



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

Case reference : **LON/00BG/LSC/2025/1091**

Property : **Flat 810, 3 Pan Peninsula Square,
London, E14 9HN**

Applicants : **Le Liu**

Representative : **In person**

Respondent : **Ballymore Millharbour Limited**

Representative : **Mr Stamp-Simon, Counsel
Brady Solicitors**

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 Vodanovic
Mr Andrew Lewicki**

Venue : **10 Alfred Place, London WC1E 7LR**

Date of decision : **2.7.2026 (hearing held on 20.5.2026)**

DECISION

All references to numbers in square brackets are references to the main Bundle consisting of 284 pages.

Summary of the Decisions of the tribunal

- (1) The tribunal refused the Respondent's application to rely on the witness statement of Gavin Putney and the supplementary bundle. It further refused the Respondent's application to adjourn.
- (2) The tribunal makes the determinations as set out under the various headings in this Decision and in summary the sums which are **not reasonably payable** for the disputed years are as follows:

YE 2018	£106.25 (the credit applied of £119.36 for this year remains)
YE 2019	£612.14
YE 2021	£168.70
YE 2022	£942.71
YE 2023	£0 (£412.88 credit remains)
YE 2024	£39.32

- (3) The tribunal determined that the Respondent shall reimburse any tribunal fees paid by the Applicant within 28 days of the date of this decision.
- (4) The tribunal makes no determination at this stage about the Applicant's application under s.20C of the LTA 1985. Written submissions will be invited as per the Order below.

Order

1. If so advised, BML are invited to send to Ms Liu and the tribunal submissions in writing by 4pm on **22nd July 2026** as to why an Order pursuant to section 20C of the Landlord and Tenant Act 1985 should not be made, and they should attach to the submissions any correspondence between the parties they seek to rely on .
2. Ms Liu may respond to those submissions, again in writing, by 4pm on **12th August 2026** by sending them to BML and their solicitors and the tribunal.
3. The Tribunal will consider the above issue on the papers on a date to be determined.

The applications

1. Ms Liu 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 her in respect of the years ending (YE) September 2018 through to September 2024 (but not YE 2020).
2. The issues raised are the reasonableness of the service charges but also compliance with section 20B of the 1985 Act (service of a valid notice within the statutory limits).
3. The Respondent, Ballymore Millharbour Limited (‘BML’) also made a late application for reliance on evidence out of time. This application was determined as a preliminary issue.

The hearing

4. The hearing took place on 20th May 2026, by video. Ms Liu appeared in person and was unrepresented. Mr Stamp-Simon of Counsel appeared on behalf of BML.
5. Mr Stamp-Simon prepared a Position Statement/Skeleton Argument on behalf of BML which was not provided to Ms Liu until 9am on the morning of the hearing. She was afforded an opportunity during the morning session to familiarise herself with the contents of it, and for reasons set out below, the tribunal indicated to her which parts of that Position Statement were not going to be referred to.
6. The parties were also afforded some time to discuss matters between themselves in order to see if a resolution could be reached. They were unable to resolve matters and the substantive hearing proceeded after midday.

The background

7. The Property which is the subject of this application is a one bedroom flat in a large development consisting of two tower blocks with approximately 762 apartment units.
8. Ms Liu is the leaseholder of the Property having taken on the obligations of the Lease since 24th May 2019. The original Lease is dated 20th February 2009, having been made between BML and Robert Wilkins for a term of 999 years from 1st January 2007 [191].

9. BML is the freehold proprietor of the development, including the Property, and therefore the Lessor.
10. The terms of the Lease, under paragraph 11(a) and paragraph 13 of the Fourth Schedule to the Lease, provide for the recovery of variable service charges by BML. These are demanded on budgeted costs throughout the year. A further balancing charge can be demanded by BML in the event there is a shortfall payable after considering actual expenditure, pursuant to paragraph 11(b) of the Fourth Schedule to the Lease. This is further referenced in paragraph 4(b) of the Sixth Schedule to the Lease.
11. On 30th August 2025, Ms Liu was served with a balancing charge demand for the years 2018 to 2024 [70] seeking the following sums:
 - i. YE 2018 - A credit of £119.36 was applied
 - ii. YE 2019 - A balancing charge of £612.14 was demanded
 - iii. YE 2021 - A balancing charge of £168.70 was demanded
 - iv. YE 2022 - A balancing charge of £942.71 was demanded
 - v. YE 2023 - A credit of £412.88 was applied
 - vi. YE 2024 - A balancing charge of £39.32 was demanded.
12. The total amount demanded was £1,230.63. It is this amount that is in dispute between the parties.

