



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

**Case Reference** : **MAN/00BY/LSC/2020/0073**

**Property** : **Flat 3, Somerset House,  
449 – 453 West Derby Road, Liverpool L6 4BL**

**Applicant** : **Samuel Francis Levison**

**Respondent** : **Eloquent Somerset House Limited**

**Type of  
Application** : **Section 27 A and section 20C Landlord and  
Tenant Act 1985: determination of  
reasonableness of service charges**

**Tribunal** : **A M Davies, LLB  
J Jacobs, MRICS**

**Date of Order** : **17 March 2021**

**Date of Decision** : **23 March 2021**

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**DECISION**

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## **DECISION**

1. The Respondent shall refund to the Applicant service charges paid for the years 2017/2018 and 2018/2019 in the sum of £853.93. The Applicant shall not be liable to pay any administration charge under paragraph 7 of Schedule 4 to his lease or otherwise.
2. Pursuant to section 20C of the Landlord and Tenant Act 1985 no cost incurred by the Respondent in connection with this application shall be included in the service charge account.
3. The Respondent shall pay the Applicant £100 by way of reimbursement of the Tribunal fee for filing this application.

## **REASONS**

### **BACKGROUND**

1. The Applicant owns the leasehold interest in Flat 3, Somerset House, West Derby Road, Liverpool. There are 14 other leaseholders in the building, the freehold of which is held by the Respondent. The Applicant's lease provides that he will pay a fair and reasonable proportion, to be determined by the Respondent, of the Service Costs described at part 2 of Schedule 7 to the lease.
2. The Applicant received no request for payment of service charges until 20 May 2020, when he was asked to pay one fifteenth of the Service Costs incurred since the beginning of the service charge accounting year 2017 – 2018. The amounts demanded were £441.44 for 2017/2018, £412.49 for 2018/2019 and £368.62 for 2019/2020. The Applicant requested details of expenditure, and although some explanation was provided by the Respondent, no supporting invoices were produced and no indication was given of the dates on which any of the expenditure was incurred.

### **THE APPLICATION**

3. On 28 September 2020 the Applicant lodged this application for determination of his liability to pay the service charges for the years 2017 – 2019, and meanwhile paid the service charges for those years “under protest”.
4. Despite a number of requests from the Applicant and directions given by the Tribunal, the Respondent has not provided any further information regarding the costs it has incurred.

## THE LAW

5. Section 20B of the Landlord and Tenant Act 1985 (“the 1985 Act”) states:
  - “(1) *If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)) the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.*
  - “(2) *Subsection (1) shall not apply if, within the period of 18 months....the tenant was notified in writing that those costs had been incurred and that he would subsequently be required ....to contribute to them by the payment of a service charge.*”
6. Section 21B of the 1985 Act provides that a leaseholder is not required to pay service charges unless or until the demand for them is accompanied by a statutory notice setting out his rights.
6. Section 27A(4) and (5) provide that no application in relation to service charges may be made in respect of a matter that has been agreed or admitted by the tenant, but that he is not to be taken to have agreed or admitted anything only by reason of having made a payment.

## FINDINGS

7. The Applicant is not liable to contribute towards any service costs incurred by the Respondent prior to 20 November 2018.
8. The Applicant is in any event not liable to pay any service charges until he has received a demand for them accompanied by a notice in due form.
9. In the absence of information from the Respondent enabling the Applicant or the Tribunal to ascertain when costs were incurred, the whole service charge for the year 2018/2019 is to be refunded to the Applicant. The appropriate amount will only become payable if a demand in due form for costs incurred after 20 November 2018 is served on the Applicant.
10. The Applicant has not been in breach of the terms of his lease and has not incurred any liability to pay administration charges. Further, he is entitled to be reimbursed the application fee he has paid to the Tribunal.
11. Pursuant to section 20C of the 1985 Act the Respondent is prohibited from adding to the service charge account its costs (if any) relating to this application

A M Davies  
Tribunal Judge  
23 March 2021.