



Commonhold and Leasehold Reform Act 2002

2002 CHAPTER 15

PART 2

LEASEHOLD REFORM

CHAPTER 5

OTHER PROVISIONS ABOUT LEASES

Service charges, administration charges etc.

152 Statements of account

For section 21 of the 1985 Act (request for summary of relevant costs) substitute—

“21 Regular statements of account

- (1) The landlord must supply to each tenant by whom service charges are payable, in relation to each accounting period, a written statement of account dealing with—
 - (a) service charges of the tenant and the tenants of dwellings associated with his dwelling,
 - (b) relevant costs relating to those service charges,
 - (c) the aggregate amount standing to the credit of the tenant and the tenants of those dwellings—
 - (i) at the beginning of the accounting period, and
 - (ii) at the end of the accounting period, and
 - (d) related matters.

Status: This is the original version (as it was originally enacted).

- (2) The statement of account in relation to an accounting period must be supplied to each such tenant not later than six months after the end of the accounting period.
- (3) Where the landlord supplies a statement of account to a tenant he must also supply to him—
 - (a) a certificate of a qualified accountant that, in the accountant’s opinion, the statement of account deals fairly with the matters with which it is required to deal and is sufficiently supported by accounts, receipts and other documents which have been produced to him, and
 - (b) a summary of the rights and obligations of tenants of dwellings in relation to service charges.
- (4) The Secretary of State may make regulations prescribing requirements as to the form and content of—
 - (a) statements of account,
 - (b) accountants' certificates, and
 - (c) summaries of rights and obligations,required to be supplied under this section.
- (5) The Secretary of State may make regulations prescribing exceptions from the requirement to supply an accountant’s certificate.
- (6) If the landlord has been notified by a tenant of an address in England and Wales at which he wishes to have supplied to him documents required to be so supplied under this section, the landlord must supply them to him at that address.
- (7) And the landlord is to be taken to have been so notified if notification has been given to—
 - (a) an agent of the landlord named as such in the rent book or similar document, or
 - (b) the person who receives the rent on behalf of the landlord;and where notification is given to such an agent or person he must forward it as soon as may be to the landlord.
- (8) For the purposes of this section a dwelling is associated with another dwelling if the obligations of the tenants of the dwellings under the terms of their leases as regards contributing to relevant costs relate to the same costs.
- (9) In this section “accounting period” means such period—
 - (a) beginning with the relevant date, and
 - (b) ending with such date, not later than twelve months after the relevant date,as the landlord determines.
- (10) In the case of the first accounting period in relation to any dwellings, the relevant date is the later of—
 - (a) the date on which service charges are first payable under a lease of any of them, and
 - (b) the date on which section 152 of the Commonhold and Leasehold Reform Act 2002 comes into force,

and, in the case of subsequent accounting periods, it is the date immediately following the end of the previous accounting period.

- (11) Regulations under subsection (4) may make different provision for different purposes.
- (12) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

21A Withholding of service charges

- (1) A tenant may withhold payment of a service charge if—
 - (a) the landlord has not supplied a document to him by the time by which he is required to supply it under section 21, or
 - (b) the form or content of a document which the landlord has supplied to him under that section (at any time) does not conform exactly or substantially with the requirements prescribed by regulations under subsection (4) of that section.
- (2) The maximum amount which the tenant may withhold is an amount equal to the aggregate of—
 - (a) the service charges paid by him in the accounting period to which the document concerned would or does relate, and
 - (b) so much of the aggregate amount required to be dealt with in the statement of account for that accounting period by section 21(1)(c)(i) as stood to his credit.
- (3) An amount may not be withheld under this section—
 - (a) in a case within paragraph (a) of subsection (1), after the document concerned has been supplied to the tenant by the landlord, or
 - (b) in a case within paragraph (b) of that subsection, after a document conforming exactly or substantially with the requirements prescribed by regulations under section 21(4) has been supplied to the tenant by the landlord by way of replacement of the one previously supplied.
- (4) If, on an application made by the landlord to a leasehold valuation tribunal, the tribunal determines that the landlord has a reasonable excuse for a failure giving rise to the right of a tenant to withhold an amount under this section, the tenant may not withhold the amount after the determination is made.
- (5) Where a tenant withholds a service charge under this section, any provisions of the tenancy relating to non-payment or late payment of service charges do not have effect in relation to the period for which he so withholds it.”