



Service Charge Enquiry and Dispute Procedure

February 2024

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1. Service Charge Enquires

1.1 What is a Service Charge Enquiry

An initial request or follow-up request for information regarding service charges, which may also contain elements of a complaint about services.

This usually occurs after the actual service charge accounts, estimated service charge consultation letters, estimated service charge accounts are issued, and customers have queries regarding what services they are paying for, how a charge was calculated or the cost of the services in relation to the level of service provided.

1.2 How to make a Service Charge Enquiry

Service charge enquiries must be made in writing either in a letter or by email. The correspondence should clearly state that it is a service charge enquiry and outline which service charges are being queried and any additional information that is being requested.

1.3 Responding to a Service Charge Enquiry

The Leasehold Manager will acknowledge the enquiry within 1 working day from the date of the enquiry and a full response will be sent to the customer within 10 working days (14 calendar days) from the date of the enquiry.

Once the customer has received the response, should further clarification or additional information be required a further service charge enquiry can be submitted. Any follow-on enquiries are also allocated to the Leasehold Manager, but these must be responded to within 10 working days.

This process is applied each time a further service charge enquiry is received.

2. Responding to S21 and S22 Notices

2.1 S21 Notice

Under the terms of S21 of the Landlord and Tenant Act 1985 the leaseholder has the right to request for an independent accountant to certify the final account summary.

The property manager will make the Service Charge Accountant aware of the request within 2 working days from the date of the request.

The property manager will acknowledge the request within 2 working days from the date of the request and make the leaseholder aware that there is a charge of approximately £ 2000 for complying with the request, which will be recharged as a service charge.

The property manager will ask the leaseholder to confirm within 3 days that they wish

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to proceed with the request and accept liability for the payment of the charge.

The property manager will at the same time make the leaseholder aware that copies of the invoices can be provided under S22 of the Landlord and Tenant Act free of charge.

The Property Manager will notify the Service Charge Accountant on whether the leaseholder wants to proceed with the S21 Notice as soon as the leaseholder responds.

If the leaseholder wishes to proceed the Service charge Accountant will appoint an external auditor to carry out the work.

The property manager will send the certified account to the leaseholder within 1 month from the date of the S21 Notice.

2.2 S22 Notice

Under the terms of S22 of the Landlord and Tenant Act 1985 a leaseholder can request to see the invoices and other supporting documents that makes up the cost in the final account

The request must be in writing and must be submitted within 6 months from the date of the final account.

Any enquiry that refers to S22 or requests to see the invoices supporting the cost in the final account MUST be treated as a formal S22 Notice.

The statutory timescale for responding to a S22 Notice is 1 month.

The Property Manager will make the Leasehold Accountant and Service Charge Manager aware of the S22 Notice within 2 working days from receiving the request.

The Leasehold Accountant will log the Notice on the S22 tracker and work with the Service Charge Team to collate the invoices.

The Leasehold Accountant will provide the invoices to the Property Manager.

The Property Manager send the invoices to the leaseholder within 1 month from the date of the S22 Notice.

3. Service Charge Disputes

3.1 What is a Service Charge Dispute?

The service charge dispute must be in writing. It can be an email or letter from a leaseholder/shared owner indicating a dispute or stating that they want to complain about their service charges.

The correspondence must clearly outline which service charges are in dispute and

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detail the reasons why.

Where the Service Charge Accountant has dealt with a service charge enquiry but the leaseholder / shared owner is not satisfied with the response, the enquiry can be logged as a service charge dispute.

3.2 Responding to a Service Charge Dispute

The dispute / unresolved queries will be logged as a service charge dispute on the tracker.

Stage 1 service charge disputes are investigated and responded to by a Service Charge Accountant

An acknowledgement is sent to the leaseholder / shared owner within 2 working days confirming it has been logged as a service charge dispute, the name of the Service Charge Accountant investigating the dispute and the date that a full response will be provided, which will be no more than 15 working days from the date the dispute was raised by the leaseholder / shared owner.

A full response is sent to the leaseholder / shared owner within 15 working days which explains the steps taken to investigate the dispute and provides a detailed response to the queries raised including a summary of any actions to be taken as a result of the investigation and timescale.

Changes to the service charge accounts must be agreed with the Director of Finance and Resources before the complainant is notified of any changes to their account.

The Service Charge Accountant then sends an email to SNG's Service Charge Team inbox requesting the adjustment and including the link the completed form. The SNG Service Charge Manager will review the request and approve / decline it.

The service charge dispute response confirms any adjustments, if applicable, after it's been agreed by the SNG Service Charge Manager.

The outcome of the dispute is captured on the service charge dispute tracker.

As part of the response the Service Charge Accountant will advise the leaseholder / shared owner has exhausted the Service Charge Dispute Procedure and if they remain dissatisfied then their recourse is to refer the matter to the First-Tier Tribunal for an independent assessment of the service charges.

4. Service Charge Complaints

Issues related to Service Charges that we (and the Housing Ombudsman) will consider under the Complaints Policy are:

- Complaints about the communications in respect of service charges

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- Complaints that the resident has not received the service/benefit they are paying for, or the service provided has been of a poor standard.
- Complaints that the landlord has not followed the correct process in respect of service charges.

What we would not consider under the Complaints Policy are complaints that:

- concern the level of rent or service charge or the amount of the rent or service charge increase.
- concern matters where the Ombudsman considers it quicker, fairer, more reasonable, or more effective to seek a remedy through the courts, other tribunal or procedure.

For more information please visit the following link: [Insight Report July 2023 \(housing-ombudsman.org.uk\)](https://www.housing-ombudsman.org.uk)

Please see the Complaints Policy for further information.

5. Record Keeping

A record of all service charge disputes be kept on the Service Charge Dispute tracker with copies of the dispute and response saved in the Service Charge Dispute folder.

Policy author:	Service Charge Accountant & Leasehold Manager
Policy owner:	Director of Finance & Resources
Adopted from Network Homes: y/n	Yes
Review schedule (1, 2 or 3 years):	3 years

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