November 2025, by Ian Martin Director of Arthur Court Management Ltd. The Directions provided for the Respondent to make a "brief supplementary response". To the Respondent's statement of case by 26 June 2026. Mr Martin contended that the submission of 25 pages was not brief and was designed to waste time. The Tribunal was asked to strike out the response or in the alternative, the Tribunal was invited to consider the behaviour an abuse of process and strike out the entire application and award costs against the Applicant.

20. The Tribunal is content to proceed on the basis of the papers before it.

The Issues

The Applicant's position

21. The Applicant's set out their position within the Scott Schedule [28/266].

22. The Applicant under "Section 6- Relief Sought" identifies the reasoning why the charges in contention should not be paid. Included within this is "(b) whether disputed administration charges, interest, recovery-costs, or legal costs were included within the sums already paid by the Applicant."

The Respondent's position

23. The Respondent says; during the period 04 June 2020 to 11 January 2024, Mr Puvia made no payments of any kind to ACML and, in an effort to gain payment of these arrears, ACML issued 3 separate claims in the County Count regarding outstanding service charges, reserve fund demands and administration charges (e.g. interest. Late fees and costs involved in the preparation of the service of claims and notices).

24. The Respondent states [149/266] at 7 that "these three claims were later consolidated under Claim No K5QZ1A6V and Mr Puvia avoided going to court by making a part payment of £18,815.71 to cover the outstanding service

charges. The various administration charges amounting to £10,091.52 remained outstanding.

25. The Respondents [152/266] state they believe the administration costs were properly due, reasonably incurred and entirely proportionate the sums requested are;

Interest £5032.52

Late Fees £4500.00

Lock replacement £559.00

Court fees £1108.51

County Court Costs £3240.00 (preparing and managing claims)

Unaccounted legal costs £13,583.54

Total £28,023.57

26. The Tribunal finds no evidence that the issues the subject of the application and todays determination have been either agreed or determined previously.

Various dates 2022-2024 £90 each [29/266]

27. The Applicant says the charges were "applied notwithstanding ongoing disputes regarding the underlying balance; repeatedly applied on a fixed basis without proportionality or proper justification not reasonably incurred.

28. The Respondent says the charges were "applied as directed by the ACML Board in light of unpaid service charges over several years and in contemplation of proceedings under section 146 of the Law of Property Act 1925. Under 2.1 of the lease, rents and other monies are to be paid without deduction and are not subject to unsubstantiated disputes."

29. The lease provides [205/266]

"2. THE TENNT HEREBY COVENANTS with the landlord and as a separate covenant with the Company as follows:

2.1 To pay the Rent and other moneys hereby reserved or made payable at the time and in the manner in which the same are hereby made payable without any deduction."

2.11 To pay to the Landlord all proper costs charges and expenses including solicitors' counsel's and surveyor's costs and fees and the cost of any bailiff at any time during the said term incurred by the Landlord in: or in contemplation of any proceedings in respect of this lease under sections 146 and 147 of the Law of Property Act 1925 or any renactment or modification thereof including in particular all such costs charges and expenses of and incidental to the preparation and service of a notice under those sections and of schedules of dilapidations such costs charges and expenses as aforesaid to be payable notwithstanding that forfeiture is avoided otherwise than by relief granted by the court."

THE FIFTH SCHEDUE

8. The proper costs to the Company incurred in the general management and running of the Main Building including any proper charge or fee of any other Managing Agents or company made for running the Main Building including the costs and expenses incurred in recovering all arears of rent and service charge."

30. The minutes of the Directors meeting where the provision of the late fee was proposed and accepted [167/266] notes "it was agreed that:

Where a leaseholder has not settled their account by the due date, a "late fee" of £90 will be applied each month that their account remains overdue.

Following this meeting the Managing Agent will be advised of this decision, and all future demand will include this late fee charge where appropriate."

31. The Tribunal says the meeting which brought in the Late Fee charge shows from the minutes it was only concerned with applying a view for overdue accounts. There was no consideration that this was done in contemplation of section 146.So recovery under 2.11 fails.

32. The Tribunal considers the Fifth Schedule paragraph 8. This paragraph is drafted in terms of costs, that is to say the actual cost. The Directors meeting minutes talk of a "late payment fee". So whilst under Fifth Schedule paragraph 8, a hypothetical cost would be considered proportionate to the amount of uncollected monies, with the Directors minute the amount levied is the same irrespective of the amount owed. As such the Tribunal finds that recovery of a Late Fee as determined by the Directors is not provided for under the lease and so is not payable.

