

**INTRODUCTION**

- [1] The Tenants seek the return of their four security deposits, plus interest, and compensation of double the security deposits.

**DISPOSITION**

- [2] I find that the Landlord will return the Tenants' four security deposits, plus interest, and compensation of double the security deposits.

**BACKGROUND**

- [3] The Tenants each rented separate rooms (the "Units") in a house (the "Residential Property") managed by the Landlord.
- [4] On October 1, 2024, T1 and the Landlord entered into an oral, month-to-month tenancy agreement. Rent was \$800.00 monthly, due on the first day of the month, and a security deposit of \$800.00 was paid on October 20, 2024. T1 provided the Landlord notice on December 15, 2024, and moved out on December 30, 2024.
- [5] On September 7, 2024, T2 and the Landlord entered into an oral, month-to-month tenancy agreement. Rent was \$920.00 monthly, due on the first day of the month, and a security deposit of \$920.00 was paid on August 12, 2024. T2 provided the Landlord notice on December 15, 2024, and moved out on December 30, 2024.
- [6] On December 1, 2024, T3 and the Landlord entered into an oral, month-to-month tenancy agreement. Rent was \$800.00 monthly, due on the first day of the month, and a security deposit of \$800.00 was paid on October 25, 2024. T3 provided the Landlord notice on December 15, 2024, and moved out on December 30, 2024.
- [7] On September 10, 2024, T4 and the Landlord entered into an oral, month-to-month tenancy agreement. Rent was \$780.00 monthly, due on the first day of the month, and a security deposit of \$780.00 was paid on August 12, 2024. T4 provided the Landlord notice on December 15, 2024, and moved out on December 19, 2024. T4 stated that he still paid rent for the whole month of December 2024.
- [8] On January 31, 2025, the Landlord filed three *Form 2(B) Landlord Applications to Determine Dispute* (the "Landlord Applications") with the Residential Tenancy Office (the "Rental Office") seeking to keep each Tenant's security deposit for rent owing. T1 was named on one application, T3 was named on one application, and T2 and T4 were both named on one application.
- [9] On February 19, 2025, the Tenants filed three *Form 2(A) Tenant Applications to Determine Dispute* (the "Tenant Applications") with the Rental Office, seeking a return of double of each Tenant's security deposit. T1 and T3 filed one application each, and T2 and T4 both filed one application together.
- [10] On March 20, 2025, the Rental Office mailed and emailed the parties notice of a teleconference hearing scheduled for May 1, 2025.
- [11] On April 23, 2025, the Rental Office emailed a 95-page PDF to the parties (the "Evidence Package").
- [12] On April 24, 2025, the Landlord's representative (the "Representative") confirmed that he had received a copy of the Evidence Package.

- [13] On May 1, 2025, the Tenants participated in a teleconference hearing. I called the Representative, but he stated that he would not be participating in the hearing. The Tenants stated that they received a copy of the Evidence Package and that all evidence submitted was included.

### PRELIMINARY MATTER

- [14] The Landlord did not provide the Rental Office proof of service of the Landlord Applications to the Tenants within five days, under section 76(2) of the *Residential Tenancy Act* (the "Act").
- [15] The Island Regulatory and Appeals Commission noted in Order LR25-14:

*The Commission's disposition in this matter is not with respect to the merits. Instead, the Commission finds that the Tenant failed to serve the Landlord with his application (1) within five days of making the application, as required by subsection 76(2) of the Residential Tenancy Act and (2) before the expiry of the six-month statutory limitation period set out in section 75 of the Act. Therefore, the Commission is without jurisdiction to make a finding on the merits of the Tenant's application.*

- [16] I find that the Landlord has not complied with subsection 76(2) of the Act. Therefore, I dismiss the Landlord Applications on a procedural basis.

### ISSUE

- A. Must the Landlord return the Tenants' four security deposits, plus interest, and compensation for double the security deposits?

