

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 \$1,023.71.

BACKGROUND

- [3] In November of 2020 the Tenant and former landlord entered into a written, fixed-term tenancy agreement for the period of November 1, 2020 to October 31, 2021. The tenancy continued as a month-to-month agreement. A \$500.00 security deposit was paid to the former landlord. Rent was \$1,143.00 due on the first day of the month. In May of 2024 the Landlord purchased the Unit and the tenancy continued.
- [4] On August 30, 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 17, 2024 the Tenant emailed the Application to the Landlord.
- [7] On September 27, 2024 the Rental Office emailed the parties notice of a teleconference hearing (the "Notice of Hearing") scheduled for October 22, 2024, along with a copy of the Application.
- [8] On October 15, 2024 the Rental Office emailed the parties an evidence package (the "Evidence Package").
- [9] On October 22, 2024 the Tenant and the Landlord's representative (the "Representative") participated in a teleconference hearing for determination of the Application.

PRELIMINARY MATTER

- [10] At the hearing, the Representative stated that she did not receive the Notice of Hearing or the Evidence Package. I confirmed with the Representative that the Rental Office had the correct email address on file. I offered the Representative the opportunity to adjourn the hearing, and to have additional time to review the Evidence Package.
- [11] The Representative did not want to adjourn the hearing. The Representative stated that she wanted to proceed with the hearing.

ISSUE

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

ANALYSIS

- [12] For the reasons below, I find that the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit.
- [13] 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.*
- [14] The evidence establishes that the tenancy agreement ended on or about August 31, 2024. The Landlord did not return any of the \$500.00 security deposit to the Tenant within fifteen days (by September 15, 2024). The Landlord did not file an application with the Rental Office to retain the security deposit within fifteen days.
- [15] There are no earlier Rental Office decisions authorizing the Landlord to retain the Tenant's security deposit.
- [16] The Representative stated that the Landlord was going to return the security deposit to the Tenant, however, because of a family emergency, it was overlooked. The Representative stated that she reached out to the Tenant a day late and wanted the Tenant's email to return the security deposit.
- [17] The Tenant stated that the Landlord had her email address as she e-Transferred the rent every month. The Tenant stated that she was unsure what exactly the Landlord owed her for missing the fifteen-day deadline and she wanted to go through the formal process.
- [18] I find that the Landlord did not comply with the section 40 requirements for retaining or returning 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

[19] The Application is allowed.

[20] The Landlord must pay the Tenant \$1,023.71 by the timeline below. The calculations are as follows:

Item	Amount
Security Deposit	\$500.00
Interest (1 NOV 2020 to 23 OCT 2024)	\$23.71
Security Deposit (Double Awarded)	\$500.00
Total	\$1,023.71

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$1,023.71 by November 12, 2024.

DATED at Charlottetown, Prince Edward Island, this 23rd 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.