

MDA No.: 1766

Title: Housing Committee – Response to The Government Consultation on Strengthening Leaseholder Protections over Charges and Services

1. Executive Summary

1.1 At the Annual Meeting on 1 May 2013 the London Assembly resolved that:

Authority be delegated to Chairs of all ordinary committees and sub-committees to respond on the relevant committee or sub-committee's behalf, following consultation with the lead Members of the party Groups on the committee or sub-committee, where it is consulted on issues by organisations and there is insufficient time to consider the consultation at a committee meeting.

1.2 Following consultation with party Group Lead Members, the Chair is asked to agree the Committee's response to the Government consultation on strengthening leaseholder protections over charges and services as attached at **Appendix 1**.

2. Decision

2.1 **That the Chair, in consultation with party Group Lead Members, agrees the Committee's response to the Government consultation on strengthening leaseholder protections over charges and services, as attached at Appendix 1.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: Zoë Garbett AM, Chair of the Housing Committee

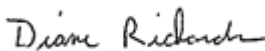
Date: 23 September 2025

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 Officers confirm that the consultation response fall within the Committee's terms of reference.
- 3.2 The exercise of delegated authority approving the consultation response will be formally submitted to the Housing Committee's next appropriate meeting for noting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): 

Printed Name: Diane Richards, Committee Officer

Date: 23 September 2025

Email: diane.richards@london.gov.uk

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Date: Not Required

Legal Implications:

The Chair of the Housing Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna, Monitoring Officer

Date: 24 September 2025

Email: Monitoringofficer@london.gov.uk

Supporting Detail / List of Consultees:

- Sem Moema AM and Lord Bailey of Paddington AM

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? **NO**

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? **NO**

Lead Officer / Author

Signature: Tim Gallagher

Printed Name: Tim Gallagher

Job Title: Senior Policy Officer

Date: 23 September 2025

Email: tim.gallagher@london.gov.uk

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen

Date: 23 September 2025

Email: helen.ewen@london.gov.uk



Zoë Garbett AM
Chair of the Housing Committee

The Rt Hon Steve Reed OBE MP
Secretary of State for Housing, Communities and Local Government
Ministry of Housing, Communities and Local Government

(Sent by email)

23 September 2025

Dear Secretary of State,

London Assembly Housing Committee's response to the Government's consultation on strengthening leaseholder protections over charges and services

This is the London Assembly Housing Committee's response to the Government's consultation on strengthening leaseholder protections over charges and services. This response draws largely on the evidence and recommendations contained in the Committee's June 2025 report, *"Worry and stress": life as a leaseholder in London*. We would suggest that the Government review this report and its recommendations in full. In recent years, the Committee has also published a number of other relevant reports, letters, and consultation responses addressing the issue of leaseholder protections, including its report on *Young Londoners' Access to Home Ownership* (March 2024), and its [response to a technical shared ownership consultation](#) (December 2020).

We note that the Government intends to introduce further reforms, including measures to ensure commonhold replaces leasehold as the default tenure. The London Assembly as a whole strongly supports a move towards commonhold.¹ The Committee discussed the topic further in our report on leasehold in London, stressing it is important that commonhold meet its aims to give people more control over their homes and the charges they must pay. We look forward to

¹ London Assembly, [Support for Commonhold](#), 13 February 2025. This motion proposed by Andrew Boff AM was agreed unanimously by the Assembly.

reviewing your specific proposals when published, and we urge you to bring these forward as soon as possible.

For many Londoners, their leasehold home is a source of problems and financial stress. London is uniquely exposed to leasehold issues and the costs associated with them. There is a greater proportion of leasehold homes in London than anywhere else in the country. Over a third (36 per cent) of London's homes are leasehold, compared with only 16 per cent in the rest of England. Most of London's leasehold homes are flats: 1,308,000 flats compared to 36,000 houses.²

Issues with leasehold as a tenure and service charges are longstanding. Our recent investigation aimed to understand the issues that leaseholders in London face. We ran a survey to identify what charges Londoners were paying, how they felt about their leasehold home and the charges they pay, and what they would like the Mayor of London to do. 798 London leaseholders responded to the survey.³ We also heard from a range of experts who could speak about the issues faced by leaseholders in London.⁴ We identified the following key issues:

- **Cost of service charges:** the unaffordability of service charges is one of the key challenges faced by leaseholders across different types of tenure.⁵
- **Transparency:** representatives of freeholders or managing agents agreed that transparency of leases and service charges is important. However, our survey respondents repeatedly reported poor transparency around service charges, works done poorly or not done at all.
- **Potentially fraudulent charges:** although service charges are supposed to cover actual costs,⁶ we heard accounts that across different types of freeholders, leaseholders can be subject to inaccurate or unreasonable service charges.
- **Impact on shared ownership:** many shared owners told us how current practice on service charges can undermine the very point of shared ownership – that it be an affordable housing product.
- **Poor quality buildings:** part of the reason that service charges are so high is due to the poor quality of buildings. Leaseholders told us they can end up footing the bill for expensive maintenance and repairs.

