

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**HAV/00HE/LSC/2026/0042**
Property	:	**61a Fore Street, Torpoint, Cornwall PL11 2AB**
Applicant	:	**Maria Acosta**
Respondent	:	**Deanstone Properties Limited**
Representative	:	**Lainston Asset Management Limited**
Type of Application	:	**Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985**
Tribunal Members	:	**Mr D Cotterell FRICS** **Ms T Wong**
Date of Hearing	:	**1 October 2026**
Date of Decision	:	**6 November 2026**

DECISION

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Decision of the Tribunal: Summary

1. **The Tribunal determines that the reasonable amounts, reasonably incurred and payable as service charge under the terms of the lease for 61a Fore Street, Torpoint, PL11 2AB for the items and in the service charge years in issue, are as follows:**

    a. **Service charge relating to the investigation and repair of water ingress in any part of the Building (not being part of the Premises) would be payable by the Applicant;**

    b. **Water costs as presently levied by the Respondent are not payable under the terms of the lease;**

    c. **Insurance rent amounts charged by the Respondent for the service charge years in issue are reasonable in the amounts claimed.**

2. **The Tribunal makes an order under section 20C of the Landlord & Tenant Act 1985 and Paragraph 5A Schedule 11 Commonhold and Leasehold Reform Act 2002.**

3. **The Tribunal's reasons are set out below.**

The Application

4. The application seeks determination of liability to pay and/or reasonableness of service charges under s.27A of the Landlord & Tenant Act 1985 in relation to 61a Fore Street, Torpoint, Cornwall, PL11 2AB. (the Property).

5. The application was dated 15 January 2026. The Applicant challenges service charges levied in 2024, 2025 and in prospect for 2026. Both in the application and her statement of case, the Applicant sets out a number of matters of complaint, arising from works and investigations carried out in relation to water ingress, charges for water supply, and insurance arrangements. In the application specific requests are made in relation to: "…

    a. *Whether responsibility for investigating and repairing water ingress affecting the building lies with the freeholder, as it concerns the structure and/or communal parts of the building, including the roof.*

    b. *Whether the Applicant is liable for any costs relating to such investigations or repairs.*

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c. *Whether the freeholder has failed to comply with its repairing obligations under the lease.*

d. *Whether the freeholder is required to commence consultation under section 20 of the Landlord and Tenant Act 1985 in respect of any qualifying works.*

e. *Whether alleged water charges are payable in the absence of any contractual provision in the lease.*

f. *Whether building insurance costs are recoverable where no invoice or policy has been provided…*"

6. By Directions given on the 25 June 2026 and subsequently on 21 July 2026 following a case management and dispute resolution hearing, the issues for which the applicant seeks determination were identified as:

   a. The Structural and communal repair costs relating to water ingress.

   b. Alleged water charges

   c. Building insurance costs where no invoice or policy has been provided.

7. The application was considered on the papers on the 1 October 2026. The parties provided, and the Tribunal read and considered, a main bundle of 130 pages.

8. The Applicant's case was supported by (i) a statement of case, (ii) a reply to the Respondent's statement of case (iii) a document produced by Torpoint Property Services (dated 8 August 2026).

9. The Respondent's case was supported by a statement of case.

Background & Issues

10. The application describes the Property as a "*First floor residential leasehold flat forming part of a mixed use building with a commercial unit below. The building compromises two units and shared structure including roof and communal elements.*"

11. In her statement of case, with regard to water ingress, the Applicant emphasised that she seeks a prospective determination identifying who is responsible under the lease for investigating and remedying any ingress once its source has been established. She recounted that over around 18 months, the landlord's commercial tenant had repeatedly asserted that responsibility

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rested entirely with her flat despite the source never being identified and despite the possibility that the problem lay within the structure or shared parts of the building.

12. The Applicant submitted that the landlord and managing agent had failed to correct this position for a prolonged period. Following inspection, various recommended shower-related works within the flat were carried out by the Applicant. Testing before and after those works reportedly revealed no leakage from the shower tray, enclosure or pipework. The Applicant accepted that she would be responsible if the eventual source were found to fall within her repairing obligations but argued that if the source lies within the landlord's remit, then the lease's cost-sharing provisions must apply.

