

Landlord recovers its legal costs from tenants through service charge

In the recent case of *Assethold v Watts and others* [2014] UKUT 0537, the Upper Tribunal held that a landlord was entitled to recover legal expenses it had incurred in dealing with a party wall matter as part of the service charge levied on the tenants.

Generally, most tenants of residential premises benefit from protection against excessive service charges under the Landlord and Tenant Act 1985. However, in this case, the landlord was able to charge a substantial amount of legal costs through the service charge under a 'sweeper clause' in each tenant's lease (because legal costs were not specifically chargeable).

The Courts generally construe sweeper clauses restrictively and the Deputy President of the Tribunal stated that as a general principle of interpretation, contracting parties should make it clear if they intended that a payment obligation, such as a service charge, should cover a particular type of expenditure. However, the Tribunal was satisfied in this case that the wording of the sweeper clause was sufficient to cover the legal costs incurred.

At Rooks Rider Solicitors, we have specialists who can advise you on interpreting the service charge provisions in a lease.

For further information or to discuss any of the issues raised in this briefing note, please contact a member of the Rooks Rider Solicitors' team:



Nicola Stewart
Senior Associate
Dispute Resolution
nstewart@rooks rider.co.uk
+44 (0)20 7689 7252



Aaron Heslop
Solicitor
Dispute Resolution and Employment
aheslop@rooks rider.co.uk
+44 (0)20 7689 7209



Rooks Rider Solicitors LLP
Challoner House
19 Clerkenwell Close ■ London ■ EC1R 0RR

Disclaimer:

Please note that the information on the law contained in this bulletin is provided free of charge for information purposes only. Every reasonable effort is made to make sure the information is accurate and up to date, but no responsibility for its accuracy and correctness, or for any consequences of relying on it, is assumed by the author or the firm. The information does not, and is not intended to, amount to legal advice to any person.