The Housing Committee welcomes that the Leasehold and Freehold Reform Act 2024 aims to improve service charge transparency. The Committee welcomes that the Government is now

² Ministry of Housing, Communities and Local Government (MHCLG, 2024), [Leasehold dwellings, 2022 to 2023, 9 May 2024](#). Rest of England figures have been calculated to exclude London. MHCLG figures represent an estimate of the number of leasehold.

³ Survey respondents were self-selecting. This means they were not randomly selected, but instead chose to complete the survey. This means the views gathered are not necessarily representative of all leaseholders in London. However, we heard from a large and diverse group of leaseholders from across London, and we can learn a lot from the data about the challenges they face.

⁴ The full list of contributors to the investigation can be found in: London Assembly Housing Committee (2025), *“Worry and stress”: life as a leaseholder in London*, p. 50.

⁵ London Assembly Housing Committee (2024-25), *Survey of Leaseholders*. Respondents to our survey spent a median of £3,912 per year (£326 per month) on service charges. The English Housing Survey 2022-23 found that the median annual service charge for London leaseholders was £1,450.

⁶ Landlord and Tenant Act 1985, [Cross Heading: Service charges](#) (accessed 8 September 2025).

consulting on these changes to strengthen leaseholder protections. We call on the Government to prioritise implementing these measures as a matter of urgency as leaseholders cannot and should not wait any longer for greater transparency in their service charges.

Consultation sections 2.1 (New annual report), 2.2 (New standardised service charge demand form), and 2.8 (New standardised service charge accounts)

In our recent investigation, respondents to our survey repeatedly told us that their charges were not transparent, and that they were often billed for work that is not done or is done poorly.⁷ We also heard that when invoices or accounts are received, they can be complicated, difficult to understand, or contain errors. Our investigation identified allegations from leaseholders or tenants and groups representing them that some charges are intentionally charged incorrectly. We heard that this occurs in both the private and social sectors. Suz Muna (Campaigner, Social Housing Action Campaign) highlighted examples of such charges in the social sector:

“[W]e are talking about the service charges that are just out and out wrong, the ones where people are being charged for a concierge and there is just no concierge in that block, or for lift maintenance and there is just no lift in that block to be maintained – what we would call the fraudulent charges, we cannot see them as being anything else, invoices are put in for work that just does not exist and there is a massive amount of it.”⁸

Harry Scoffin (Campaigner, Free Leaseholders) said that unreasonable service charges are “endemic”.⁹ Martin Boyd (Chair, The Leasehold Advisory Service; Chair of Trustees, Leasehold Knowledge Partnership) added that “the most egregious of it occurs in the social sector”. He further stated: “The general assumption is, within the social sector, it is a lack of competence. Within the private sector, it is far more likely to be cynical and intentional.”¹⁰

We heard from organisations representing freeholders and managing agents that this is not an attempt at profiteering.¹¹ We heard that this is “usually cock-up rather than conspiracy”, and that errors can be caused by the merging of housing associations or outdated technology.¹² In the case of messy data acquisition, housing associations can inherit historical service charges that no longer exist. The data must be cleaned and checked before the service charge will be definitively accurate. The Committee acknowledges that data cleaning at this scale is a huge task. However, leaseholders should not be required to foot the bill for errors or inadequate IT systems. The Committee accepts that some unreasonable service charges are caused by error. However, we could not ignore the strength of feeling from our survey respondents, and from

⁷ London Assembly Housing Committee (2024-25), *Survey of Leaseholders*.

⁸ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 12 December 2024, p. 33.

⁹ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 12 December 2024, p. 16.

¹⁰ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 12 December 2024, p. 16.

¹¹ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 12 December 2024, p. 15.

¹² London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 26 February 2025, pp. 19-20.

some of our guests, that leaseholders are being price-gouged by some, but not all, freeholders. If this is taking place, the situation would not be acceptable nor legal.

We acknowledge that improving the transparency of leaseholder charges is a key focus of the Leasehold and Freehold Reform Act 2024. The proposed annual report, standardised service charge demand form, and standardised service charge accounts should improve transparency in service charges and make it easier for leaseholders to identify erroneous charges. However, the Committee is concerned that this may not go far enough to fully address the problem. To go a step further, the Committee believes consideration should be given to strengthened protections that would enable leaseholders to withhold unjustified service charges. We also recommend that the Government explores options for greater enforcement around service charges as part of its implementation of the Leasehold and Freehold Reform Act 2024.

Consultation section 2.4 (Extended rights to obtain information on request)

Our survey respondents reported issues around transparency, especially with regard to mismatches between bills and services received.¹³ Often when leaseholders approach their freeholder for more information or to challenge the charge, they can be met with difficulty. This includes challenges such as no response or delayed replies, or responses that do not make sense. Expert witnesses highlighted that it can be challenging for leaseholders to get hold of the accounts or invoices due to slow or zero responses from freeholders. When leaseholders or tenants do get the invoices, they are hard to understand or appear to have errors. We hope that the implementation of the Leasehold and Reform Act 2024 will ensure that leaseholders receive prompt, accurate, and detailed responses to requests for further information on the management and finances of the building.

