

INTRODUCTION

[1] The Tenant is seeking a return of the security deposit plus interest.

DISPOSITION

[2] The Landlord must return the security deposit plus interest to the Tenant.

BACKGROUND

[3] The Unit is a room with shared common facilities in an apartment.

[4] On October 12, 2021, the parties entered into an oral month-to-month tenancy agreement for the Unit. The Tenant paid the Landlord a \$600.00 security deposit. Rent of \$600.00 was due on the first day of the month.

[5] The Tenant moved out of the Unit on June 30, 2024.

[6] On September 2, 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.

[7] On September 27, 2024, the Rental Office mailed and emailed the parties notice of a teleconference hearing scheduled for October 24, 2024.

[8] On October 23, 2024, the Rental Office postponed the hearing at the Tenant's request.

[9] On November 5, 2024, the Rental Office emailed the parties notice of a rescheduled teleconference hearing scheduled for November 14, 2024.

[10] On November 12, 2024, the Rental Office emailed the parties an evidence package.

[11] On November 13, 2024, the Rental Office telephoned the Landlord with the teleconference details. There was no answer and no voicemail was available.

[12] On November 14, 2024, the Tenant participated in a teleconference hearing. I called the Landlord, but there was no answer, and no voicemail was available. The hearing proceeded in the Landlord's absence.

[13] The Tenant confirmed receiving the evidence package and stated that all submitted documents were included.

ISSUE

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

ANALYSIS

[14] The Tenant stated that the Landlord was renting an apartment from "LS," the apartment's owner, and sublet a room to the Tenant beginning October 12, 2021. The Tenant paid the Landlord \$600.00 in cash for the security deposit and \$500.00 in cash for the first month's rent. After the first month, the Tenant began paying rent directly to LS via e-transfer.

- [15] In November 2022, the Landlord and Tenant entered into a new tenancy agreement with LS, making them co-tenants of the apartment. After the Tenant moved out on June 30, 2024, the Tenant contacted LS to request the security deposit back. LS informed the Tenant that the Landlord had not paid LS the security deposit.
- [16] LS sent a message to the Landlord and asked him to return the security deposit to the Tenant. The Tenant provided copies of messages between himself and LS and between LS and the Landlord as evidence. The Landlord has not returned the security deposit.
- [17] The evidence establishes that the parties entered into a month-to-month tenancy agreement beginning October 12, 2021, and the Tenant paid the Landlord a \$600.00 security deposit. Although the parties entered into a new tenancy agreement with LS in November 2022, the Landlord retained the security deposit until the Tenant moved out on June 30, 2024.
- [18] When the tenancy agreement between the Tenant and Landlord ended in November 2022, the *Rental of Residential Property Act* (the “Former Act”) was in force. The *Residential Tenancy Act* (the “Act”) did not come into force until April 8, 2023. Therefore, I will determine this matter under the provisions of the Former Act.
- [19] In Order LR23-56, the Island Regulatory and Appeals Commission (the “Commission”) determined a similar matter after the Act came into force, but the tenancy agreement ended before April 8, 2023.
- [20] The Commission found that *“the evidence demonstrates that the Landlord neither returned the security deposit within 10 days, nor did they provide notice to the tenant of their intention to retain the security deposit, in accordance with the [Former Act]. In these circumstances, the Commission finds it would be a reasonable exercise of discretion, as provided in subsection 112(2) of the [Act], to deal with this contravention under the [Former Act].”*
- [21] In this case, the Landlord did not return the security deposit within ten nor provide notice to the Tenant of their intention to retain it. I find that the Landlord must return the security deposit plus interest to the Tenant according to the timeline below.

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$628.17 by January 2, 2025.

DATED at Charlottetown, Prince Edward Island, this 13th day of December, 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.