

INTRODUCTION

- [1] The Tenant seeks a return of double the security deposit plus interest.

DISPOSITION

- [2] The Landlord must pay the Tenant double the security deposit plus interest on the original security deposit, totalling \$1,409.21.

BACKGROUND

- [3] The Unit is a room with shared common spaces in an apartment.
- [4] On May 1, 2024, the parties entered a written month-to-month tenancy agreement for the Unit. The Tenant paid the Landlord a \$700.00 security deposit on April 29, 2024. The rent was \$750.00, due on the first day of the month.
- [5] The Tenant moved out of the Unit on August 30, 2024, and the tenancy ended.
- [6] On October 8, 2024, the Tenant filed a *Form 2 (A) Tenant Application to Determine Dispute* (the "Application") with the Residential Tenancy Office (the "Rental Office") seeking a return of the security deposit plus interest.
- [7] On October 30, 2024, the Rental Office mailed the parties a notice of a teleconference hearing scheduled for November 19, 2024.
- [8] On November 15, 2024, the Rental Office emailed the parties an evidence package.
- [9] On November 18, 2024, the Rental Office called the Landlord to ensure he was aware of the teleconference details. There was no answer, and a voicemail was left for the Landlord.
- [10] On November 19, 2024, the Tenant and a Tenant witness participated in a teleconference hearing to determine the application. I called the Landlord and left a voicemail. After ten minutes, the hearing proceeded in the Landlord's absence.
- [11] The Tenant confirmed receiving the evidence package and stated that all submitted documents were included. The Tenant submitted additional evidence after the hearing, which was provided to the Landlord.

ISSUE

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

ANALYSIS

- [12] The Tenant testified that he gave the Landlord four weeks' notice that he was moving out on August 31, 2024. The Landlord asked the Tenant to move out on August 30, 2024, and the Tenant agreed. The Landlord told the Tenant he would return the security deposit.
- [13] The Tenant attended the Landlord's residence on September 12, 2024, asked for the security deposit to be returned, and the Landlord said he would return it. The security deposit was not returned. The Landlord has not communicated with the Tenant since September 12, 2024. Messages between the parties were submitted into evidence.

- [14] Section 40 of the *Residential Tenancy Act* (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.

- [15] The Tenant’s undisputed evidence establishes that the Landlord asked the Tenant to move out on August 30, 2024, and the Tenant agreed. Therefore, I find that the tenancy ended on August 30, 2024, upon agreement by the parties.

- [16] The Landlord had 15 days (Saturday, September 14, 2024) to either return the security deposit to the Tenant or file an application with the Rental Office to retain it (Monday, September 16, 2024), but the Landlord did neither. No earlier Rental Office decisions authorized the Landlord to keep the security deposit. At the end of the tenancy, the parties did not enter a written agreement permitting the Landlord to keep the security deposit.

- [17] The Landlord failed to comply with the requirements outlined in section 40 regarding retaining the security deposit. Consequently, the Landlord must pay the Tenant double the security deposit amount and interest on the original security deposit, as specified in subsection 40(4). The calculations are provided below.

CONCLUSION

- [18] The Application is allowed.

- [19] I find that the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit, by the timeline below, calculated as follows:

Item	Amount
Security Deposit	\$700.00
Interest (Apr. 29/24 – Nov. 29/24)	\$9.21
Security Deposit (Double Awarded)	\$700.00
Total	\$1,409.21

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$1,409.21 by December 19, 2024.

DATED at Charlottetown, Prince Edward Island, this 29th day of November, 2024.

(sgd.) Mitchell King

Mitchell King
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.