Handling disputes and the First-tier Tribunal

How to resolve disagreements about service charges, works and management early, and when a tribunal decision is the right route.

Disagreements in a building are common, and most can be resolved without lawyers. The aim is to settle matters early, fairly and cheaply, while keeping the records that protect the company if a dispute escalates.

Typical disputes

- Whether a service charge, or part of it, is reasonable or payable.
- Whether the right consultation was carried out before major works.
- Standard of repairs, cleaning or management.
- Insurance cost and cover.
- Breaches of lease terms, such as subletting or alterations.
- Behaviour and noise between neighbours.

Step 1: listen and explain

Many complaints are about not understanding. Acknowledge the complaint in writing, explain the basis for the charge or decision, and offer the supporting documents.

Step 2: use your complaints procedure

A short written procedure helps. Set out who handles complaints, the timescales and what happens if the person remains unhappy. Keep everything in writing.

Step 3: consider mediation

A neutral third party can help the sides find a solution. It is quicker and cheaper than a tribunal, and often keeps relationships intact.

Step 4: the First-tier Tribunal

The First-tier Tribunal (Property Chamber) can decide a range of leasehold issues, for example:

- whether service charges are reasonable and payable;
- whether administration charges are reasonable;
- whether the consultation rules were followed, or whether they should be dispensed with;
- the appointment of a manager where management has been poor;

- some disputes about the Right to Manage.

Each type of application has its own rules, fees and time limits. The tribunal looks at evidence, so keep good records. Recent reforms have altered some of the rules on costs, so take advice.

Step 5: the courts

Recovery of unpaid charges and some other matters go to the county court. Serious enforcement action under the lease has strict statutory limits.

Preparing your case

- Gather the lease, demands, accounts, invoices, quotes and correspondence.
- Write a short timeline of events.
- Identify the relevant lease clauses and statutory provisions.
- Be honest about weaknesses.

Behaviour matters

Stay civil, keep to the facts and avoid discussing a live dispute with other residents in a way that could cause harm. Directors must handle personal information with care.

Insurance and advice

Check whether the building's insurance includes legal expenses cover. Take legal advice before starting formal action or responding to an application.

> Settle early where you can. A dispute that ends in a sensible compromise usually costs far less than winning at a hearing.

General information, not advice on your circumstances. Leasehold law is detailed and changes: check the current position and take advice before acting. Leasehold Clarity is provided by Leasehold Clarity Limited (company no. 16963931), with management and professional services from Murphy Thompson Moore LLP (LLP No. OC314041).