13. As to water charges, the Applicant disputed the Respondent's reliance on clause 5(2) of the lease as authority to recover charges arising from a shared, unmetered water supply serving both the flat and adjoining commercial premises. She argued that the lease contains no mechanism for apportioning water consumption, no fixed percentage allocation, and no provision expressly requiring contributions towards a joint account. Alternatively, she argued that even if clause 5(2) could apply, the Respondent had failed to prove the basis upon which any sums have been calculated and attributed. She also pointed to an apparent inconsistency where a notice had demanded £349.36 as "rent" while the accompanying invoice described the same amount as water and sewerage charges.

14. On building insurance, the Applicant accepted that she is contractually obliged to contribute to insurance costs but disputed the amount demanded. She maintained that documents provided by the Respondent establish only the existence of insurance cover and do not prove the actual premium attributable to the property, the amount paid by the landlord, or the correct contractual percentage payable by her.

15. In reply the Respondent has addressed the arguments relating to water ingress, water charges, and insurance costs.

16. As to water ingress, Respondent says that this issue is outside the Tribunal's jurisdiction because no service charge demand has been issued seeking recovery of investigation, repair, or remedial costs arising from the reported escape of water. In particular, the Respondent says, section 27A of the Landlord and Tenant Act 1985 is concerned with the payability of service charges and that, in the absence of any such demand, there is no dispute requiring determination by the Tribunal.

17. In relation to the water supply, the Respondent says that the flat and the ground-floor commercial premises share a common water supply in its own

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name and apportions the cost between the premises on what it describes as a fair basis.

18. The Respondent stated its understanding that the Tribunal had indicated that the separate issue of water charges will not be determined, notwithstanding the analysis set out in the Directions of 25 June 2026. The Tribunal has no record of such an undertaking.

19. In relation to insurance cost, the Respondent submitted that the lease required the Applicant to pay one half of the landlord's insurance costs and referred to lease provisions requiring the landlord to insure the building and requiring the tenant to contribute half of the associated expenditure.

20. The Respondent explained that the building is insured under a portfolio insurance policy covering multiple properties and consequently there is no individual invoice for the subject Property's insurance costs. The Respondent relied on invoices, and an insurance certificate as evidence of the amounts charged. The Respondent calculated an outstanding amount of £1,042.53 for insurance costs.

21. The Respondent opposes the applications for relief under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

The Lease

22. The bundle included a copy of a lease of the Property dated the 9 December 1991 and a further lease incorporating its terms as varied, dated 6 March 2018. That later lease grants a term that ends on 8 December 2090.

23. In the incorporated terms the Tenant covenants various matters including the payment of rent which consists of a ground rent, and "*… a contribution of the proportion of the total cost to the Landlord keeping the Premises and the rest of the Building insured under the covenants on its part contained in Clause 6 (2) hereof …*"

24. The Tenant also covenants (clause 5(3)(3)(c)) to "*…pay to the Landlord within 14 days of demand a contribution of one-half of all costs from time to time incurred by the Landlord under the provisions of the covenants on its part contained in Clauses 6 (2) and (3) hereof which costs shall include any sums paid by the Landlord to its Surveyors or Agents in connection with such works and any necessary and proper administration and management costs incurred by the Landlord in connection therewith.*"

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25. Clause 6(2) obliges the Landlord, *inter alia*, to "*… insure and keep insured or cause to be treated as insured the Premises and the rest of the Building against loss or damage by the Insured Risks in such a sum as the Landlord shall from time to time be advised by its Surveyor as being the full cost of rebuilding or reinstatement thereof together with an appropriate sum to cover the cost of demolition shoring up debris removal site clearance and professional fees and other expenses incidental thereto and Value Added Tax on all such costs fees and expenses …*"

26. Further at Clause 6(3): "*Subject to payment of the contribution referred to In Clause 5(3)(o) hereof (i) to keep in good and substantial repair (but not decorate) the structure of the Building and (ii) to repair maintain replace or renew those Services used in common by the Premises and the rest of the Building and other adjoining and neighbouring property (iii) to repair maintain decorate keep lit and clean the inner passageway or hallway on the ground floor of the Building shown for identification purposes only hatched yellow on the said Plan annexed hereto used in common by the Premises and the rest of the Building"*

The Legal Principles

27. The law requires that service charges must be reasonably incurred and are payable only where works are carried out to a reasonable standard. For that purpose, s.18 of the Landlord & Tenant Act 1985 defines the concept of "service charge" and "relevant costs":

(1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent –

(a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and

(b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimate costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with matters for which the service charge is payable."

