



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

Case Reference	:	HAV/43UE/LSC/2026/0008
Property	:	Harrington House, 8-10 Bridge Street, Leatherhead, Surrey, KT22 8BZ Harry Thompson – Flat 9
Applicant	:	Gemma Sugarman – Flat 1 Lucy Matthews – Flat 5
Representative	:	Harry Thompson – flat 9
Respondent	:	Assethold Limited
Representative	:	Ronnie Gurvits of Eagerstates Ltd
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	:	Tribunal Judge E Bowden Tribunal Member Ms Barton MRICS
Venue	:	Paper Determination
Date of Decision	:	18 August 2026

DECISION

This is a formal order of the Tribunal which must be complied with by the parties.

Communications to the Tribunal MUST be made by email to rpsouthern@justice.gov.uk. All communications must clearly state the Case Number and address of the premises.

Summary of Decision

- (1) The Applicants are amended to Harry Thompson – Flat 9, Gemma Sugarman – Flat 1 and Lucy Matthews – Flat 5.**
- (2) The Tribunal determines that the service charge element of the demand dated 28 November 2025 is not payable to the Respondent and/or its agent. To the extent that any Applicant has paid any part of that service charge demand, the Respondent shall refund that sum to the relevant Applicant within 28 days.**
- (3) In the event that the Respondent and/or its agent seeks to recover the legal costs of this application via the service charge and/or an administration fee, the Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 to the CLRA 2002 so that none of the landlord's costs of the Tribunal proceedings may be passed to the lessees through any service charge.**
- (4) The Respondent must repay any Tribunal fees paid by the Applicants within 28 days of the date of this decision, pursuant to Rule 13(2).**

Background

1. The Applicants are Harry Thompson – Flat 9, Gemma Sugarman – Flat 1 and Lucy Matthews – Flat 5.
2. The Applicants seek a determination pursuant to s27A of the Landlord and Tenant Act 1985 (“LTA 1985”) that the service charge demanded by the Respondent in the invoice dated 28/11/2025 is not

payable. Via the statement of case filed by Mr Thompson (representative of the Applicants) the Applicants also seek:

- a. A determination that the Respondent had no authority after 25 July 2025 to manage the Property, incur costs, or demand service charges.
 - b. An order for the repayment of any sums paid pursuant to the disputed demand.
 - c. An order under section 20C of the Landlord and Tenant Act 1985, as indicated on the original application form.
 - d. An order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002, as indicated on the original application form.
 - e. Direct reimbursement of the Applicants' Tribunal fees.
 - f. Further or consequential directions the Tribunal considers appropriate.
3. The Respondent is Assehold Limited, and their representative is Ronnie Gurvits of Eagerstates Ltd. Neither responded to the application nor attended any hearings. On 16 June 2026 at the case management hearing, the Tribunal was satisfied that the Respondent had been duly notified of the case management hearing and concluded that the hearing could proceed in the absence of the Respondent. The Tribunal remains satisfied that the Respondent has knowledge of this application as the email address is and remains the correct email address for Mr Gurvits. The Tribunal is satisfied that the Respondent has had the opportunity to respond to the application and make representations regarding the matter being determined on the papers.
4. Harrington House, 8-10 Bridge Street, Leatherhead, Surrey, KT22 8BZ (the "Property") is a block of flats comprising 9 residential units and 1 commercial unit (a beauty salon). The construction of the Property was completed at the end of 2016/beginning of 2017.

5. The residents established the Right to Manage the property on 25 July 2025 following application (CHI/43UE/LRM/2024/0006) and a decision at the Upper Tier Tribunal (LC-2025-132).

The hearing

6. The matter was determined on the papers pursuant to the directions dated 16 June 2026, paragraph 15. The Tribunal had a 157-page bundle. The Tribunal read and considered the bundle; if a document is not mentioned within this decision, that does not mean that the document was not read and/or considered.

The background

7. The residents of the Property utilised provisions within the Commonhold and Leasehold Reform Act 2002 (CLRA 2002) to acquire the right to manage. The Harrington House residents established Harrington House RTM Company Limited. A claim notice was issued in accordance with s80 CLRA 2002. The claim notice was challenged by the Respondent. The 24 March 2025 decision of the First-tier Tribunal was appealed by the Respondent. The appeal was finally determined on 25 April 2025.
8. Under s90(4) CLRA 2002, the date of acquisition is 3 months after the determination becomes final. Three months after the appeal determination was 25 July 2025.
9. On 28 November 2025, the Respondent issued a service charge demand for the period December 2025/June 2026 and a ground rent demand for the period January - June 2026. The service charge total due for each leaseholder was £1,056.18, alleged to be due by 25 December 2025.

