

Getting the Invoice Right

SLC Solicitors have put together a number of points to note when you are invoicing service charges. As property managers will be aware, problems can arise due to issues on the invoice which, if avoided, can make the collection process smoother and quicker.

Points to note when invoicing:

- The full name and contact address of the Landlord should be displayed in full on all invoices, even if the address is c/o of the Managing Agents;
- Clearly display who you are collecting on behalf of especially if it is not the Landlord;
- Detail the full name of the Leaseholder;
- Give full details of the property that the charges relate to;
- Ensure that you are invoicing in accordance with the Lease i.e. in advance/arrears of the correct dates; method of service (i.e. via recorded delivery);
- Ensure that Tenants Rights and Obligations accompany all invoices
- Ensure that the amounts owed and the period the amounts relate to is clearly laid out.

Administration charges:

All administration charges need to be reasonable – ie, if the amount is challenged at FTT can you justify the amount of the administration charge? In our experience administration costs range from £25 - £100 depending on the level of credit control work involved in recovering the amount. We are seeing evidence that FTTs are now also looking at proportionality of administration charges.

When to refer to solicitors:

It can be a difficult decision to instruct solicitors to take legal action for various reasons. However, it should always be remembered that any non-payer will always adversely impact upon the level of service that you are able to provide.

Once you have invoiced for the charges, credit control processes can take anything from upwards of seven days. There is no legal obligation to send reminder letters; however, it is considered good practice to do so.

Those Leaseholders who do not pay their Service Charges/ Ground Rents are in breach of covenant and you are entitled to seek legal remedy to rectify this. It is unfair to those that pay on time if non-payers affect the smooth management of a property.