

INTRODUCTION

- [1] This decision determines an application filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").
- [2] The Tenant seeks an order requiring the Landlord to pay double the security deposit plus interest minus the security deposit funds returned, in the net amount of \$1,018.14.

DISPOSITION

- [3] I find that the Landlord must pay the Tenant double the security deposit plus interest minus the security deposit funds returned, in the net amount of \$1,018.14.

BACKGROUND

- [4] The Unit is a bedroom with shared services and facilities located in a space containing four-bedrooms and one-bathroom owned by the Landlord.
- [5] The parties entered into a written, fixed-term tenancy agreement for the Unit from May 1, 2024 to April 30, 2025. Rent of \$750.00 was due on the first day of the month. A security deposit of \$750.00 was paid on April 8, 2024.
- [6] On February 16, 2025 the Tenant text messaged the Landlord stating that the Tenant would move out of the Unit by February 28, 2025. I have considered the date the tenancy ended in my analysis, below.
- [7] On February 28, 2025 the Tenant vacated the Unit.
- [8] On April 2, 2025 the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* (the "Application") with the Rental Office. On April 3, 2025 the Tenant served the Landlord with the Application.
- [9] On May 1, 2025 the Rental Office mailed and emailed the parties notice of a teleconference hearing scheduled for May 29, 2025.
- [10] On May 23, 2025 the Rental Office emailed the parties a 37-page evidence package ("EP").
- [11] On May 29, 2025 the Tenant joined the teleconference hearing for determination of the Application. The Rental Office earlier advised the parties that the hearing was proceeding thirty minutes after the original scheduled time.
- [12] The Landlord did not answer my telephone call and I left a voicemail message with the teleconference information and the Rental Office's telephone number. The hearing proceeded in the Landlord's absence.
- [13] The Tenant confirmed that all evidence that they submitted to the Rental Office was included in the evidence package. The Tenant submitted additional evidence during the hearing.

ISSUE

- A. Must the Landlord return double the security deposit to the Tenant with an offset for the security deposit funds already returned?

ANALYSIS

[14] Section 40 of 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] Based upon the evidence presented, I find that the Landlord has not complied with section 40 of the Act. As a result, the Landlord must pay the Tenant double the security deposit.

[16] The Landlord did not participate in the Rental Office's process for determination of the Application. The Landlord did not submit documentary evidence or participate in the teleconference hearing.

[17] The Tenant's February 16, 2025 text message to the Landlord was not adequate notice under subsection 55(3) the Act to terminate the tenancy as of February 28, 2025.

[18] However, the Landlord responded stating that the Landlord required 30-days' notice. The Landlord appears to have permitted the Tenant to end the tenancy agreement earlier than the notice period in subsection 55(3).

[19] I note that thirty days after February 16, 2025 is March 18, 2025. This would mean that the latest date for the Landlord to file an application with the Rental Office or return the security deposit would have been April 2, 2025. The Landlord did not file an application or return the security deposit during this period.

[20] The Tenant's documentary evidence included an e-Transfer document with transfer details showing payment of \$500.00 on April 3, 2025 (EP37).

[21] Further, the Landlord has not provided evidence regarding when the Unit was re-rented.

[22] The Landlord's text message stating that the full security deposit would be returned (EP36) to the Tenant and the Landlord's \$500.00 security deposit payment to the Tenant on April 3, 2025 would normally indicate that the Landlord re-rented the Unit near the beginning of March.

[23] If the Landlord re-rented the Unit near the beginning of March, then the Landlord was required to file an application with the Rental Office or return the security deposit sometime in mid-March, which did not occur.

- [24] Based upon the evidence presented, I find that the Landlord did not comply with subsection 40(1).
- [25] There are no earlier Rental Office decisions authorizing the Landlord to retain the security deposit under subsection 40(2).
- [26] The parties did not come to a written agreement that the Landlord could retain the security deposit and there is no Rental Office order under subsection 40(3).
- [27] As a result, the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit in accordance with subsection 40(4).
- [28] The Landlord's \$500.00 payment to the Tenant on April 3, 2025 offsets this Tenant compensation.
- [29] The Landlord must pay the net amount of \$1,018.14 to the Tenant by the timeline below, calculated as follows:

Item	Amount
Security Deposit (paid 8 APR 2024)	\$750.00
Interest on \$750.00 (8 APR 2024 to 2 APR 2025)	\$17.08
Interest on \$250.00 (3 APR 2025 to 4 JUN 2025)	\$1.06
Double Security Deposit (subsection 40(4))	\$750.00
Landlord return of \$500.00 (3 APR 2025)	-\$500.00
Total	\$1,018.14

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$1,018.14 by July 4, 2025.

DATED at Charlottetown, Prince Edward Island, this 4th day of June, 2025.

(sgd.) Andrew Cudmore

Andrew Cudmore
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.