Late fees 15 October 2024 15 October 2024 £810.00 [29/266]

33. The Applicant "disputed as apparent duplication and or consolidation of previously applied recurring late payment charges already separately demanded and disputed. The Applicant further disputes the proportionality and recoverability of the charge."

34. The Respondent says “the account for Flat 136 was permanently in substantial arrears during the period January 2022 to February 2026 and incurred 50 late fees totalling £4500. The £810 in late fees charged on 15 October 2024 represents 9 of the 50 total.”

35. The Respondent [150/266] says that the ACML Board passed a resolution on 27 November 2021 whereby “late fee of £90 was to be applied each month that their account remains overdue.”

36. The Respondent says, “The Late Fee has been charged to cover the costs of administering the account in preparation for issuing a Section 146 Notice and, in Mr Puvia’s case, to partially offset the administration overhead of addressing the multiple, baseless, complaints and claim issued by Mr Puvia over the last 5 years.”

37. The tribunal says the determination at paragraph 32 above applied; this is not recoverable.

Interest charges- various dates

38. The Applicant says “calculated on disputed and unclear balances, including sums not transparently allocated between service charges administration charges and alleged legal costs.

39. The Respondent says “Interest was calculated in accordance with Article 6, of the Sixth Schedule of the Lease on a daily basis at the rate of 4% above the base rate of Barclays Bank on the arrears shown in the account statement between 04/06/2020 and 25/7/2024.

40. The lease says [149/266 check [213/266] section 5.1

“The tenant shall pay to the Company interest at the rate of four percent above the base rate of Barclays Bank PLC… calculated on a daily basis … on all contributions which are in arrear or remain unpaid for more than 21 days.”

41. The Tribunal finds that application of interest to items properly charged but not paid within 21 days is recoverable. The amount will need to be recalculated after the determinations on payability of this decision have been considered.

Credit control/recovery charges various dates 2022 – 2024 [31/266]

42. The Applicant says “unsupported by evidence of work duly undertaken; applied despite ongoing unresolved dispute and absence of substantive replies from the managing agents. “

43. The Respondents “All such costs are included in the late £90 late fees.”

44. The lease says;

"2. THE TENANT HEREBY COVENANTS with the landlord and as a separate covenant with the Company as follows:

2.1 To pay the Rent and other moneys hereby reserved or made payable at the time and in the manner in which the same are hereby made payable without any deduction."

2.11 To pay to the Landlord all proper costs charges and expenses including solicitors' counsel's and surveyor's costs and fees and the cost of any bailiff at any time during the said term incurred by the Landlord in: or in contemplation of any proceedings in respect of this lease under sections 146 and 147 of the Law of Property Act 1925 or any re-enactment or modification thereof including in particular all such costs charges and expenses of and incidental to the preparation and service of a notice under those sections and of schedules of dilapidations such costs charges and expenses as aforesaid to be payable notwithstanding that forfeiture is avoided otherwise than by relief granted by the court."

THE FIFTH SCHEDUE

8. The proper costs to the Company incurred in the general management and running of the Main Building including any proper charge or fee of any other Managing Agents or company made for running the Main Building including the costs and expenses incurred in recovering all arears of rent and service charge."

45. The Tribunal says costs incurred in the recovery of arrears of rent are recoverable under the fifth schedule paragraph 8. However, the provision is drafted on the basis of costs incurred not the application of a late payment fee. Therefore, the Tribunal determines that the amount levied has not been calculated under the provisions of the lease and so is not recoverable.

Solicitors' fees 12 November 2021 £528.00 [31/266]

46. The Applicant says "Recoverability disputed. The Applicant had raised disputes regarding the accounts and management issues, but no substantive reply or clarification had been provided by the managing agents. The Applicant disputes whether these costs were reasonably incurred or reasonably recoverable at that stage".

47. The Respondent says, "this sum was credited on the account statement on 15/10/2024 as part of a £2511.13 credit."

48. The Tribunal says [162/266] shows an entry crediting this amount within a document titled Account Statement and referencing Prof Roberto Puvia at Flat 136.