The Law

10. The relevant parts of the CLRA 2002 are:

96 Management functions under leases

(1) This section and section 97 apply in relation to management functions relating to the whole or any part of the premises.

(2) Management functions which a person who is landlord under a lease of the whole or any part of the premises has under the lease are instead functions of the RTM company.

(3) And where a person is party to a lease of the whole or any part of the premises otherwise than as landlord or tenant, management functions of his under the lease are also instead functions of the RTM company.

(4) Accordingly, any provisions of the lease making provision about the relationship of—

(a) a person who is landlord under the lease, and

(b) a person who is party to the lease otherwise than as landlord or tenant,

in relation to such functions do not have effect.

(5) “Management functions” are functions with respect to services, repairs, maintenance, improvements, insurance and management.

(6) But this section does not apply in relation to—

(a) functions with respect to a matter concerning only a part of the premises consisting of a flat or other unit not held under a lease by a qualifying tenant, or

(b) functions relating to re-entry or forfeiture.

(7) An order amending subsection (5) or (6) may be made by the appropriate national authority.

97 Management functions: supplementary

(1) Any obligation owed by the RTM company by virtue of section 96 to a tenant under a lease of the whole or any part of

the premises is also owed to each person who is landlord under the lease.

(2) A person who is—

(a) landlord under a lease of the whole or any part of the premises,

(b) party to such a lease otherwise than as landlord or tenant, or

(c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises,

is not entitled to do anything which the RTM company is required or empowered to do under the lease by virtue of section 96, except in accordance with an agreement made by him and the RTM company.

(3) But subsection (2) does not prevent any person from insuring the whole or any part of the premises at his own expense.

(4) So far as any function of a tenant under a lease of the whole or any part of the premises—

(a) relates to the exercise of any function under the lease which is a function of the RTM company by virtue of section 96, and

(b) is exercisable in relation to a person who is landlord under the lease or party to the lease otherwise than as landlord or tenant,

it is instead exercisable in relation to the RTM company.

(5) But subsection (4) does not require or permit the payment to the RTM company of so much of any service charges payable by a tenant under a lease of the whole or any part of the premises as is required to meet costs incurred before the right to manage

was acquired by the RTM company in connection with matters for which the service charges are payable.

11. The consequence of acquiring the right to manage is that the management functions that the landlord or other party (e.g. a management trustee or company) performs under a lease of the whole or any part of the premises are instead functions of the RTM company.
12. The landlord or other management party cannot do anything that the RTM company is required or empowered to do by the Act, save for insuring the building at the landlord's own expense or pursuant to an agreement with the RTM company.
13. "Management functions" is defined in s.96(5) as functions with respect to services, repairs, maintenance, improvements, insurance, and management.
14. The acquisition of the right to manage does not displace the landlord's possession of the retained parts of the premises. The RTM company will have a right of access to these parts as necessary to discharge the management functions.
15. *Wilson v Lesley Place (RTM) Co Ltd* [2010] UKUT 342 (LC); [2011] L. & T.R. 11 which was cited with approval in *Francia Properties Ltd v Aristou* [2017] L. & T.R. 5 at [65]–[66]:

*"It is clear that the provisions effect a transfer of rights and duties that are contained in the lease, but do not modify them or create new ones: per George Bartlett QC in Wilson v Lesley Place (RTM) Co Ltd at [13]. **They also do not interfere with certain property rights of the landlord, including the right to ground rent** and premiums on extension or enfranchisement as well as those specified in s.96(6), namely, all those relating to a flat not held under a lease by a qualifying tenant (e.g. commercial premises) or those relating to re-entry or forfeiture. In my judgment it must also include the right to*

grant a new lease (which is not a management function) following forfeiture or otherwise ...”

