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Tribunal blasts agents for 'inappropriate' management

■ But Jermyn Street tenants are still liable for proportion of charges at end of three-year battle

BY MARK SHEPHERD

RESIDENTS IN LONDON'S JERMYN Street who claimed managing agents had overcharged them have been handed a partial victory by the leasehold valuation tribunal.

Patric Walsh, chairman of the residents association at Bank Chambers, waged a three-year battle against service charges levied by Fineman Lever, DTZ and Nelson Bakewell at the Mayfair building. He claimed they had been overcharged by as much as £238,000 and that invoices had gone missing.

The tribunal upheld many of their complaints and reduced the final bill by around £170,000. It criticised all the managing agents involved.

But many charges were allowed, including those for the porter and others that were unsupported by invoices. This reduced the tribunal's award to the residents, who also face a £40,000 legal bill.

Walsh felt 'badly let down'. 'It is



Issues addressed: final bill at Banks Chambers was reduced

absolutely not a victory when you've had to spend £40,000 on legal fees and tens of thousands of unpleasant, unnecessary hours over three years, fighting to get your very own money back,' he said.

The tribunal said the absence of invoices for some charges did not mean they had been unreasonable. Complaints by the residents that their porter had been employed at

another building were not upheld.

The tribunal was, however, critical of Fineman Lever and DTZ. It slashed by half their management fees between 2001 and 2003 to 'reflect the conduct' of the agents.

Nelson Bakewell, which became the managing agent in April 2003, was also criticised and its fee for 2004 halved. The tribunal said it had concerns about whether the

property management was conducted 'in the appropriate way'. Nelson Bakewell did not comment.

The tribunal held: 'Unfamiliarity with the RICS Residential Management Code and the mainly commercial portfolio of [the] firm tended to lend credence to the allegation made by Mr Walsh that the management of the property had not been carried out with the approach required for residential as opposed to commercial premises.'

The tribunal also held that Nelson Bakewell could not pass on to the residents the landlord's legal fees. The firm had threatened this in a letter sent to Bank Chambers in January shortly before the hearing.

Walsh still feels aggrieved. 'We feel utterly obliged to write to RICS and the Financial Services Authority to bring to their attention what has happened here,' he said.

'Where is the deterrent for further overcharging when, if you get caught, you just pay it back?'