49. The Tribunal finds that as the amount was credited to the service charge account, there was in effect no live demand for this payment and so makes no determination in respect of it.

Legal or quasi legal costs – included within the account

50. The Applicant says "recoverability disputed under the Lease; inconsistent with the unconditional withdrawal of earlier proceedings and with the statement of account dated 13 February 2025 showing no legal costs outstanding.

51. The Respondent says, "legal costs of £4784 and £7125.60 shown on the account statement on 16/08/2024 and 25/09/2024 were credited on 13/02/2026. The only other legal costs on the account statement show the costs awards of £8500.00 and £22,000 being incurred and subsequently paid."

52. The Tribunal finds [66/266] entries in the statement of account labelled "Keystone Law Inv 205386 £4784.00" on 16 August 2024 and "Keystone Law Invoice 208416/24/EDJ" for £7125.60. The Tribunal finds the same two items credited to the account [67/266].

53. In respect to the sums of £4784.00 and £ 7125.00 the Tribunal determines effect is that they are as if they were never demanded.

54. In respect of the sums £8500 and £22,000. These are shown as demanded in the statement of account, 20 November 2024 [66/266] and on 11 February 2026 respectively [67/266].

55. The Applicant has not provided specific evidence on why the sums are not reasonable or alternative figures.

56. The lease says;

"2. THE TENANT HEREBY COVENANTS with the landlord and as a separate covenant with the Company as follows:

2.1 To pay the Rent and other moneys hereby reserved or made payable at the time and in the manner in which the same are hereby made payable without any deduction."

2.11 To pay to the Landlord all proper costs charges and expenses including solicitors' counsel's and surveyor's costs and fees and the cost of any bailiff at any time during the said term incurred by the Landlord in: or in contemplation of any proceedings in respect of this lease under sections 146 and 147 of the Law of Property Act 1925 or any re-nactment or modification thereof including in particular all such costs charges and expenses of and incidental to the preparation and service of a notice under those sections and of schedules of dilapidations such costs charges and expenses as aforesaid to be payable notwithstanding that forfeiture is avoided otherwise than by relief granted by the court."

THE FIFTH SCHEDUE

8. The proper costs to the Company incurred in the general management and running of the Main Building including any proper charge or fee of any other Managing Agents or company made for running the Main Building including the costs and expenses incurred in recovering all arears of rent and service charge."

57. The Tribunal determines that such sums are properly chargeable under the lease provisions immediately above. The Tribunal determines in the absence of contrary evidence the sums are reasonable and payable.

Locksmith charge/replacement of lock £559.00

58. The Applicant says "disputed as to lack of prior notification, legitimacy, justification, execution and follow up. Charges relate locksmith- assisted forced access to flat in the Applicant's absence and without prior notice, knowledge or consent."

59. The Applicant says as of 30 May 2024 that following this, the Applicant's delegate was not able to gain access to the new keys for access.

60. The Respondent says "emergency access required following the Applicants claim that his flat was in a dangerous condition. Prior notice was hand delivered to the flat in accordance with the requirements of the lease."

61. The Respondent refers to [170/266] which gave notice of entry the Notice was dated 15 September 2023 referring to entry of 18 September 2023.

62. The invoice for the entry works [173/266].

63. The relevant extract of the lease are;

> "2.9 To permit the Landlord or its agents either alone or with workmen at any reasonable hour in the daytime after reasonable notice except in the case of emergency to enter the Demised Premises and examine the state of repair and condition thereof and to take an inventory of the Landlord's fixtures and fittings then in and about the same and to repair and make good all defects or want of repair and decoration of which notice in writing shall be given by the Landlord to the Tenant within three calendar months (or sooner in case of emergence) after the giving of such notice and if the Tenant shall at any time make default in the performance of any of the covenants hereinbefore contained for or relating to the repair or decoration of the Demised Premises it shall be lawful for the Landlord (but without prejudice to the right of re-entry under the clause hereinafter contained) to enter upon the Demised Premises and to repair or decorate the same at the expense of the Tenant in accordance with the covenants and provisions of this lease and the expenses of such repairs or decorations shall be repaid by the Tenant to the Landlord on demand."
>
> 7.6 Any demand for payment notice or other document required or authorised to be given to the Tenant shall be well and sufficiently given if sent through the post in a prepaid envelope addressed to the Tenant by name at the Tenant's address as reregistered with the Landlord or by leaving it at the address And any demand notice or other document required or authorised to be given to the Landlord or the Company shall be well and sufficiently given if left or sent through the post addressed to the Landlord or the Company (as the case may be) at the registered office of the Landlord or the Company or at the usual or last known place of business of the Landlord or the Company (as the case may be) And any demand notice or other document sent by post in either case shall be assured to have been delivered in the usual course of post.

