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LONDON RENT ASSESSMENT PANEL LEASEHOLD VALUATION TRIBUNAL

Case Reference LON/00AZ/LSC/2012/0021

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION UNDER \$27A AND \$ 20C OF THE LANDLORD AND TENANT ACT 1985

Applicant: Ms A Otshudi (Tenant)

Respondent: Mr C Gordon t/a Credence Property Consultants

(Landlord)

Premises: Flats 27A and 27C Bromley Road Catford London

SE6 2TS

Date of Application: 5 January 2012

Leasehold Valuation Tribunal: Mrs F J Silverman Dip Fr LLM

Mr M Cartwright FRICS

Mr C Simons

Date of hearing : 9 May 2012

Decision

The Tribunal determines the reasonableness of the service charges for the years 2005-12 (inclusive) as set out in the reasons below.

The Tribunal makes an order under s20C Landlord and Tenant Act 1985 .

- By an application dated 5 January 2012 the Applicant who is the leaseholder/tenant of the properties known as Flats 27A and 27C Bromley Road Catford London SE6 2TS (the property) applied to the Tribunal for a determination of the reasonableness of her service charges for the years 2005-12. Directions were issued by the Tribunal on 7 February 2012.
- 2 An application was also made for an order under s 20C Landlord and Tenant Act 1985.
- The hearing of the matter took place on 9 May 2012. The Applicant represented herself at the hearing.
- The Respondent was not represented and did not appear at the at the hearing. No response had been entered by the Respondent to the application.
- The Tribunal did not consider it necessary to inspect the property which the Tribunal understands to be a house which is divided into five flats each bearing a one fifth responsibility for service charge under the respective leases under which the property is held.

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The lease under which the premises are held provides in Clause 4(4) and Schedule 4 for the landlord to provide services and to insure the building and in clause 2 (b) for the tenants to reimburse the landlord for the cost of service charges and insurance. There is also provision for the tenants to pay £350 per annum as an advance payment into the maintenance fund.

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The Applicant has sought information from the Respondent as to the insurance of the property and in relation to the service charge. The Respondent has failed to comply with those requests or to communicate with the Applicant at all except for the supply of some basic and uncertified statements of account relating to the periods 2005-2008 (page 12 relating to 27C) and 2012 (pages 32 and 34, both flats).

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By s21B Landlord and Tenant Act 1985 a demand for service charges issued by a landlord must be accompanied by a statement containing prescribed information. None of the statements issued by the Respondent in this case takes the form of service charge demand and none complies with s21B. Accordingly the Applicant is entitled to withhold payment of any service charge due until the section has been complied with. [It is noted that in this case the sums have already been paid to the Respondent by the Applicant's lender].

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Further, no demand has been supplied to the Applicant in respect of any sum which might be due and payable under the service charge provisions of the leases which complies with ss 47 or 48 Landlord and Tenant Act 1987.

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Neither has the Respondent issued any demand for the periods 2005 to September 2010 within the statutory 18 months period prescribed by s20B Landlord and Tenant Act 1985. No service charge at all can be recovered by the Respondent landlord in respect of this period.

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In relation to insurance, despite requests from the Applicant the Respondent has not produced any evidence that the property has been validly insured for the years 2005-12. In the absence of such evidence the Tribunal (and subject to the provisions of ss 20B and 21B Landlord and Tenant Act 1985 and ss 47 and 48 Landlord and Tenant act 1987) holds

that this sum (£100 per flat per year) is not reasonable and therefore not payable by the Applicant.

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A similar situation and reasoning pertains to management fees and accountants' fees where the Respondent has not produced any evidence to show that these fees had been invoiced to the landlord by a management company or accountant or had been paid by the landlord to such a company or accountant, nor what work, if any, had been undertaken by a management company or accountant on the landlord's behalf. These amounts are therefore not recoverable by the Respondent.

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The Applicant asserted that no works of any kind had been done by the Respondent to the property between 2005-11. Since the Respondent has not provided either to the Applicant or the Tribunal any evidence that any sums have been expended in respect of the landlord's repairing obligations as set out in the lease the Tribunal holds that these sums are irrecoverable by him. The Applicant reported that the Respondent had very recently carried out some minor repairs and decorations at the property. This would form part of the 2012-13 service charge (year runs to 31 March) and is therefore not within the Tribunal's jurisdiction under the present application.

The Applicant also made an application for an order under s20C Landlord and Tenant Act 1985. Having considered the matter, the Tribunal determines that it will make an order under this section. The Applicant has substantiated a large part of her case before the Tribunal and the Respondent has failed to supply any evidence whatsoever in response to the application. The statements of account issued by the Respondent are poorly presented inaccurate and unsupported by any evidence of payment. Further, the demands do not comply with current legislative requirements.

Frances Silverman

Chairman

9 May 2012.