### ANALYSIS

- [17] The Tenants stated that they are seeking a return of their security deposits. They stated that each of them moved into a separate room in the Residential Property at different times. T1 moved in on October 1, 2024, T2 moved in on September 7, 2024, T3 moved in on December 1, 2024, and T4 moved in on September 10, 2024.
- [18] The Tenants stated that they asked the Landlord for a written rental agreement, but the Landlord did not provide one to any of the Tenants.
- [19] The Tenants stated that they each provided the Landlord with a *Form 3 Tenant Notice of Termination* on December 15, 2024, and told the Landlord that they would be moving out of the Residential Property by the end of December 2024.
- [20] The Tenants stated that the Landlord told them that she was going to keep their security deposits for rent owed because each of them had agreed to stay until April 2025. They stated that the Landlord never served any of them with a copy of the Landlord Applications.
- [21] The Tenants stated that T4 moved out on December 19, 2024, and T1, T2, and T3 moved out on December 30, 2024.
- [22] I find that the Tenants did not provide proper notice to end their respective tenancies by December 31, 2024. To end their tenancies by December 31, 2024, the Tenants were required to provide the Landlord notice by November 30, 2024, under subsection 55(2) of the Act.
- [23] However, I find that the Landlord has not provided sufficient evidence, such as witness testimony, advertisements, or new tenancy agreements, to establish that adequate mitigation efforts have been taken to attempt to re-rent the Units, under section 46 of the Act. As such, I have insufficient evidence to establish when the Units were re-rented after the Tenants moved out.

- [24] Section 40 of the Act addresses the retention and return of a security deposit. After the tenancies ended, the Landlord had 15 days to either return the security deposits to the Tenants or apply with the Rental Office to keep the security deposits.
- [25] The evidence establishes that the Landlord filed the Landlord Applications on January 31, 2025. However, the evidence presented establishes that the Landlord did not serve the Landlord Applications to the Tenants within five days, or at all, under section 76(2) of the Act.
- [26] No earlier Rental Office decisions authorize the Landlord to keep the security deposits. At the end of the tenancies, the parties did not enter into written agreements permitting the Landlord to keep the security deposits.
- [27] I find that the Landlord did not comply with the Section 40 requirements for keeping the security deposits. Therefore, by operation of law, the Landlord must compensate the Tenants double their security deposits under subsection 40(4) of the Act.

### Form of Tenancy Agreement

- [28] The parties did not sign a written tenancy agreement, which is required under subsection 11(1) of the Act. The standard form tenancy agreement (*Form 1 – Standard Form of Tenancy Agreement*) is available on the Rental Office's website. The Landlord must ensure that any future tenancy agreements are in writing and contain the information required by the Act.

### CONCLUSION

- [29] I find that the Tenant Applications are allowed.
- [30] I find that the Landlord will return the Tenants' four security deposits, plus interest, and compensation of double the security deposits.
- [31] My calculations are as follows:

<b>T1</b>	<b>Amount</b>
Security deposit paid on Oct. 20/24	\$800.00
Interest (Oct. 20/24 – May 27/25)	\$11.64
Double security deposit	\$800.00
Total	\$1,611.64

<b>T2</b>	<b>Amount</b>
Security deposit paid on Aug. 12/24	\$920.00
Interest (Aug. 12/24 – May 27/25)	\$17.29
Double security deposit	\$920.00
Total	\$1,857.29

<b>T3</b>	<b>Amount</b>
Security deposit paid on Oct. 25/24	\$800.00
Interest (Oct. 25/24 – May 27/25)	\$11.40
Double security deposit	\$800.00
Total	\$1,611.40

<b>T4</b>	<b>Amount</b>
Security deposit paid on Aug. 12/24	\$780.00
Interest (Aug. 12/24 – May 27/25)	\$14.66
Double security deposit	\$780.00
Total	\$1,574.66

**IT IS THEREFORE ORDERED THAT**

1. The Landlord will pay T1 \$1,611.64 by June 27, 2025.
2. The Landlord will pay T2 \$1,857.29 by June 27, 2025.
3. The Landlord will pay T3 \$1,611.40 by June 27, 2025.
4. The Landlord will pay T4 \$1,574.66 by June 27, 2025.

**DATED** at Charlottetown, Prince Edward Island, this 27th day of May, 2025.

(sgd.) Mitch King

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Mitch 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.