



# Letters

## A little knowledge can help prevent overcharging

Sir, While my firm does not specialise in residential service charges, the dispute involving residents and the managing agents at 25 Jermyn Street in London's Mayfair has some interesting parallels with the commercial market in which my firm does specialise ('A highly charged battle', professional + legal, 08.04.05, p64).

Having reviewed the report of the case, it seems the essence of the dispute arises out of the failure to certify several years' accounts in a timely manner. This has been

compounded by changes in both the landlord and the managing agents, which in turn has resulted in the situation where the managing agent is attempting to certify costs on behalf of its client without the benefit of the appropriate supporting documentation.

It is interesting to note that Loughborough University business school has recently completed an 18-month study into service charges in UK commercial offices.

One of the key findings of this study is the disappointing provision

and timeliness of financial data – a matter which, as this case shows, can be to the detriment of both landlord and tenant.

There have been various attempts in the past to acknowledge the need for standards in the commercial market, notably the guide to good service charge practice for commercial premises and legislation in the residential market.

It must be a concern to us all that, in spite of this procedural framework, there remains evidence of a disappointing failure within the

industry to recognise the importance and benefits to both landlord and tenant of the timely provision of financial information.

I understand that the RICS may be instigating initiatives to upgrade the standards of administration of commercial service charges. I look forward with great interest to the future developments in this area and, indeed, whether these initiatives produce tangible and lasting changes on the ground.

David Barrass, managing director,  
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