

INTRODUCTION

- [1] The Tenant seeks a monetary Order against the Landlord for the return of double the security deposit plus interest on the original security deposit.

DISPOSITION

- [2] I find that the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit, in the total amount of \$1,809.57.

BACKGROUND

- [3] On May 1, 2024 the parties entered into a written, fixed-term tenancy agreement for the period of May 1, 2024 to August 31, 2024. On May 1, 2024 the Tenant paid a \$900.00 security deposit to the Landlord. Rent in the amount of \$900.00 was due on the first day of the month.
- [4] On September 1, 2024 the Tenant vacated the Unit.
- [5] On September 16, 2024 the Tenant filed a *Form 2 (A) Tenant Application to Determine Dispute* (the "Application") with the Residential Tenancy Office (the "Rental Office"). The Application seeks compensation for double the security deposit plus interest on the original security deposit.
- [6] On September 27, 2024 the Rental Office mailed and emailed the parties notice of a teleconference hearing scheduled for October 17, 2024, along with a copy of the Application.
- [7] On October 15, 2024 the Rental Office emailed the parties an evidence package.
- [8] On October 17, 2024 the Tenant and the Landlord participated in a teleconference hearing for determination of the Application.

ISSUE

- A. Must the Landlord pay double the security deposit plus interest to the Tenant?

ANALYSIS

- [9] For the reasons below, I find that the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit.
- [10] Section 40 of the *Residential Tenancy Act* (or the "Act") addresses the retention and return of a security deposit, stating in part as follows:
- (1) *Except as provided in subsection (2) or (3), within 15 days after the date the tenancy ends or is assigned, the landlord shall either*
 - (a) *issue payment, as provided in subsection (5), of any security deposit to the tenant with interest calculated in accordance with the regulations; or*
 - (b) *make an application to the Director under section 75 claiming against the security deposit.*
 - (2) *A landlord may retain from a security deposit an amount that*
 - (a) *the Director has previously ordered the tenant to pay to the landlord; and*
 - (b) *remains unpaid at the end of the tenancy.*
 - (3) *A landlord may retain an amount from a security deposit if*

- (a) *at the end of a tenancy, the tenant agrees in writing that the landlord may retain the amount to pay a liability or obligation of the tenant; or*
- (b) *after the end of the tenancy, the Director orders that the landlord may retain the amount.*

- (4) *Where a landlord does not comply with this section, the landlord*
 - (a) *shall not make a claim against the security deposit; and*
 - (b) *shall pay the tenant double the amount of the security deposit.*

- [11] The evidence establishes that the tenancy agreement ended on or about September 1, 2024. The Landlord did not return any of the \$900.00 security deposit to the Tenant within fifteen days (by September 16, 2024). The Landlord did not file an application with the Rental Office to retain the security deposit within fifteen days.
- [12] There are no earlier Rental Office decisions authorizing the Landlord to retain the Tenant’s security deposit.
- [13] The Landlord stated that the Tenant on three separate occasions told him he could retain the security deposit for “all the trouble.” The Landlord could not remember the exact date of one of the three conversations but it was on or around August 8, 2024 and September 1, 2024.
- [14] The Tenant denied the Landlord’s account of the conversations and stated that she never agreed that the Landlord could keep the security deposit.
- [15] Clause 40(3)(a) requires the agreement between the parties to be in writing. In this case, at the end of the tenancy the parties did not enter a written agreement permitting the Landlord to retain the security deposit.
- [16] As a result, I find that the Landlord did not comply with the section 40 requirements for retaining a security deposit. Therefore, by operation of law, the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit amount in accordance with subsection 40(4) of the Act.

CONCLUSION

- [17] The Application is allowed.
- [18] The Landlord must pay the Tenant \$1,809.57 by the timeline below. The calculations are as follows:

Item	Amount
Security Deposit	\$900.00
Interest (1 MAY 2024 to 21 OCT 2024)	\$9.57
Security Deposit (Double Awarded)	\$900.00
Total	\$1,809.57

IT IS THEREFORE ORDERED THAT

- 1. The Landlord must pay the Tenant \$1,809.57 by November 12, 2024.**

DATED at Charlottetown, Prince Edward Island, this 21st day of October, 2024.

(sgd.) Cody Burke

Cody Burke
Residential Tenancy Officer

NOTICE

Right to Appeal

This Order can be appealed to the Island Regulatory and Appeals Commission (the "Commission") by serving a Notice of Appeal with the Commission and every party to this Order within **20 days of this Order**. If a document is sent electronically after 5:00 p.m., it is considered received the next day that is not a holiday. If a document is sent by mail, it is considered served on the third day after mailing.

Filing with the Court

If no appeal has been made within the noted timelines, this Order can be filed with the Supreme Court of Prince Edward Island and enforced as if it were an order of the Court.