The Service Charge Demand Arrives

I am happy with the amount demanded

I can afford to pay the demand → Pay the demand

I cannot afford to pay all at once → Contact property manager to explore payment options
If local authority leaseholder consider mandatory and discretionary caps

I am not happy with the amount demanded

What Should I Do?

Pay demand under protest → Can still challenge payability and/or reasonableness of the service charge at court or the appropriate tribunal

Withhold payment* → Risk of forfeiture /termination of lease
Property Manager may contact mortgage lender
Risk of paying interest, legal fees and debt collection fees

* - not recommended
Challenging the Amount Demand – Clarify the Issue

Procedural
- Landlord’s name and address not on the demand
- No summary of rights and obligations with the demand
- Statutory consultation not followed
- Charge not recoverable under the lease terms
- Machinery in the lease not followed e.g.
  - Advance charges not recoverable
  - Works outside the scope of the Lease
  - Accounts not certified/audited as required by the lease

Quantum
- Was it a reasonable decision to incur costs?
- Are the costs reasonable considering quality of work and/or services?
- Were the works necessary?

What Action Should I Take?

Raise concerns in writing with property manager
- As soon as possible after demand received
- Support dispute with evidence e.g.
  - Alternative quotes
  - Experts reports
  - Photographs
  - Records of unanswered complaints
- Explain what result you are seeking
- Try to narrow down issues
- Give deadline for manager to respond

Are there customer care issues?
- Invoke internal complaints process
- If complaint still not satisfied, complain to the redress scheme to which the property manager belongs

Who Can Help Me?
- Leasehold Advisory Service
- Citizens Advice Bureau
- Law Centres
- Bar Pro Bono Unit
- Solicitors
- Barristers
- Direct Access Scheme
- Interpreters

What can I do if the dispute is not resolved?
- Apply for mediation
- Apply for early neutral evaluation
- Apply to the appropriate Tribunal
  - In England
    - First-tier Tribunal (Property Chamber)
  - In Wales
    - Leasehold Valuation Tribunal