



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

Case reference	:	LON/OOAG/LSC/2026/0266
Property	:	Flat 3, 16 Priory Terrace, NW6 4DH
Applicant	:	Elerie Aird
Representative	:	None
Respondent	:	Stripecross Ltd
Representatives	:	HML Hathways (Agent).
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	:	Richard Waterhouse FRICS
Date and Venue of hearing	:	Alfred Place, London 19 October 2026 on the papers
Date of decision	:	19 October 2026

DECISION

Decisions of the Tribunal

1. The Tribunal determines that the building insurance cost for the year 2024/ 2025 is payable and reasonable. The sum for the whole

building being £4,147.27. The Applicant to pay the proportion provided in the lease that is 25 per cent.

2. The Tribunal does not make an Order under s.27A of the Landlord and Tenant Act 1985, nor under section 20C of the 1985 Act and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002
3. No Order is made for reimbursement of application/hearing fees.

The application

4. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the 1985 Act”) for determination of whether service charges for the service charge years 2024/25 in respect of the annual building insurance premium is payable and, if so, the amount which is payable.
5. The Applicant also seeks orders pursuant to section 20C of the 1985 Act and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 (“CLRA”).
6. The Applicant also seeks an Order for reimbursement of application/hearing fees.

Preliminaries

7. Directions were issued dated 8 June 2026.
8. The Directions provided for the Respondent landlord to send to the tenant (Applicant) copies of all relevant service charge accounts and estimates for this item of charge for the year 2025/2026 together with all payment of service charges and details of any payments made. This to be done by 17 July 2026.
9. The tenant, by 17 August 2026 shall send the landlord; a schedule completed setting out the item and amount in dispute, reasons why it is disputed and the amount if any the tenant would pay for that item, copies of any alternative quotes, any documents the tenant intends to rely on, a statement and any signed witness statements.
10. The landlord by 17 September 2026 shall send to the tenant the tenant’s schedule having completed the column or the landlord’s comments with the landlord’s responses to the issues raised by the tenant in relation to the disputed service charge items, copies of

all relevant invoices, all documents upon which the landlord intends to rely, a statement and any signed witness statements.

11. The tenant may by 30 September 2026 send a brief supplementary reply to the landlord.
12. Finally, the Applicant must seek to agree the contents of the bundle with the other parties and must then prepare a digital, indexed and paginated bundle ...which must be emailed to the Tribunal and the other parties by 7 October 2026.
13. The Applicant submitted a Statement dated 7 October 2026 [59/146] which set out their view of the events leading to the production of the Bundle. Mr S Davies confirmed in an email to the Applicant copied to the Tribunal at 17:15pm on Friday 2 October, that all the documents required for the Bundle for Hearing were attached in an email to the Tribunal dated 15 September ccd the Applicant and that there were no other documents to add. Mr Davies also requested a copy of the prepared bundle in "Draft Form" for his review before the final Bundle was prepared and submitted to the Tribunal.
14. The Applicant says they prepared the bundle in the required draft form and sent it to Mr Davies copied to the Tribunal, on Monday 5 October late afternoon, enclosing all the landlord's documents as provided in his email dated 15 September together with the Tenant's case documents referred to in the said bundle.
15. The Applicant says they requested Mr Davies to review the bundle as soon as possible to allow the Applicant adequate time to prepare and submit the final bundle by the 7 October 2026 deadline.
16. The Applicant says that no response from Mr Davies had been received by 5pm on 6 October 2026, accordingly the Applicant submitted the Bundle for hearing including the statement prepared by the Applicant dated 7 October 2026 on Wednesday 7 October AM.
17. The Applicant requests the Tribunal accepts the Bundle including the enclosed Statement of 7 October 2026.
18. By email 7 October 2026 to the Tribunal Gregory Wilson for the Respondent, acknowledges receipt of the bundle but is unable to confirm that it is agreed.

