

INTRODUCTION

- [1] This decision determines an application filed with the Residential Tenancy Office ("Rental Office") under the *Residential Tenancy Act* ("Act").
- [2] The Tenant seeks an order requiring the Landlord to pay double the security deposit balance, including interest.

DISPOSITION

- [3] The Landlord must pay the Tenant \$406.22 by the timeline below.

BACKGROUND

- [4] The Unit is a three-bedroom, one-bathroom semi-detached unit, owned by the Landlord.
- [5] On June 1, 2018 the parties entered into a written, fixed-term tenancy agreement, which renewed each year. A security deposit of \$1,250.00 was paid at the beginning of the tenancy. Rent in the amount of \$1,360.00 was due on the first day of the month.
- [6] The Tenant vacated the Unit on March 31, 2025 and the tenancy ended by mutual agreement.
- [7] On April 1, 2025 the parties agreed that the Landlord could keep a portion of the security deposit to pay for the oil tank refill.
- [8] On April 26, 2025 the Landlord emailed the Tenant keeping \$845.00 for the oil tank refill. The Landlord also wanted to keep \$280.00 for cleaning and \$40.00 for repairs. The Tenant disagreed with the Landlord keeping the security deposit for cleaning and repairs.
- [9] On May 7, 2025 the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* ("Application") with the Rental Office seeking the return of the security deposit and double the security deposit.
- [10] On May 15, 2025 the Landlord sent the Tenant a check in the amount of \$510.00 (\$1,250.00 security deposit plus \$105.00 accrued interest minus \$845.00).
- [11] On July 8, 2025 the Rental Office sent the parties notice of a teleconference hearing scheduled for August 12, 2025, along with a copy of the Application.
- [12] On August 7, 2025 the Rental Office emailed the parties a 22-page PDF evidence package.
- [13] On August 12, 2025 the Tenant and the Landlord joined the teleconference for determination of the Application. The parties confirmed all evidence that they submitted to the Rental Office was included in the evidence package.

ISSUE

- A. Must the Landlord return double the security deposit balance?

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 balance.

[16] The evidence establishes that the security deposit was \$1,250.00. The tenancy ended by mutual agreement on March 31, 2025. The Landlord had until April 15, 2025 to either return the security deposit balance or file a *Form 2(B) Landlord Application to Determine Dispute* to keep all or a portion of the Tenant's security deposit. The Landlord did not do either.

[17] However, the evidence establishes that the parties agreed that the Landlord could keep \$845.00 to refill the oil tank. The parties did not agree that the Landlord could keep the security deposit for any additional expenses.

[18] The Landlord withheld \$405.00 (\$1,250.00 minus \$845.00) of the Tenant's security deposit unlawfully. Therefore, the Landlord must compensate the Tenant double the security deposit which was unlawfully kept.

[19] The Landlord returned \$510.00 (\$405.00 remaining balance plus \$105.00 interest). The Tenant stated that he has not cashed the cheque and was waiting for the outcome of the hearing. The parties agreed that the \$510.00 could be offset against the balance owed in this decision.

[20] I find that the Landlord must pay the Tenant double the security deposit on the remaining balance which was not returned or agreed upon to be kept (\$405.00). The Landlord must also pay the Tenant the accrued interest on the \$405.00 balance which was unlawfully retained from April 1, 2025 to May 15, 2025, which is the date the Landlord forwarded the cheque to the Tenant.

[21] The Application is allowed.

[22] The Landlord must pay the Tenant \$406.22 by the timeline below, calculated as followed:

Security deposit:	\$1,250.00
Minus agreement to refill oil tank:	(\$845.00)
Balance:	\$405.00
Interest on full security deposit (1-JUN-18 to 31-MAR-25):	\$105.00
Minus return of the security deposit and interest on May 15, 2025:	(\$510.00)
Double the security deposit unlawfully kept by the Landlord:	\$405.00
Interest on \$405.00 (1-APR-25 to 15-MAY-25):	\$1.22
Balance owed:	\$406.22

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$406.22 by September 12, 2025.

DATED at Charlottetown, Prince Edward Island, this 12th day of August, 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.