



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

Case reference : LON/00AY/LAC/2025/0635

Property : Flat 4, 55 Drewstead Road, London,
SW16 1AA

Applicant : Ms Lottie Khan

Representative : None

Respondent : Assethold Limited

Representative : Mr Ronni Gurvits

Type of application : For determination of the liability to pay
an administrative charge pursuant to
Schedule 11 of the Commonhold and
Leasehold Reform Act 2002.

Tribunal member : Mr R Waterhouse FRICS

Venue : 10 Alfred Place, London, WC1E 7LR on
papers

Date of Decision : 16 October 2026

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the administration charge of £391.56 is not payable by the Applicant.**
- (2) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the Respondent**

landlord's costs of the Tribunal proceedings may be passed to the lessees through any service charge.

- (3) The Tribunal makes an order under para. 5A of Schedule 11 of Commonhold and Leasehold Reform Act 2002 so that none of the Respondent's legal costs of administration fees can be added to the Applicant's account.**
- (4) The Tribunal determines the Respondent pay the Applicant the Tribunal application fee within 28 days of the date of decision.**

The application

- 1. The Applicant seeks a determination pursuant to Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act" as to the amount of administration charges payable by the Applicant. The application was received 29 December 2025 and a supplemental document submitted on 26 March 2026.

Background

- 2. The subject property at 55 Drewstead Road, London, SW16 1AA is a one-bedroom flat in a building comprising six flats that was built in the 1930s. The Applicant is the long leaseholder pursuant to a lease made between West End and City Holdings Limited and James Matthew Anthony Waterhouse dated 3 May 2017.
- 3. In her application of 29 December 2025, the Applicant stated she challenged administration fees described as; "notice of proceedings", "fee for letter", "interest", and "amount outstanding from previous account". These amounted to £391.56. The Applicant also sought an Order under Section 20C of the Landlord and Tenant Act 1985, and Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 to the 2002 Act. The supplementary document received 26 March 2026 gave further details.
- 4. Directions were issued on 19 May 2026, amended 26 June 2026, and the matter was set down for determination on the papers. In the week commencing 12 October 2026.
- 5. The Bundle to be supplied by the Applicant. The Tribunal is in receipt of a Bundle comprising some 153 pages. The Tribunal made its determination based on the Bundle without hearing.

The Issues

- (a) The “payability” of ground rent collection fees demanded by Eagerstates on behalf of the Respondent, and
 - (b) The applications for orders under Section 20C of the 1985 Act and paragraph 5A of Schedule 11 to the 2002 Act.
6. The ground rent for the flat is £250 per annum. Eagerstates issued quarterly rent demands for £62.50. This was demanded by letter of 28 July 2025, and a said earlier letter of 28 May 2025 the latter which the Applicant claims they did not receive.

The amounts were;

Original invoice: £62.50

Notice of proceedings: £150

Interest as at 28 July 2025: £1.01

Costs of this letter: £240.00

Total to date: £ 454.06

7. The Applicant notes that the amount referred to as the original invoice: £62.50 relates to the ground rent and the Applicant does not contend this. The Tribunal also does not have jurisdiction on the issue of ground rents.

The Lease

8. The Applicants’ bundle contains the lease for Flat 4. This was granted by West End City Holdings Limited (“Lessor”) to James Matthew Anthony Waterhouse dated 3 May 2017 for a term from 3 May 2017.

PAYMENT DATES: The usual quarter days

MAINTENANCE RENT: One sixth of the costs and expenses that the Lessor incurs pursuant to its covenants contained in the Second Schedule hereto

RENT: £250 per annum for the first 25 years

9. Clause 1 and paragraph 1 of the third schedule oblige the Lessee to pay the Rent and the Maintenance Rent on the Payment Dates.

The Applicant's case

10. The Applicant provided an Applicant's statement dated 11 July 2026. The Applicant's case comprises;
- (i) That the Respondent has failed to comply fully with Direction 3 of the Tribunal's directions. Whilst it has provided copies of demands referring to the sum of £391.56 it has not provided an explanation of how the charge was calculated, when the charge accrued, or the lease provisions relied upon in support of recovery.
 - (ii) The Respondent has provided inconsistent explanations regarding the basis of the charge. At different times, the charge has been described as arising from "Cost incurred for this letter", "notice of proceedings", notices allegedly not being served and as relating to previous accounts.
 - (iii) The amount claimed has subsequently changed from £ 391.56 to £ 204.46 without explanation
 - (iv) The Respondent's allegations that notices were not served is disputed
 - (v) To the extent the Respondent alleges the charge relates to sums outstanding before my purchase of the property the Applicant contends these items were cleared before purchase of the lease.
 - (vi) The Respondent has not provided sufficient evidence to establish that the charge is payable under the lease.
 - (vii) The Respondent has not provided sufficient evidence to establish that the amount claimed is reasonable.
 - (viii) The Applicant requests the Tribunal determines the administration fee of £391.56 is not payable.
 - (ix) That Orders are made under Section 20C and Para. 5A.
 - (x) The Tribunal is asked to determine the correct level of ground rent
 - (xi) That the application fee is reimbursed.

