



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

Case Reference : LON/00AC/LAC/2014/0012

Property : 240b Station Road, Edgware,
London HA8 7AU

Applicant : Aldermartin Baines & Cuthbert

Representative : Mr Richard Davidoff

Respondent : James Logan

Type of Application : Payability of administration
charges

Tribunal : Judge Nicol

**Date and venue of
hearing** : 30th July 2014 at 10 Alfred Place,
London WC1E 7LR

Date of Decision : 30th July 2014

DECISION

Decision of the Tribunal

1. The Respondent is liable to pay to the Applicant administration charges of £180.
2. Further, the Respondent shall reimburse the Applicant the sum of £220 in Tribunal fees.

Reasons for Decision

1. The Respondent holds a lease of the subject property under which he is liable to pay ground rent of £75 per year in twice-yearly instalments. On 27th February 2013 the Applicant demanded £37.50 in ground rent. The demand included a statement providing the information required under sections 47 and 48 of the Landlord and Tenant Act 1987 and attached a notice providing the information required under section 166 of the Commonhold and Leasehold Reform Act 2002.
2. The ground rent was not paid. The Applicant sent a number of letters to the Respondent reminding him of his liability but there was no response. The first such letter, sent on 16th April 2013, warned the Respondent that failure to pay would result in an administrative charge of £50 plus VAT.
3. In the event, the Applicant levied and demanded the administration charge three times, adding a total of £180 to the Respondent's liability. Each demand included the requisite summary of rights and obligations.
4. In a letter dated 2nd July 2013 the Applicant gave the Respondent an explanation for the charge:

This is based upon the amount of time it takes for our staff to check your accounts for payment, discuss the current situation in the office update meeting and correspond with you.
5. Due to the lack of response, the Applicant issued county court proceedings against the Respondent for the unpaid ground rent and administration charges. In his Defence on county court form N9B, the Respondent wrote:

I do not dispute the Claim for £37.50 for ground rent. I do dispute the administration charges. I did not receive the original invoice for the ground rent and did not receive any invoices for administration charges.

I do not understand why I did not receive these invoices. The offices of the Claimant are part of the same building. Any correspondence is either posted or more often hand delivered, sometimes to my post box on the outside wall, sometimes through the common front door entrance, or put through the door to my flat.

So why have I not received any of this correspondence? I think the Claimant needs to explain this.
6. The dispute was referred to this Tribunal and directions issued, including for a hearing on 30th July 2014. The hearing went ahead, attended by Mr Davidoff for the Applicant, but the Respondent did not appear. Mr Davidoff had spoken recently to the Respondent and was

under the impression he both knew of the hearing and intended to come. The Tribunal is satisfied from this and from the Tribunal's own correspondence to him that the Respondent was aware of the hearing. Therefore, the Tribunal proceeded in his absence.

7. The Applicant served all the relevant correspondence in this matter on the Respondent by both e-mail and hand-delivered hard copy. As the Respondent himself has implied, the ease with which hand delivery can be made means that it is difficult to see how anything could go astray. No e-mails were bounced back and the Applicant now uses a system which records if an e-mail is deleted by the recipient without being read, as happened in respect of an e-mail sent to the Respondent on 15th August 2013. It is not credible that the Respondent did not get any of the correspondence, including the demands for payment of the ground rent and administration charges. The Tribunal is satisfied that all demands were in proper form and properly served.
8. The Tribunal is further satisfied that the amount of the administration charges is reasonable in the light of the explanation given in the aforementioned letter of 2nd July 2013.
9. For these reasons, the Tribunal is satisfied that the administration charges of £180 are payable by the Respondent. The Applicant had also sought a determination of the Respondent's liability to pay a barrister's fee incurred in contemplation of the service of a notice under section 146 of the Law of Property Act 1925. The Tribunal cannot see any basis on which the Respondent could deny liability for this further amount but it was not included in the county court claim transferred to the Tribunal and is not the subject of any other application to the Tribunal. Therefore, the Tribunal has no power to make any determination in relation to the barrister's fee.
10. The Applicant paid £30 for the difference between the court and Tribunal fees and a hearing fee of £190. The Tribunal is satisfied that it is appropriate, given the finding on payability of the administration charges, also to order the Respondent to reimburse the Applicant for the total fees of £220.

Name: NK Nicol

Date: 30th July 2014

Appendix of relevant legislation

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

- (1) In this Part of this Schedule “administration charge” means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—
 - (a) for or in connection with the grant of approvals under his lease, or applications for such approvals,
 - (b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,
 - (c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or
 - (d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.
- (2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.
- (3) In this Part of this Schedule “variable administration charge” means an administration charge payable by a tenant which is neither—
 - (a) specified in his lease, nor
 - (b) calculated in accordance with a formula specified in his lease.
- (4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

Schedule 11, paragraph 2

A variable administration charge is payable only to the extent that the amount of the charge is reasonable.

Schedule 11, paragraph 5

- (1) An application may be made to the appropriate tribunal for a determination whether an administration charge is payable and, if it is, as to—
 - (a) the person by whom it is payable,
 - (b) the person to whom it is payable,
 - (c) the amount which is payable,
 - (d) the date at or by which it is payable, and
 - (e) the manner in which it is payable.

- (2) Sub-paragraph (1) applies whether or not any payment has been made.
- (3) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.
- (4) No application under sub-paragraph (1) may be made in respect of a matter which—
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.
- (6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—
 - (a) in a particular manner, or
 - (b) on particular evidence,of any question which may be the subject matter of an application under sub-paragraph (1).