The issues raised by the Applicant

13. Ms Liu does not raise any issue with the payment of the variable service charges for the relevant years in principle. She has in fact made payments for the service charge demands for the years 2019 onwards, since she took on the obligations of the Lease. The dispute relates solely to the balancing demand served on 30th August 2025 for the YE 2018 to 2024 (but not YE 2020).
14. For all of the relevant years set out above in paragraph 12, Ms Liu raises the following issues [Scott Schedule 56 - 61]:
 - i) There is no explanation as to how the balancing demands have been calculated.

ii)The delay in making the balancing demand has not been explained and raises even more concern as to the lack of calculation.

iii)There has been no valid section 20B of the 1985 Act notice served. Where one was served, it did not contain the relevant information and is therefore invalid in any event.

15. In addition, for YE 2018, Ms Liu raises a point that there had already been a year-end deficit demand issued on 3.7.2019 in the sum of £106.25 which was paid by her. It was not clear to her what the second balancing exercise related to.
16. The Tribunal therefore went on to consider the section 20B point, as well as the reasonableness of the amounts demanded by way of the balancing demand (in accordance with section 19 of the Landlord and Tenant Act 1985).

Preliminary applications

17. At the start of the hearing, the parties were afforded some time to discuss matters to see if any agreement could be reached but they could not.
18. Mr Stamp-Simon then made submissions on the written application which had been made by BML to rely on a witness statement which was contained in an additional bundle together with numerous exhibits.
19. The Tribunal issued directions on 11th November 2025 requiring the parties to serve statements of case. The initial date for the provision of these statements of case for Ms Liu was 16th January 2026. BML were to provide a statement of case in response by 13th February 2026.
20. Ms Liu sought an extension of time for service of the statements of case. The directions were amended on 21st January 2026 and allowed Ms Liu until 4th February 2026 to provide her statement of case and evidence. BML now had until 4th March 2026 to provide the statement of case and any supporting evidence, including witness statements. No variation of these directions was sought by BML.
21. Instead, on 10th April 2026, Ms Liu made an application to the tribunal on Form Order 1 to exclude BML's late documents. But, at that point there were no documents from BML. It seemed Ms Liu was seeking to regularise the position regarding the directions. She did not need to make that application and it was duly refused on 14th May 2026. It did however have the effect of at least prompting BML to respond to the directions and engage with the process. On 16th April 2026, an email was sent in by BML explaining that they had delayed in preparing their case because

negotiations were ongoing, there had been an administrative handover and they were seeking an extension of time to comply with the directions but had made no application in Form 1. No date was given as to when evidence was to be supplied and no further explanation was given as to why they had not complied with the directions so far, or sought an extension sooner.

22. On 14th May 2026, BML served a supplementary bundle which contained the witness statement of Gavin Putney, and numerous exhibits to that statement. This was followed by an application in Form 1 filed by BML for permission to rely on the witness statement and the exhibits.
23. Ms Liu objected to the inclusion of these documents on the basis that it was prejudicial to her to have the documents so late before the final hearing.
24. The Tribunal dealt with this application as a preliminary issue and refused permission to allow the witness statement of Gavin Putney to be relied on, including the Response to the Scott Schedule which had also only been served on 14th May 2026. Brief reasons were given to the parties as to why the application was refused, and the substantive hearing proceeded.
25. The fuller reasons for refusing the application are as follows:
 - i) The chronology set out above does not assist BML.
 - ii) There is no good explanation as to why there was non-compliance. The Tribunal did not accept the reasons given by BML in the email dated 16th April 2026 as good reasons for that non-compliance. The fact that parties might be negotiating ahead of a final hearing does not, and should not, mean that they cannot comply with directions which will prepare them for the final hearing, which was already listed. The mention of the administrative handover was vague and no detail was provided as to why that actually prevented someone dealing with matters back in April 2026 when BML identified it had failed to comply with the directions. In fact, Ms Liu had been corresponding with the Tribunal from early 2026 onwards, stating her concerns that there had been no engagement from BML. There was no application at any point for an extension of time, which would have been open to BML to seek at any point and certainly when writing in on 16th April 2026. That same email sought to explain the delay in having to go over voluminous historic material. Yet, on reviewing the witness statement of Gavin Putney and his exhibits, all of the documents included were already to be found in Ms Liu's statement of case and Bundle.