19. The Respondent says their principal concern relates to the Applicant's statement dated 7 October 2026 [59-62] in the bundle.
20. The Respondent says the Directors required the Applicant to provide its case by 17 August 2026 including any statement and any signed witness statements of fact relied upon. Any supplementary reply was due by 30 September 2026. The Directions also state that only documents previously exchanged between the parties should be included within the hearing Bundle.
21. The Respondent says they have reviewed the Applicant's original submission dated 5 August 2026, which the Applicant states constituted compliance with the Directions. That submission comprised the Tenant's Schedule and supporting documents.
22. Respondent says the apparent absence of any Applicant statement and or signed witness statement was expressly raised by the Respondent during its review of the draft bundle on 6 October 2026. The statement subsequently included in the final bundle is dated the following communications between the parties mediation, disclosure, compliance with Directions, settlement discussions and bundle preparation. The Respondent has not previously had the opportunity to address those matters in the form now presented.
23. The Respondent also says that the Applicant relies upon the 2024/25 Zurich policy schedule, however that document is not included within the bundle and has been replaced by a note saying that it was awaited.
24. The completed schedule bears the incorrect case reference namely LON/OOBG/LSC/2026/0266 rather than LON/OOAG/LSC/2026/0266.
25. The Respondent says the indexation is not consistent
26. The Respondent says that it does not seek to prevent the Tribunal from considering the Applicant's case, however the Respondent respectively requests that it be noted that the bundle is not agreed and that the Respondent reserves its position regarding the procedural status and weight of the Applicant's statement dated 7 October 2026.

27. The Respondent says, should the Tribunal permit reliance on the statement dated 7 October, then the Respondent requests the opportunity to provide a short response to any factual matters not previously exchanged.

Tribunal analysis and determination on the preliminary matter

28. The Tribunal Directions provides for the exchange of submissions and evidence within a set out time frame for the ability of the parties to comment and reply if they wish.
29. Where a party fails to provide submission or evidence in accordance with the directions the Tribunal may take that into account.
30. Parties can provide submissions and evidence in accordance with the directions shared with other parties. The compilation of the bundle ideally should be agreed by the parties, however provided the documents have been shared between the parties they can be included in the bundle even if they are not agreed.
31. The Tribunal has reference to Rule 3 Overriding Objective and Parties Obligation to co-operate with the tribunal. This provides for dealing with cases fairly and justly.
32. The Tribunal, taking into account the events leading up to the production of the bundle and the comments of both parties, determines that as the statement of the 7 October had not previously been exposed to the other party. The Tribunal determines it will not be included, in the submissions from which the Tribunal will make its determination, bar the explanation of its inclusion in the Bundle contained within it.

Background

33. The property which is the subject of this application is one flat in a small block of 4 flats created from the conversion of a former low rise semi-detached house since sold off in parts on long leases. The Applicant is the leaseholder of Flat no 3 on the first floor.
34. Flat 3, 16 Priory Terrace, London NW6 4DH, (“the Property”), a one-bedroom flat. The Applicant is the leasehold owner of the Property pursuant to a lease between the Gatesun Limited and Mark Krendel dated 17 December 2001 (“the Lease”). The Lease

is for a term of 101 years from 29th September 2006. The provisions of the Lease that are relevant to the issues are referred to below.

35. The Respondent is the owner of the freehold of the building in which the flat is situation.
36. None of the parties requested an inspection and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

The issues

37. In her Application, dated 16 March 2026, the Applicant challenged the following building insurance premium charged to her under the service charge by the Respondent:

service charge accounting year 2024/2025 insurance charge
£4147.27 [13/146]

38. Section 27A of the 1985 Act provides that the Tribunal may determine whether a service charge is payable and, if so, the amount which is payable. When making such a determination the Tribunal must apply section 19 of the 1985 Act, which provides:

19 Limitation of service charges: reasonableness

(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period –

(a) only to the extent that they are reasonably incurred...

And the amount payable shall be limited accordingly.