16. The 5th edition of Service Charges and Management by Tanfield Chambers helpfully lists at the start of chapter 27 the functions that the RTM does not acquire and are retained by the landlord after the acquisition date:

- *rights to enforce in respect of breaches of covenant arising before the acquisition date;*
- *management of non-qualifying flats and commercial parts;*
- *the right to grant approvals (consents) in respect of non-qualifying units;*
- *the right to collect ground rent; and*
- *the power to forfeit leases.*

The Applicants

17. In the directions dated 16 June 2026, the Tribunal amended the original Applicant from the RTM company ‘Harrington House RTM Company Ltd’ to the individual leaseholders of flats. Directions requiring written authority from each of the individual Applicants confirming if Mr Thompson is to act on their behalf in these proceedings must be sent to the Tribunal by 23 June 2026. In the bundle, the Tribunal has authority from Gemma Sugarman – Flat 1 and Lucy Matthews – Flat 5.
18. The statement of case dated 23 June 2026, filed by Mr Thompson on behalf of the Applicants, states that the Applicants are the leaseholders Harry Thompson – Flat 9, Gemma Sugarman – Flat 1, and Lucy Matthews – Flat 5.

Decision

19. The Tribunal Orders pursuant to Rule 10 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 that the Applicants are amended to the following leaseholders: Harry Thompson – Flat 9, Gemma Sugarman – Flat 1 and Lucy Matthews – Flat 5.

Acquisition date

Findings, reason and determination.

20. The Tribunal finds that, as per s90(4) CLRA 2002, the date of acquisition is three months after the appeal's final determination; the final appeal determination was 25 April 2025; therefore, the date of acquisition is 25 July 2025.

Service charge demand

21. The Applicants have challenged the service charge demand dated 28 November 2025. Respondent demanded from each Applicant a service charge for the period December 2025/June 2026. The sum demanded was £1,056.18. The total demand of £1,156.18 includes £100.00 ground rent.

Findings

22. From and including 25 July 2025, the management functions had transferred from Assehold Limited and/or Eagerstates Ltd to Harrington House RTM Company Ltd.
23. The service charge period stated in the 28 November 2025 demand was December 2025/June 2026. This period is after 25 July 2025, and management functions were vested in Harrington House RTM Company Ltd.
24. The outgoing management company may be able to recover sums incurred before the date of acquisition (s.97(5)). This is not the issue here, as the only service charge sum demanded was an advance service charge contribution for the next six months.
25. Ground rent is payable to the landlord.

Determination

26. The Tribunal determines that the service charge demand dated 28 November 2025 demanding a service charge due for the period December 2025/June 2026 is not payable as the management functions were no longer held by the Respondent or its representative.
27. The Respondent was not entitled after 25 July 2025 to exercise the management functions transferred to the RTM company, including demanding advance service charges for the period in question.
28. The Tribunal determines that the service charge element of the demand dated 28 November 2025 was not payable to the Respondent. To the extent that any Applicant has paid any part of that service charge demand, the Respondent shall refund that sum to the relevant Applicant within 28 days.

Application under s.20C, paragraph 5A of Schedule 11 and Rule 13 (refund of fees)

The law

29. Section 20C of the Landlord and Tenant Act 1985 reads as follows:

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 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.

(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.

30. Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 reads as follows;

Limitation of administration charges: costs of proceedings

5A (1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.

(2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.

(3) In this paragraph—

(a) “litigation costs” means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and

(b) “the relevant court or tribunal” means the court or tribunal mentioned in the table in relation to those proceedings.

31. Refund of fees, under Rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the First-tier Tribunal (FTT) has the power to order one party to refund or reimburse the application or hearing fees paid by another party.

Consideration

32. Management functions were vested in Harrington House RTM Company Ltd from and including 25 July 2025. Harrington House RTM Company Ltd is entitled to collect the service charge contributions on/from 25 July 2025. The outgoing management company may be able to recover sums incurred before the date of

acquisition; that is not the issue here, as the sum demanded was a service charge contribution in advance.

33. Harrington House RTM Company Ltd notified the Respondent's representative of the date of acquisition on 27 July 2025, 06 November 2025, and 21 December 2025.
34. The Respondent's representative is an experienced management agent and would have known the implications of there being an acquisition date.

Determination

35. As the Respondent can no longer demand service charges, neither it nor its agent can pass on legal costs through the service charge. The Tribunal nonetheless determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge and/or administration fees.
36. Given the Respondent's pursuit of a demand for future service charges after the acquisition date despite repeated notification of that date, the Tribunal considers it just and equitable to grant relief under both provisions. The Tribunal orders the Respondent to refund any Tribunal fees paid by the Applicants within 28 days of the date of this decision.

Name: Tribunal Judge Bowden

Date: 18 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.

1. A written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case by email at rpsouthern@justice.gov.uk.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the date this decision is sent to the parties.
3. If the application is not made within the 28-day time limit, such an 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.
4. The application for permission to appeal must state the grounds of appeal and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.