- iii) The Form 1 application dated 15th May 2026 gave no reasons or explanation for the non-compliance at all.
 - iv) Rule 8 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 gives the Tribunal wide powers when dealing with non-compliance with Tribunal directions. Rule 18(6) gives the Tribunal discretion to exclude evidence where the evidence was not provided within the time allowed by a direction.
 - v) The Tribunal concluded that BML's non-compliance with the directions in failing to serve its evidence and statement of case (in the form of the Response to the Scott Schedule) in good time were serious. The late service of the supplementary bundle was prejudicial to Ms Liu and it was not in keeping with the overriding objective to allow BML to rely on it at that late stage.
26. Mr Stamp-Simon then sought to make an oral application to adjourn the matter so that Ms Liu could have time to consider the additional evidence, thereby removing any prejudice to her. The difficulty with that argument was that there was no evidence that could be relied on that she could consider. BML were barred from relying on the witness statement of Gavin Putney and the supplementary bundle; that decision had already been made. There was no point in adjourning the hearing which would mean that BML would have to renew their application for permission to rely on the evidence which was out of time.
27. Ms Liu was concerned about the late service of the Position Statement from BML. She received the document at around 9am on the morning of the hearing. She argued it was prejudicial to her and she was unable to read it on her phone. Whilst the Tribunal had sympathy with the fact that the document had been served late, where the Position Statement stated propositions of law or summarised the factual position as it stood based on unchallenged evidence, then it was clearly going to be helpful to the Tribunal. What Mr Stamp-Simon could say about the facts and the law in his Position Statement, he would have been able to say orally during the hearing in any event.
28. There were aspects of that Position Statement however which sought to rely on the witness evidence of Gavin Putney, and sought further to explain what Mr Putney might have been called to expand upon during his oral evidence. The Tribunal gave an indication to the parties that even if it had allowed his statement into evidence, Mr Putney would not have been allowed to expand further beyond the content of his statement. The Tribunal further made it clear that, to the extent that the Position Statement sought to rely on that witness statement, this would not be taken into account. Mr Stamp-Simon was informed that he could still take part in proceedings, and make submissions based on the evidence

contained in the main Bundle, consisting of all the documents which Ms Liu produced. He could not however raise matters of evidence contained in Mr Putney's witness statement.

29. Based on the above clarifications, Ms Liu was given some more time over the lunch adjournment to focus on the legal points in the Position Statement and to ignore those that were not going to be taken into account, e.g. paragraphs 40 to 45 of the Position Statement.

YE 2018 - A credit of £119.36 was applied

30. The balancing demand received by Ms Liu on 30.8.2025 in fact credited the sum of £119.36 to Ms Liu for YE 2018. There had already been a balancing payment issued on 3.7.2019 for YE 2018 of £106.25, which Ms Liu paid on 18.7.2019.
31. It is not clear what the £106.25 related to and Ms Liu was in fact raising the amount of £106.25 as being in issue in her Scott Schedule. The Tribunal proceeded to determine the reasonableness of that amount. It did not seek to disturb the credit applied to that year.

The tribunal's decision

32. The Tribunal concludes that the sum of £106.25, charged as a balancing payment for YE 2018, is not payable to BML. For the avoidance of doubt, the credited amount of £119.36 remains as a credit and is not in dispute.

Reasons for the tribunal's decision

33. Ms Liu set out in her Scott Schedule and other documents the fact of the previous balancing demand for YE 2018 in the sum of £106.25. She paid that back in July 2019. Whilst she mentioned the issue of the credit of £119.36, she was not seeking that it be dis-applied; she was in fact raising an issue about the deficit demand for YE 2018.
34. The fact of the credit having been applied to that YE 2018 of £119.36, in August 2025, is in fact why Ms Liu was alerted to a concern as to BML now seeking to recover a deficit. She raises a number of questions as a result: (i) the audited service charge accounts for YE 2018 recorded a surplus yet a deficit demand was issued on 3.7.2019; (ii) the 2025 balancing demand now records a credit but it is not clear if this represents a duplication of the sums previously demanded and discharged; (iii) given the delay in the balancing demand being issued and there being no explanation of the amounts or breakdown of the 2018, this prevents any meaningful assessment of the reasonableness of that amount.