The Respondents case

11. The Respondent submitted a Statement of case.
12. At paragraph 3, the Respondent says the sum at issue is £391.56 comprising Notice of Proceeding charge of £150.00 raised on 7 July 2025, costs of £240.00 in respect of the arrears letter dated of 28 July 2025, and the interest of £0.55 and £1.01. The Applicant has since paid £187.10 towards the sum. The Respondent says that every element was incurred after the Applicant became the lessee on 18 June 2025 and that the costs incurred were incurred through failure to pay ground rent due on 24 June 2025.
13. The Respondent in their statement of case produces a detailed chronology. The Applicant completing their purchase on 18 June 2025. The ground rent falling due on the quarter day which is 24 June 2025.
14. The Respondent says on 7 July 2025 a Notice of Proceedings charge of £150.00 was issued.

15. The Respondent says they were unaware of the assignment until an email of 15 July 2025 notified them.
16. On 16 July 2025 the Respondent wrote to the solicitors for the Applicant who had carried out the Applicant's conveyance stating arrears stood at £212.50, being ground rent £62.50 and Notice of Proceedings of £150.00.
17. On 28 July 2025 the Respondent wrote to the Applicant demanding £454.06 which comprised the original sum plus interest and a charge of £240.00 for the letter.
18. On the same day 28 July 2025, the Respondent wrote to the Applicant's solicitors explaining the situation.
19. The Respondent says the ground rent was paid that of £62.50 and the outstanding amount of £391.56 is the amount at issue.
20. The Respondent says that paragraph 4 of the Third Schedule lease provides for payment.

"To pay unto the Lessor all reasonable and proper costs charges and expenses including legal costs and fees payable to a Surveyor which may be incurred by the Lessor in or in contemplation of any proceedings under Section 146 and section 147 of the Law of Property Act 1925 or any statutory modification thereof which may for the time being be subsisting notwithstanding forfeiture be avoided otherwise than by the Court granting relief under the said Act and to pay all costs and expenses incurred (including Solicitors and own client costs) in recovery or attempting to recover all sums payable by the Lessee under these presents whether or not proceedings of any nature are commenced in respect of the same."

Discussion

21. The Respondent says the Applicant took over the lease on 18 June 2025; this is not contested. The Respondent says the quarterly rent was due on 24 June 2025; this is not contested. There is an email [30/153] from the Respondent to the previous leaseholder stating there are as at the date of the email no outstanding demands that have not been paid, this was 10 June 2025. The next rent payment date was 24 June 2025. The Respondent by email [67/163] to the Applicant sought to explain the cause of the failure to demand directly of the Applicant that the Applicant's solicitor had failed to inform the Respondent of the change of leaseholder.
22. The lease is clear that ground rent is payable on quarter days [44/153].

23. The Tribunal finds that the payment of one quarter of the ground rent was due under the lease on 24 June 2025.
24. The first question is one of payability, that is whether Paragraph 4 of Schedule 3 provides for levy of the administration charge.
25. The provision shown in paragraph 20 above, specifically requires the administration charges to be incurred in contemplation of section 146 and section 147 of the Law of Property Act 1925, that is forfeiture.
26. The following letters were provided to the Tribunal within the Bundle;

Letter of 28 July 2025 to Respondent to Applicant demand for £ 454.06 [27 and 64/183]

Letter 28 November 2025 Respondent to Applicant – demand for £454.06 [28 and 65/183]

Letter 27 May 2026 Respondent to Applicant – demand for £266.96 [29 and 66/153]

Letter 25 February 2026 Respondent to Applicant – demand for £62.50 ground rent and £391.56 "amount outstanding from previous account".[60/153]

Letter 25 February 2026 Respondent to Applicant demand of £62.50 ground rent for 1 April 2026. [61 and 123/153]

27. The letters in the preceding paragraph, demanding the sums for alleged outstanding of monies do not mention section 146 or section 147 of the Law of the Property Act 1925 nor forfeiture. There is an absence of reference to and hence evidence of contemplation of forfeiture and section 146 and 147. The Tribunal determines that the letters demanding payment are not made in contemplation as required by the provision and so the Schedule 3 paragraph provision has not been met.
28. The sums sought amounting to £391.56 for the alleged non-payment of a ground rent cannot be recovered under this provision.
29. No alternative provisions have been suggested by the Respondent as providing for these monies to be demanded.
30. The sums are therefore not payable.
31. If the Tribunal is wrong on this, then the Tribunal would consider the question of reasonableness.

32. The alleged omission to pay £62.50, the quarterly ground rent on 24 June 2025 initiated an initial charge of £150.00 on 7 July 2025.
33. This amounts to a charge of well over twice the sum demanded within a period of 14 days. There is no evidence of a reminder being sent. The Tribunal finds this unreasonable and consequently all charges including the initial charge and those that postdated this for this event are also unreasonable because they seek to recover an initially unreasonable sum.
34. The issue of whether the ground rent was outstanding is not a matter which is covered by the Tribunal's jurisdiction.
35. The Tribunal gives an order under Section 20C and Para 5 A.
36. The Tribunal orders the return of the Applicant's application fee of £114.00, within 28 days.

Chair: R Waterhouse FRICS

Date: 16 October 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).