64. The Tribunal says the lease provides for entry to examine the inside of a demised premises. The period of time to be given is described as "reasonable". and in the case of emergency entry that period can be lessen.

65. Should the period of Notice be longer the leaseholder will have the opportunity to provide access. The shorter the period of time the less likely the leaseholder is to receive the Notice if hand delivered and provide access thus necessitating the need to gain professional entry.

66. The Tribunal considers what the grounds for entry were. It could be envisaged that a burst water pipe would necessitate urgent and immediate access. The Tribunal therefore needs to weigh up what the concern was and whether the short period of Notice was reasonable.

67. The Tribunal notes the Respondent says [151/266] that the Applicant by defence to claim K5QZ1A6V stated that his flat was " uninhabitable/dangerous condition". That given the claim the property is alleged to have been in a "dangerous" condition, the Respondent was concerned over the validity of insurance in this situation.

68. The Tribunal finds that it is reasonable due diligence to investigate the claim that a demised premises within the block was in a dangerous condition. The notification by the leaseholder also included the statement that the leaseholder lived abroad. Given the leaseholder was living abroad, it seems unlikely that Notice to the property would be received. However, the Tribunal finds the Notice validly served under the lease and the period of time of the Notice given the concerns was reasonable. The Tribunal determines the cost of access was properly incurred and can be recovered under the lease 2.9 applying.

69. In respect of availability of keys for the new lock, this falls outside the jurisdiction of the Tribunal to consider.

Administration on charges linked to disputed balances – various dates -

70. The Applicant says "charges escalated notwithstanding the existence of active and unresolved disputes repeatedly raised by the applicant.

71. The Respondent says "The Applicant has raised many disputes but has been unable to satisfy either the managing agents or management company of the relevance or truthfulness of the claims. We would point to the outcome of the two claims that the Applicant has already brought before the county court as to the truth and substance of the raised disputes."

72. The Tribunal says the Applicant has not particularised this challenge. In the absence of such the Tribunal cannot make any findings or determination in respect of this challenge.

Interest applied after unresolved disputes - various

73. The Applicant says "interest applied while the underlying liability remained disputed and while no clear account reconciliation had been provided"

74. The Respondent says "interest as been applied in line with the terms of the lease. In the event that the it is shown that certain items which appear on the account statement should not be included then interest will be recalculated".

75. The Tribunal has considered this above and interest is payable.

Charges included within composite account balances

76. The Applicant says "The Respondent combined service charges, administration charges, interest and legal costs, without transparent allocation, making it difficult to determine what sums if any remained properly due.

77. The Respondent says "a breakdown of the account statement by category has been provided in pages 12 and 13 of the Respondent's bundle.

78. The Tribunal says the Bundle at [165/266] shows a document titled " Breakdown of Debt- Puvia Flat 136].

79. The Tribunal considers this challenge is more of the way the managing agents present information rather than specific items. The Tribunal makes no findings in this respect.

Reintroduced cost related charges following unconditional I withdrawal of earlier proceedings

80. The Applicant says "inconsistent with the first subsequent statement of account dated 13 February 2025, which showed only current service charges and reserve fund contributions without administrative charges interest or legal costs.

81. The Respondent says "the account statement provided by both the Applicant and the Respondent is dated 30 March 2026 and is the one which is relied on in this matter.

82. The Tribunal says this challenge has been addressed in the Preliminary Matters above paragraph 12-18.

Application for section 20 and para 5A schedule 11

83. The Tribunal in consideration of whether to make an Order under section 20 C and or paragraph 5a schedule 11 has had recourse to the outcome of the application.

84. The Applicant has been partially successful.

85. In the circumstances the Tribunal makes an Order under the Landlord and Tenant Act 1985 section 20C and the Leasehold and Commonhold Reform Act 2002 paragraph 5A and of schedule 11.

Chair: Waterhouse FRICS

Date: 4 August 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).