35. The above issues clearly raised a prima facie case as to the reasonableness of the demand back in 2019 for the balancing charge of £106.25 to which a response was required from BML.
36. The audited accounts for YE 2018 do clearly show a surplus of expenditure [112]. Yet, there was no evidence from BML as to how the sum of £106.25 was calculated. There is also no evidence of how the credit of £119.36 relates to any deficit demanded back in 2019 or whether it in fact relates to it at all. There is no explanation as to how the credit was calculated either. In light of the delay in now applying this credit in 2025, it was incumbent on BML to provide that explanation but they failed to do so.
37. This reasoning of itself leads the Tribunal to the conclusion that the balancing payment of £106.25 is not payable by Ms Liu.
38. Furthermore, there is an issue with the timing of the demand for the original £106.25. Section 20B of the 1985 Act states as follows:
- (1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.*
- (2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.*
39. No section 20B(2) notice was served during 2018 or the first half of 2019 on Ms Liu.
40. The demand itself for the payment of the £106.25 deficit is dated 3.7.2019 [76]. It is accepted by Ms Liu that this was received. It is however further accepted by BML that this is three days out of time for such demands to be made. The argument that is put forward by BML is that it is only marginally out of time, and less than 1% of the costs of the year were incurred more than 18 months prior to the demand; this is *de minimis* and should be disregarded. BML had to make this concession that it was out of time given there was no explanation as to what the amount of £106.25 related and when it was incurred.
41. The Tribunal does not accept the above argument. Section 20B of the 1985 Act is stated in clear and unequivocal terms, and the sanction for failing to comply with the 18 months period is that there *shall* be no liability to pay the service charge.

42. The Tribunal concluded that the sum of £106.25 was not reasonably payable by Ms Liu for either of the reasons set out above.

YE 2019: the sum of £612.14

43. Ms Liu raises all three issues set out above at paragraph 14 in respect of this balancing payment.

The tribunal's decision

44. The Tribunal concluded that the sum of £612.14 is not reasonably payable by Ms Liu.

Reasons for the tribunal's decision

45. Given the delay in seeking to recover this balancing charge, and there being no explanation as to how it was arrived at, Ms Liu has raised a prima facie case which is to be answered by BML. Yet, there is no evidence at all as to what this relates or how it was calculated.
46. The amounts sought by way of balancing payments have to relate to incurred costs. There is no evidence that it does relate to incurred costs. The payment of this balancing demand is not reasonable as a result of a lack of that evidence.
47. Moreover, Ms Liu raised an issue with the section 20B notice for YE 2019. Whilst she accepted she received a document purporting to be a section 20B notice [181], it was not in fact sufficiently detailed to amount to that.
48. It is dated 29th June 2020. It was therefore served, it seems, within 18 months of the start of the service charge year for 2019. That document however does not contain sufficient information as is required for the purpose of section 20B notices. The document referred to a summary of the total service charge costs and stated that it was the total expenditure during the year. No such summary was provided in evidence. The whole purpose of that document is precisely to let the leaseholder know the total expenditure which will then act as a cap on recovery later on.
49. BML was asking the Tribunal to infer approximately what the figure is likely to have been on the basis of the other evidence, namely the other section 20B notices for YE 2021, 2022, 2023 and 2024.
50. The Tribunal does not accept this argument. A statutory requirement set out in terms of section 20B(2) of the 1985 Act is designed to provide the relevant information to the leaseholder so they are aware of the total amount of costs that might be charged to them at some later point.

51. Mr Stamp-Simon drew to our attention (in paragraph 22 of the Position Statement) authority¹ for the proposition that the written notification must state a figure for the costs which have been incurred. Accordingly, the likely amount of this cannot be *inferred*.

YE 2021: the sum of £168.70

52. Ms Liu raises all three points as set out above at paragraph 14. She claims she never received the section 20(B) notice for the YE 2021.

The tribunal's decision

53. The Tribunal concluded that the sum of £168.70 is not reasonably payable to BML.

Reasons for the tribunal's decision

54. The first argument raised by Ms Liu concerns the non-service of the section 20B notice for this year. This was raised in the Scott Schedule as an issue. Ms Liu stated that she did not receive this document by post or email.
55. At [182], the section 20B notice can be found and it is dated 30th June 2022. It contains the summary of tenants' rights and obligations. Whilst it exists, and was provided to Ms Liu throughout the course of these proceedings, there is no evidence that it was posted out to her.
56. The issue of non-service having been raised by Ms Liu, BML has failed to produce any evidence of having posted it out, or even having emailed it. In the absence of any such evidence, there is no requirement to consider what might amount to deemed service.
57. The Tribunal further accepted Ms Liu's evidence that she did not receive it. Any documents which she did have, she provided within her Bundle. She was clear in her account as to which of the section 20B notices she received and which she did not. She was organised and meticulous in relation to the presentation of her evidence and the Tribunal found on a balance of probabilities that if she had received the section 20B notice, she would have kept it and presented it to the Tribunal on that basis.
58. The Tribunal therefore concluded that the section 20(B) notice was not served on Ms Liu and for that reason alone the balancing sum demanded is not payable.