41. The following Lease provisions apply to the payment for insurance costs:

(7) That the lessor will at all times during the Term (unless such insurance shall be vitiated by any act or default of the Lessee or the owner lesser or occupier of any other premises comprised in the Building) insure and keep insured the Building (including the Premises) and the Lessor's fixtures fittings furnishings apparatus and chattels in and about the Building to the full replacement value thereof (as from time to time determined by the Lessor's surveyor) in such insurance office of repute as the Lessor may select against loss or damage by fire landslip and subsidence and such other risks as are normally covered by a policy of comprehensive insurance including Architect's and Surveyor's fees in connection with any

reinstatement and against the loss of two years ground rent and against damage occasioned by the bursting or overflowing of water tanks apparatus or pipes (other than damage occasioned whilst the Premises or any other flat in the Building is left unoccupied or untenanted) and also against Third Party liability and against such other risks as the Lessor may from time to time in its absolute discretion consider it desirable to insure in such sums as shall be considered by the Lessor will pay all premiums necessary for the aforesaid purposes within fifteen days after the same shall become due and will whenever reasonably required to do so produce to the Lessee a copy of the policy or policies of such insurance and the receipt for the last premium for the same AND further that in case of destruction of or damage to the Building (including the Premises) or any part or parts thereof the Lessor will as soon as reasonably practicable expend and lay out all monies received in respect of such insurance in or towards the repair rebuilding or reinstatement of the Premises or other the part or parts of the Building so destroyed or damaged AND FURTHER will cause the Lessee's interest and that of his Mortgagees to be noted on such policy or insurance."

The Applicant's case and evidence

42. The "Income & Expenditure Account for the Year Ended 24 March 2025" [64/146] shows the insurance as costing £ 3918.00.
43. At [65/146] there is "Building Reinstatement Cost Assessment for Insurance Purposes" for 16 Priory Terrace, Hampstead, London NW6 4DH.
44. The report is signed off by a Chartered Surveyor, the report is dated 31 January 2024. The cost of reinstatement:
 - 1.10.2 Declared value excluding VAT (except vat on professional fees): £1,425,000
 - 1.10.3 Declared value including VAT on all aspects: £1,674,500.

Insurance period 23/24

45. At [77/146] there is a Zurich Property Owners Insurance Schedule for a period 01/04/2023 to 31/03/2024. The building declared value is £1,724,329. The premium £3077.93 plus insurance premium tax of £369.35 giving £3,447.28.

46. At [79/146] there is an invoice from Gallagher Insurance Brokers for the period 01/04/2023 to 31/03/2024. The building sum insured is noted as £ 2,586,494. The premium is noted as £3447.28 plus terrorism of £521.44 giving a total of £3968.72.
47. At [83/146] there is a copy of a Tribunal decision which determined the building insurance premium for 23/24 was £2,098.

Insurance period 24/25

48. At [74/146] there is an invoice dated 27 Feb 2024 which shows an invoice from Gallagher Insurance Brokers Limited for the period 01/04/2024 to 31/03/2025 showing a premium of £3611.75 and an additional premium of £535.52 for terrorism risk. The sum insured is £1,770,886.

Insurance period 25/26

49. At [75/146] there is an invoice dated 28 March 2025 which shows an invoice from Barlett & Company Limited Chartered Insurance Brokers. The period of insurance is 01/04/2025 to 31/03/2026. This sets out a Buildings declared value of £1,425,000. The risks shown are all risks including subsidence and terrorism. The premium shown is £2098.00 inclusive of Premium Tax and VAT.
50. The Applicant in the Scot Schedule states the disputed cost was quoted by Gallagher and that the premium is unreasonable and unjustified.

The Respondent's case

51. The Applicant challenges the reasonableness of the building insurance premiums incurred by the Respondent and charged to her for the Property.
52. The Respondent [106/146] says the insurance was arranged through Arthur J Gallagher Insurance Brokers Limited for 1 April 2024 to 31 March 2025. The insurance comprised:

Building insurance premium £3611.75

Terrorism premium £535.52

Total inclusive of IPT £4,147.27

That the relevant Gallagher invoice records a building sum insured of £1,770.886. The Respondent relies upon that invoice as evidence of the cost charged for the policy year.

