

## Relief from forfeiture

Even if the Landlord complies with the procedural rules, the lessee may apply to the Court for relief from forfeiture. Relief from forfeiture allows the lease to continue as it was on full payment of the debt. The lessee can apply to the Court for relief at the same time as the Landlord seeks a forfeiture order. The Court will only grant relief if the arrears and costs are paid in full.

## Contacting the council

If you are having difficulties paying your account or are in arrears, then you should contact the **Service Charge Arrears Team on (020) 8871 6299** to discuss the matter. Most queries are resolved on the telephone or in writing.

However, you can come in to the Finance Reception, which is open from **9.00am – 4.30pm Monday to Friday**, to discuss your case with one of the Service Charge Arrears Officers.

It is best to avoid 12.00pm – 2.00pm as this is usually the busiest time and the officer dealing with the case may not be available. It is also advisable to make an appointment and to do this either call **(020) 8871 6299** or email [debtorscharges@wandsworth.gov.uk](mailto:debtorscharges@wandsworth.gov.uk)

**English**  
If you have difficulty understanding this in English please contact:  
Wandsworth Interpreting Service  
Bedford House,  
at 215 Balham High Road,  
SW17 7BQ  
Telephone: (020) 8672 1043/3649

**Polish**  
Jeśli ktoś ma trudności ze zrozumieniem tego po angielsku, proszę skontaktować się z:  
Wandsworth Interpreting Service (zespół tłumaczy Bedford House  
215 Balham High Road  
SW17 7BQ  
Telephone: (020) 8672 1043/3649

**French**  
Si vous avez du mal à comprendre ce texte en anglais, veuillez contacter:  
Le service d'interprétation de Wandsworth  
Bedford House  
215 Balham High Road  
SW17 7BQ  
Telephone: (020) 8672 1043/3649

**Urdu**  
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**Bengali**  
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વોન્ડરસવર્થ ઇન્ટરપ્રિટિંગ સર્વિસ  
Bedford House  
215 Balham High Road  
SW17 7BQ  
ટેલિફોન: (020) 8672 1043/3649

**Hindi**  
यदि आपको इसे अंग्रेजी में समझने में कठिनाई होती है, तो कृपया सम्पर्क करें:  
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215 Balham High Road  
SW17 7BQ  
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**Punjabi**  
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ਵॉन्डरसवर्थ इन्टरप्रीटिंग सर्विस  
Bedford House  
215 Balham High Road  
SW17 7BQ  
ਟੈਲੀਫੋਨ: (020) 8672 1043/3649

# FORFEITURE OF A LEASE

Also available in large print

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## What is forfeiture?

Forfeiture is the termination of a lease resulting in ownership of a property reverting back to the Landlord (the Mayor and Burgesses of the London Borough of Wandsworth).

## When will a lease be forfeited?

The Landlord may take action to forfeit a lease if the lessee has fallen into arrears with their routine service charge or major works bills and has been given a reasonable amount of time to pay off the debt. There are other instances when the Landlord can forfeit the lease, for example anti-social behaviour. This leaflet only deals with the issue of forfeiture resulting from a breach of the payment covenant in the lease.

## What are the consequences of forfeiture?

- Ownership of the property will pass back to the Landlord.
- You will be required to move out of the property.
- The Landlord can sell the property; however you will not be entitled to any monies received from the sale.
- You will remain liable for any mortgage on the property.
- Your name will be entered on the Central Register of County Court Judgements. This register is available to the public, banks, hire-purchase companies, stores and other credit agencies and entry onto the register may affect your credit rating. Your mortgagees will be informed of the action and given the opportunity to pay the debt on your behalf in order to protect their investment. If they decide not to pay the debt they also will not receive any money following the sale of the property.

## How to avoid forfeiture

According to your lease, payment is due within 14 days of receiving an invoice for service charges, including major works. When you receive the annual invoice, you will be given the opportunity to spread the cost of service charges over ten months from October to July, if you are not renting out your property.

If your payments start after October, there will be fewer instalments up to the following July, so the payment amounts will be higher.

The cost of most major works invoices can be spread over a longer period by taking a loan. Details can be found in the Deferred Repayment Scheme leaflet, which accompanies the invoice. By arranging to pay in instalments and keeping up to date, you will avoid legal action.

However, if you do not clear any arrears and the Landlord obtains a forfeiture order from the Court, full payment of the arrears, interest and legal costs must be made before the date of repossession to avoid losing your property.

If you want to challenge the reasonableness of your service charge bills, you have the right to make an application to the Leasehold Valuation Tribunal.

### Further information can be obtained by contacting:

**Residential Property Tribunal Service,**

**10 Alfred Place, London WC1E 7LR**

**Telephone: (020) 7446 7700**

**Fax: (020) 7580 5684**

**National Helpline: 0845 600 3178**

**Website: [www.rpts.gov.uk](http://www.rpts.gov.uk)**

## What is the procedure leading up to forfeiture?

Before the Landlord can forfeit the lease, there are strict procedural rules that must be complied with.

When an account goes into arrears, a reminder notice will be sent to the lessee offering instalments or advice on how to bring the account up to date. If the account remains unpaid after 28 days, a second letter will be sent giving 14 days to pay the account in full.

If the account still remains unpaid after this second period, a Notice under S146 of The Law of Property Act 1925 will be served on the lessee. This will refer to the part of the lease that has been broken and will give a further 28 days to pay off the arrears in full.

Failure to pay on this occasion will result in the Landlord applying to the County Court for an order that the charges are reasonable, unless the lessee has agreed and admitted the debt.

### **The lessee is strongly advised to obtain his or her own independent legal advice at this stage.**

Once an order has been obtained or the lessee has agreed and admitted the debt, the Landlord will then ask the mortgagees to pay the arrears to protect their security.

If the arrears remain unpaid, the Landlord can then apply to the County Court for a forfeiture order. At the forfeiture hearing the Landlord will ask the Court to make an order for possession. Once the period stated in the order has passed, the Landlord can ask the Court bailiff to evict the lessee from the property if the debt has not been paid in full.

Full payment of the debt will include the costs of legal action and interest. Interest is usually 6% above the Barclays Bank base rate. The terms of the lease state the amount to be charged and it is not variable.