¹ Brent LBC v Shulem B Association Ltd [2021] EWHC 1663 (Ch) at §65

59. If the Tribunal is wrong about that, the further conclusion reached is that there is simply no explanation as to how the sum was calculated, what it related to and whether it was indeed incurred.
60. As previously stated, the delay in making this demand in August 2025 and failure to explain how it has come about has raised a prima facie case which BML are required to answer. They have simply failed to do so and for reasons of lack of evidential basis on which to make this demand, the Tribunal concludes the sum is not reasonably payable.

YE 2022: the sum of £942.71

61. Ms Liu raises all three issues above in paragraph 14. She again claims in relation to the section 20(B) notice for this year that she never received it.

The tribunal's decision

62. The Tribunal concluded that the sum of £942.71 is not payable to BML.

Reasons for the tribunal's decision

63. The section 20B notice at [184] clearly exists and was provided to Ms Liu during the course of these proceedings. The Tribunal concludes, for the same reasons as set out above in discussions relating to the section 20B notice for YE 2021, that the same was not served on her at the relevant time, namely in June 2023.
64. Moreover, if the Tribunal is not right about the above, it reaches the same conclusion as set out in paragraphs 59 and 60 above.
65. The balancing demand of £942.71 is not payable for either of those reasons.

YE 2023: A credit of £412.88 was applied

66. Ms Liu raises the same issue about the non-service of the section 20B notice as in relation to the other years. This argument though is not relevant here as a credit of £412.88 was applied, rather than a demand for payment.
67. It is not for this Tribunal to carry out any accounting exercise to the overall balancing demand or service charges generally. The Tribunal does not interfere with the credit made and makes no determination in relation to this service charge year.

68. If further evidence is provided by BML to Ms Liu relating to this year and there are further arguments to be made by her as to the reasonableness of service charges, and indeed any credit applied, then she will be able to make a further application, should she choose to do so.

YE 2024: the sum of £39.32

69. Ms Liu raises the issue set out in paragraph 14(i) above only.

The tribunal's decision

70. The balancing demand of £39.32 is not reasonably payable to BML.

Reasons for the tribunal's decision

71. No issues arise here in relation to the section 20(B) notice. Ms Liu accepts she received the section 20(B) notice at the relevant time. Her issue arises from the certified service charge accounts showing a net surplus of £15,531.
72. That does beg the question as to why there would need to be a balancing exercise and a demand made. Whether or not that surplus showing on the accounts [165] is in fact relevant to the balancing demand was not made clear. There was no evidence from BML as to how the surplus operated and what effect it had on any particular part of the expenditure in the accounts.
73. Moreover, there was no evidence from BML as to how they calculated the amount of £39.32 with reference to what had been paid by Ms Liu. This was a relatively simple exercise that could have been carried out in relation to each item in dispute, but BML has failed to bring such evidence before the Tribunal.

Other arguments raised by Ms Liu

74. At paragraphs 1 to 5 of Ms Liu's statement dated 4th February 2026 [62 - 64], a number of other matters were raised in addition to the substantive issues already dealt with above. None of those additional issues (raised in paragraphs 1, 4 and 5) were relevant to the Tribunal's considerations. The points raised in paragraphs 2 and 3 have already been addressed above in the Tribunal's reasoning.

Costs

75. Given the overall decision being favourable to Ms Liu, the Tribunal determines that BML shall pay Ms Liu £341 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by her.

76. In the application form, Ms Liu applied for an order under section 20C of the 1985 Act. BML indicated at the hearing that they would be passing their costs of these proceedings through the service charges. Given the tribunal's decision and reasoning set out above, and having heard submissions from both parties, the tribunal was minded to make an order under section 20C of the 1985 Act, so that BML may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge. However, no such final order has been made as yet.
77. If so advised, BML are invited to send to Ms Liu and the tribunal submissions in writing by 4pm on 22nd July 2026 as to why the above Order should not be made, and they should attach to the submissions any correspondence between the parties they seek to rely on.
78. Ms Liu may respond to those submissions, again in writing, by 4pm on 12th August 2026 by sending them to BML and their solicitors and the tribunal.
79. The Tribunal will consider the above issue on the papers on a date to be determined.

Name: Judge Vodanovic

Date: 2nd 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).