53. The Respondent [106/146] acknowledges the decision LON/OOAG/LSC/2025/0683 concerning the 2023/24 service charge year. In that decision, the Tribunal determined that £2,098 was payable for 2023/24 building insurance premium rather than the invoiced total of £3,968.72.
54. The Respondent contended that the earlier Tribunal applied the two-stage test in *Forcelux Ltd v Sweetman*: first, whether the landlord's decision-making process was reasonable; and second, whether the amount charged was reasonable in light of market evidence. The Tribunal found that the Respondent had not provided sufficient evidence of the 2023/24 placement process, market testing, policy cover or the derivation of the £2,586,494 reinstatement value.
55. The Respondent recognises the relevance of those findings. The present application concerns a separate policy year. The Respondent would ask the Tribunal to determine the 2024/25 charge by reference to the evidence relating to that placement and not solely by applying the figure determined for 2023/24.

Decision

56. Following the submissions given by the parties, the issues the Tribunal needs to determine are: (1) whether the Applicant has established a prima facie case that the insurance charges are unreasonable; and (2) If so, whether the Respondent has established that the insurance charges were reasonable.

Prima facie case

57. To establish a prima facie case the Applicant must present enough facts and evidence to satisfy the Tribunal that there is "on the face of it" evidence to support the case that is being put forward. It is

the minimum threshold required for a case to proceed to full consideration.

58. The Respondent submitted that the Applicant had not established a prima facie case and so had not crossed the threshold. The Respondent relied on paragraph 28 of the decision of the Upper Tribunal (Lands Chamber) in *Enterprise Home Developments LLP v Christopher Richard David Adam* [2020] UKUT 151, submitting that, as there is little to no evidence that the charges are unreasonable, the Tribunal is not required to adopt a sceptical approach.
59. We have had regard to that decision and also to the recent decision of the Upper Tribunal in *Rana and Vishnuram v Assethold Limited* [2025] UKUT 19 (LC), which summarised the starting point as follows: “*When the FTT’s jurisdiction under section 27A is invoked by leaseholders, they must make out a prima facie case that indicates that a cost was not reasonably incurred, or that an estimated charge was not reasonable. Once they have done so, the evidential burden shifts to the landlord to show the expenditure, or the charge (as the case might be), was reasonable*”.
60. In our view, the Applicant has made out a prima facie case. The Applicant’s evidence they contend [112/146] that the rebuilding cost for the 2024/25 policy was £1770.89 [sic] the Tribunal assumes this is a typographical error and was intended to cite the rebuilding cost stated in the insurance invoice of 27 February 2024 which was £1,770,886. The Applicant contends this is different from the rebuilding cost stated in the last Rebuilding Cost Assessment carried out by Shaw & Co in January 2024.
61. The Tribunal has had recourse to the Rebuilding Assessment of January 2024 which states; at [65/146] there is “Building Reinstatement Cost Assessment for Insurance Purposes” for 16 Priory Terrace, Hampstead, London NW6 4DH.
62. The report is signed off by a Chartered Surveyor, the report is dated 31 January 2024. The cost of reinstatement:

1.10.2 Declared value excluding VAT (except vat on professional fees):£1,425,000

1.10.3 Declared value including VAT on all aspects: £1,674,500.

63. The Tribunal notes the reinstatement figure of 27 February 2024 which was £ 1,770,886 for the 24/25 policy. This policy runs from 1 April 2024 to 31 March 2025.
64. The Tribunal notes the Respondent has provided in their Scott Schedule entry no explanation as to the difference of figures, the January 2024 figure of £1,674,500 to the figure 3 months later of £1,770,886.
65. The Tribunal finds that the two figures whilst different and separated by 3 months are not materially different, and are in the realms of reasonable variance given period of time since the assessment was carried out. The Tribunal finds the adoption of the reinstatement figure of £1,770,886 is not unreasonable.
66. The Tribunal has no evidence that the insurance broker is not reputable nor is there any evidence of alternative insurance quotations provided by the Applicant.
67. In the absence of alternative quotations, the Tribunal finds the insurance premium of £4,147.27 comprising of a premium of £3611.75 and an additional premium of £535.52 for terrorism risk, payable and reasonable.

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).