As to the limitation of service charges and their reasonableness it goes on to say at section 19:

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(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

(b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard; and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise."

28. With reference to prospective service charges, s.27A(3) of the Landlord & Tenant Act 1985 says:

"*(3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—*

(a) the person by whom it would be payable,

(b) the person to whom it would be payable,

(c) the amount which would be payable,

(d) the date at or by which it would be payable, and

(e) the manner in which it would be payable."

Analysis

29. The Tribunal thanks the parties for their comprehensive and helpful submissions.

30. As a preliminary, the Tribunal points out that its jurisdiction arising from the application is limited to determining firstly whether matters raised in the application and relating to the service charge years 2024-2025 and in prospect in 2026 are reasonable and reasonably incurred having regard to the terms of the lease and the limitations on such charges imposed by law – and secondly whether any order might be made under section 20C of the 1985 Act and/or paragraph 5A of Schedule 11 to the 2002 Act, and under Rule 13 in relation to

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costs. The Tribunal has considered this scope across the claims remaining within its jurisdiction.

31. The Tribunal notes that the Respondent does not appear to have produced service charge demands in the format required by the Landlord & Tenant Act 1985, although no point was made in that regard nor challenge in respect of consequent payability.

32. The elements of the Applicant's claim and the parties' submissions on those elements are as follows:

Water Ingress

33. The demised premises are described in the First Schedule to the 1991 Lease and include:

"(1) all non-load-bearing walls within the Premises

(2) all plaster or other decorative finish applied to any wall bounding the Premises or applied to any column or load-bearing walls within the Premises

(3) the whole of all doors door-frames windows and window frames bounding the Premises

(4) all ceilings bounding the Premises but not the ceiling of the ground floor premises forming part of the Building; below the Premises

(5) all floor finishes floorboards and floor screeds and the floor joists and beams of the floors of the Premises but not the joists and beams above the ceiling of the uppermost part of the Premises

(6) all additions alterations and improvements which may be carried out to the Premises during the term

(7) all the Landlord's fixtures and fittings and fixtures of every kind which shall from time to time be in or upon the Premises (whether originally affixed or fastened to or upon the same or otherwise) except such tenant's fixtures as can be removed from the said Premises without defacing the same (8) all Services exclusively serving the Premises BUT EXCLUDING the roof space above the Premises the roof structure and the roof of the Building…"

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34. The Tribunal's view is that where water might be emanating from somewhere in the "Building" other than within the "Premises" then matters of investigation or repair fall to the Landlord's responsibility under the terms of the Lease and the related costs are then governed by the application of clause 5(3)(3)(c).

35. In that respect and addressing the scope of s.27A(3) of the Landlord & Tenant Act 1985 such a service charge would, the Tribunal considers, be payable for the related reasonable costs of repair including the costs of investigation and such cost:

    a. Would be payable by the Tenant;

    b. Would be payable to the Landlord;

    c. The amount would be one half of the relevant cost;

    d. Would be payable in accordance with the terms of the lease as regards timing and manner of service charge payment."

Alleged water charges

36. At Clause 5(2) the Lease says:

"(2) To pay and discharge and indemnify the Landlord against all other rates taxes charges duties assessments impositions and outgoings whatsoever which now are or which shall at any time during the Term be taxed charged rated assessed or imposed upon or payable or in respect of the Premises or upon the owner or occupier…"

37. The Tribunal notes that water is supplied to the Applicant from the Respondent's unmetered supply. Such cost would be an "outgoing" for the purpose of clause 5 (2) only where they are "taxed charged rated assessed or imposed upon or payable or in respect of the Premises". The "Premises" in this case are the Property. It appears to the Tribunal on the evidence before it and on a balance of probability that the supply is for the Building as a whole, and not for the Property (being the "Premises") alone. As a result, in the Tribunal's view, clause 5.2 does not apply and the lease does not provide a contractual basis on which the parties might agree to meet the cost of water supply, and consequently no service charge under the lease may be levied for it.

