

INTRODUCTION

- [1] The Tenant is seeking the return of the security deposit, including interest and double the security deposit.

DISPOSITION

- [2] The Landlord must return the security deposit, including interest and compensate the Tenant double the security deposit, in the amount of \$1,615.07.

BACKGROUND

- [3] The Unit is a room rental with shared common areas in a 5-bedroom and 3-bathroom building (the "Residential Property") owned by a corporate landlord.
- [4] In June 2024, the Tenant entered into a written, 6-month fixed-term tenancy agreement for the period of June 1, 2024 to December 31, 2024. The rent was \$800.00 due on the first day of the month. At the beginning of the tenancy the Tenant paid a \$800.00 security deposit via e-Transfer.
- [5] The Tenant did not have a copy of the tenancy agreement to provide into evidence.
- [6] On December 31, 2024, the Tenant vacated the Unit.
- [7] On January 17, 2025, the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* (the "Application") with the Residential Tenancy Office (the "Rental Office") seeking the return of the security deposit, including interest and double the security deposit.
- [8] On February 4, 2025, the Rental Office emailed the parties notice of a teleconference hearing scheduled for March 20, 2025 at 9:00 a.m.
- [9] On March 10, 2025, the Rental Office emailed the parties a 24-page PDF document (the "Evidence Package").
- [10] On March 10, 2025, the Landlord's representative (the "Representative") emailed the Rental Office, which stated:

*"Dear Ask Rentals
I don't see the date and time the call for hearing.
Pease advise
Thank you."*

- [11] The Representative sent another email, which stated:

"Ok I got it now thank you."

- [12] On March 20, 2025, neither party joined the hearing. I called the Tenant who thought the hearing was scheduled for 10:00 a.m. The Tenant joined the hearing. I called the Representative and left a voicemail message with the details for the teleconference hearing. After waiting approximately 12-minutes, the hearing proceeded in the Representative's absence.

ISSUE

- A. Must the Landlord return the security deposit, including interest and double the security deposit to the Tenant?

ANALYSIS

- [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 Tenant provided undisputed evidence that he vacated the Unit on December 31, 2024. The Tenant stated that he was unhappy with the living arrangement at the Unit and wanted to vacate the Unit at the end of the fixed-term.
- [15] The Tenant stated that the Representative wanted to keep the security deposit for improper notice. The Tenant stated that he was going to stay in the Unit until the end of January 2025. However, the Tenant stated that he believed that another landlord representative found a new tenant to rent the Unit for January 2025, and he vacated the Unit at the end of December 2024.
- [16] The Tenant stated that the Representative did not return the security deposit or give him an application from the Rental Office.
- [17] Based on the undisputed evidence, I find that the security deposit was not returned to the Tenant and the Landlord did not file an application within fifteen days from the end of the tenancy. I note that as of the date of the hearing the Landlord did not file any application with the Rental Office. There are no earlier Rental Office decisions authorizing the Landlord to retain the Tenant's security deposit. Further, there was no written agreement permitting the Landlord to retain the security deposit.
- [18] As a result, I find that the Landlord did not comply with the legislated section 40 requirements for retaining a security deposit. Therefore, by operation of law, the Landlord must compensate the Tenant double the security deposit, including interest on the original amount, under subsection 40(4) of the Act.

[19] The Application is allowed; the Landlord must compensate the Tenant \$1,615.70, calculated as followed:

Item	Amount
Security Deposit	\$800.00
Interest (01 JUN 2024 to 20 MAR 2025)	\$15.70
Security Deposit (Double Awarded)	\$800.00
Total	\$1,615.70

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$1,615.70 by April 24, 2025.

DATED at Charlottetown, Prince Edward Island, this 20th day of March, 2025.

(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.