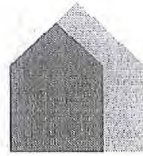


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Residential
Property
TRIBUNAL SERVICE

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE
DECISION BY LEASEHOLD VALUATION TRIBUNAL for the
LONDON RENT ASSESSMENT PANEL**

**Commonhold and Leasehold Reform Act 2002
&
Landlord and Tenant Act 1985 s 20C**

LON/00AW/LVA/2011/0006

Premises: 104A Finborough Road, London SW10 9ED
Applicant: Mr William Bennett
Respondent: Mr Haldar Sallah
Tribunal: Mr J C Avery BSc FRICS

Decision

The Respondent is liable for two amounts of administration fees of £75.00 and £120.00 respectively

An order is made under section 20C limiting the costs of the proceedings to £100.00

Preliminary

- A. On 4 November 2011 the tribunal received an application for determination of the applicant's liability to pay, and the reasonableness of, administration costs of £299.26.
- B. At a pre trial review on 29 November 2011 the applicant accepted that the terms of his lease enabled the landlord to charge administration fees but he disputed the reasonableness of the sums.
- C. Directions were issued requiring the parties to make written submissions and both agreed that the matter would be determined on the papers and without an oral hearing.

- D. The directions included that the respondent should provide “details of the costs of PDC and how they are calculated and details of his own costs of £95 and how that has been calculated”.

The Respondent's case

- E. Mr Sallah in his written submission said that the fees were incurred as payment to Property Debt Collection Limited for their services in collecting unpaid ground rent. He said that several letters had been sent to Mr Bennett and to his mortgage lender.
- F. In March 2011 the outstanding ground rents were £450 and a “late payment fee” of £95 had been charged.
- G. In April 2011 Mr Bennett had offered to settle the debt by payment of the ground rent plus £75 costs.
- H. No details or invoices were produced as evidence of costs incurred.

The Applicant's case

- I. Mr Bennett in his statement said that the proposed fees were a very large percentage of the sums due and that Mr Sallah had failed to comply with the direction to justify them.
- J. He said that he had frequently tried unsuccessfully to check that his payments, although dispatched but not cashed, had been received, and on one occasion he had cancelled a cheque. He had made genuine efforts to pay the sums due.
- K. Mr Bennett requested a s20C order precluding the landlord from including legal fees in the service charge.

Decision

- L. Mr Bennett admitted that he was in arrear in paying his ground rent and Mr Sallah was therefore justified in taking steps to enforce recovery, first by his own efforts and finally by using a debt collection agency.
- M. However, he failed to provide any evidence for the expenditure of £95 and the only evidence of the £204.26 is in a letter to HSBC Bank from PDC.
- N. It seems to the tribunal that there were faults on both sides and the fair way to deal with the matter is to approve a payment, but at a reduced level.
- O. Mr Bennett's offer of £75 in April 2011 is determined as his liability towards the charge of £95 and, in the absence of a breakdown of PDC's charge, the tribunal determines that a reasonable figure is £100 plus VAT (£120)

P. No evidence of the costs of the LVT proceedings has been presented by Mr Sallah and the tribunal limits the costs that may be included in a service charge to £100

ChairmanMr J C Avery B Sc FRICS Date: 13 January 2012