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Building insurance costs where no invoice or policy has been provided.

38. At clause 4(1) the Lease the Tenant is required to pay as additional rent, costs namely:

39. *"…a contribution of the proportion of the total cost to the Landlord of keeping the Premises and the rest of the Building Insured under the covenants on its part contained in Clause 6 (2) hereof…"*

40. The lease does not require the Landlord to justify its apportionment, but statute requires the amount of apportionment to be reasonable. It does not appear to be in dispute that the Premises are, and have been, covered by insurance of the Building.

41. On the Respondent's evidence, the insurance rent demanded is as follows:

    a. In an invoice dated 11 November 2024, a total amount of £963.31. That invoice covers the periods (in addition to the periods in issue under the application):

        i. 28 September 2022 to 30 March 2023 (£212.67);

        ii. 31 March 2023 to 30 March 2024; and (£421.88)

        iii. 31 March 2024 to 30 March 2025 (£328.76).

    b. In an invoice dated 25 June 2025, a total amount of £383.72. That invoice covers the period 31 March 2025 to 30 March 2026.

    c. In an invoice dated 16 April 2026, a total amount of £323.54. That invoice covers the period 31 March 2026 to 30 March 2027.

42. The Tribunal considers the Respondent's explanation of apportionment to be opaque. The lease does not appear to require a payment of half of the cost of insuring the Building but rather a "proportion" of the cost of insuring the Building. That proportion might, to avoid accusations of unreasonableness, be based on some objective analysis of relative insurance costs of the Building's component parts as regards the Premises.

43. In addition the insurance documentation [113] identifies the insured as "*Lainston Holdings Ltd & Subsidiaries, and Stockwell Property Ltd, Clarkan Trading Limited*". The Respondent is Lainston Asset Management Limited. It is not explained how the Respondent might be connected to Lainston Holdings Ltd. The Tribunal is satisfied nevertheless that the Property is covered by the insurance cover referred to in the letter of Finch [113] of 10 February 2026.

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44. In the absence of that, and the absence of any comparable insurance cost provided by the Applicant, the Tribunal relies on its own knowledge and experience as an Expert Tribunal. In the Tribunal's view, the amounts apportioned and claimed are toward the upper end of the range of expected insurance premium costs but are not excessive; accordingly the Tribunal finds that the amounts claimed in the service charge years are reasonable.

Decision

45. With regard to water ingress, the Tribunal finds a service charge relating to the investigation and repair of any part of the Building (not being part of the Premises) would be payable and such cost:

    a. Would be payable by the Tenant;

    b. Would be payable to the Landlord;

    c. The amount would be one half of the relevant cost;

    d. Would be payable in accordance with the terms of the lease as regards timing and manner of service charge payment."

46. With regard to water costs as presently levied, no service charge for that supply is payable under the terms of the lease.

47. With regard to insurance rent, the amounts charged for the service charge years in issue are as claimed.

48. Any other part of the Application falling outside of the Tribunal's jurisdiction to determine is struck out under Rule 9(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

Applications under section 20C of the Landlord & Tenant Act 1985 & Paragraph 5A, Schedule 11 to the Commonhold & Leasehold Reform Act 2002.

49. In the application form, the Applicant applied for an order under section 20C of the Landlord and Tenant Act 1985 Act. Such an order may restrict costs incurred by the landlord in these proceedings being levied in the service charge payable by the tenant. Additionally, an application was made under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002. Such an application may reduce or extinguish the tenant's liability to pay an administration charge under the terms of their lease.

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50. The most significant issue for the Tribunal to determine in this application was costs relating to water ingress, charges for water supply, and insurance costs properly recoverable under the lease of the Property.

51. Having heard and considered the submissions from the parties and the evidence before it, the Tribunal 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 schedule 11 of 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 or as an administration charge.

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).

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