Consultation section 2.5 (Scope of the new proposals for renters)

Our investigation found that transparency of charges is an even more concerning issue for social tenants, who do not have the same rights to access information as leaseholders.¹⁴ The Housing Committee is concerned about this inequity of rights for social tenants and believes the Government must address this issue. One of the key recommendations in our report was that the Government should legislate to give social renters the same rights as leaseholders in terms of access to full service charge statements and invoices. In line with this recommendation, we call on the Government to apply the new measures to social tenants.

Consultation section 2.7 (Better information about insurance)

Our investigation examined the role of building insurance costs in increasing service charges. We heard that rising insurance costs are due partly to new building safety requirements, but also due to the impact of climate change, water leaks, and the rising costs of materials.¹⁵ While some building remediation costs cannot be claimed from leaseholders, building insurance costs

¹³ London Assembly Housing Committee (2024-25), *Survey of Leaseholders*.

¹⁴ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 12 December 2024, p. 37.

¹⁵ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 26 February 2025, pp. 15-16.

can. However, one of the most unfair aspects of insurance premiums is that even after a building is remediated – and is therefore safer – the cost does not always go down.

We heard from survey respondents of the challenges they faced in paying high insurance costs and in understanding why those costs are so high. We heard accounts of building insurance premiums doubling despite a building having no cladding, lifts or facilities. We also heard from one leaseholder that although building insurance makes up the largest share of their service charge, there is a lack of transparency from the management company on their tender process and how they select insurers.¹⁶ This evidence reinforces the need for much greater transparency with leaseholders about what they are being charged for and why.

Consultation section 3.1 (Mandating reserve funds and planning for major works)

During our investigation, we heard that while a lower service charge may initially appear positive, this can lead to problems in future. We heard from Martin Boyd that in the case of council landlords, many do not have reserve funds.¹⁷ Since these are funds used to pay for major one-off works that are often unexpected, this can leave vulnerable leaseholders in a particularly distressing situation. We heard that major works can often result in “bills in excess of £20,000, it is sometimes up to £50,000 to £60,000, and they are utterly unaffordable for anyone who lives in those buildings.”¹⁸ We call on the Government to consider how reserve funds can be made mandatory in a manner that is fair and transparent.

Leaseholder protections for shared ownership

As part of our investigation, we considered the impact of service charges on the affordability of shared ownership. Leaseholders of shared ownership homes report many of the same issues as other leaseholders, namely affordability and transparency. However, the Committee was particularly concerned to hear how current practice on service charges can undermine the affordability of shared ownership. While service charges may appear affordable at the time of sale, large increases can undermine the affordability of shared ownership over time. Since the income range of those who qualify for shared ownership is wide, those at the lower end of this range experience the impact of these increases more acutely.¹⁹

For shared owners, there needs to be greater transparency around the likely cost of service charges over time. Although it is not always possible to precisely predict service charge increases due to the complex and sometimes unexpected factors that influence them, shared owners deserve better information at the time of sale. We believe that estimates of service charge increases over a longer period should be provided at the time of sale to help buyers understand how much more they will need to earn to keep their housing costs affordable.

¹⁶ London Assembly Housing Committee (2024-25), *Survey of Leaseholders*.

¹⁷ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 12 December 2024, p. 25.

¹⁸ London Assembly Housing Committee, *Transcript of Agenda Item 5 – Leasehold and Service Charges*, 12 December 2024, p. 25.

¹⁹ Londoners qualify to access shared ownership if they have a gross household income of £90,000 or less. For more information, see: GLA, *Shared ownership scheme* (accessed 8 September 2025).

Poor quality of buildings

Our investigation also found that part of the reason service charges are so high is because developers are not constructing good quality buildings. Currently, when developments are built using poor quality components, leaseholders can end up footing the bill for expensive maintenance and repairs. We are concerned that without a stronger focus on the quality of the homes that we build, service charges will remain high.

In our report, we set out a recommendation in relation to the quality of buildings for the Mayor of London and his new London Plan. We recommended that “developers should be required to submit to their local authorities steps they have taken to ensure maximum lifespan of building components and maximise whole-life value for money for leaseholders.”²⁰ We call on the Government to also strongly consider this recommendation in the context of strengthening leaseholder protections over charges and services.

The Committee welcomes the Government’s intent to strengthen leaseholder protections over charges and services. We call for even greater ambition in implementing the provisions of the Leaseholder and Freehold Reform Act 2024, as per the comments included in this response. If you would like to discuss any of the comments in this response further, please contact the Committee’s Senior Policy Adviser, Tim Gallagher (Tim.Gallagher@london.gov.uk).

Yours sincerely,



Zoë Garbett AM
Chair of the Housing Committee

²⁰ Recommendation 8 can be found in: London Assembly Housing Committee (2025), *“Worry and stress”: life as a leaseholder in London*, p. 45.