



Case Studies

Who should read this?

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Tenants	Agents	Landlords

Insured / Custodial

Communal Heating and Hot Water Charges

Adjudication Digest June 2019



The Adjudication Digest takes a recent decision by a TDS Adjudicator and sets out the reasoning behind the decision. The aim of these Digest reports is to help tenants, landlords and agents better understand how we make our adjudication decisions. The names of the landlords and tenants involved have been removed and this is only a brief summary of the dispute.

Amount of deposit in dispute: £2,499.44

Dispute initiated by: Tenant

Award made:	£2,499.44
Tenant	£204.16
Landlord	£2,295.28
Agent	£0.00

The landlord claimed £2,499.44 for unpaid heating and hot water charges accrued during the tenancy. The property was an apartment, and the communal managing agent was responsible for billing each apartment for their heating and hot water individually. The tenant accepted these charges had not been paid, despite requests from the managing agent, arguing that the utility charges included management fees and communal energy charges for which he was not liable.

The adjudicator was presented with an email from the communal managing agent responsible for producing the utility bills for each apartment, who confirmed meter readings could not be taken and that the usage was estimated per quarter.

The tenancy agreement obligated the tenant to pay 'all costs allocated by the building managers to the Landlord relating to the provision, usage and consumption of services to the apartment, including but not limited to under floor and space heating, hot water, mains water, sewage and air condition (heat and cool)'. This clause also referred to a requirement for the tenant to arrange a supply of electricity directly with a provider for the remaining electrical outlets within the property.

The adjudicator therefore found that the tenant was obliged to pay for the utilities for the duration of the tenancy and to compensate the landlords for any losses suffered in this respect. There was no evidence submitted which showed that landlord fees had been included within the heating and hot water charges, and the agent had submitted a separate invoice for service charges which supported this.

The adjudicator concluded that the energy consumption charges had been reasonably calculated for a property of this type and for the length of the tenancy. However, a reduction was made to the award given a period of the invoiced sum was prior to the commencement of the tenancy.

So what are the key points here?

When making any claim against a deposit a landlord must firstly show that they have suffered a financial loss and then support that loss with substantive documentary evidence. Without such evidence any claim will be compromised. It is essential also to ensure that any tenancy agreement contains an obligation on the tenant in relation to the claim made.

A tenant should similarly submit evidence to show why an award, in this instance utility charges, is not applicable. For example, evidence of payment having been made to the landlord or direct payment to the provider.

Importantly, when making claims for charges, please note, the Tenant Fees Ban came into effect on 1 June 2019 which may alter the outcome of such cases in certain circumstances. Refer to our "How the Tenant Fees Act will affect tenancy deposits" guide.