

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, including interest, in the amount of \$1,740.61.

DISPOSITION

- [3] I find that the Landlord must pay the Tenant double the security deposit, including interest, in the amount of \$1,740.61.

BACKGROUND

- [4] The Unit is a bedroom in a two-bedroom, one-bathroom apartment in a multi-unit building.
- [5] The Tenant moved into the Unit on September 1, 2023. The parties entered into a written tenancy agreement. Rent in the amount of \$850.00 was due on the first day of the month. The Tenant also paid \$60.00 a month in utilities. A \$850.00 security deposit was paid before the Tenant moved into the Unit.
- [6] In early to mid-February, 2025 the Tenant gave the Landlord notice that she was vacating the Unit on March 31, 2025. At the time of the notice the tenancy was on a monthly basis.
- [7] On March 31, 2025 the Tenant vacated the Unit and the tenancy ended.
- [8] On June 10, 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.
- [9] On July 22, 2025 the Rental Office mailed and emailed the parties notice of a teleconference hearing scheduled for September 2, 2025, including the Application.
- [10] On August 26, 2025 the Rental Office emailed the parties an 18-page PDF evidence package.
- [11] On September 2, 2025 the Tenant joined the teleconference hearing for determination of the Application. The Landlord did not join the teleconference hearing. I was unable to reach the Landlord by telephone. The hearing proceeded ten minutes after the scheduled time. The Tenant confirmed that all evidence submitted to the Rental Office was included in the evidence package.

ISSUE

- A. Must the Landlord return double the security deposit to the Tenant?

ANALYSIS

- [12] 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.*

[13] The Island Regulatory and Appeals Commission in Order LR25-20 made the following comments regarding section 40 of the Act, stating (paragraph 16):

"These are mandatory provisions and neither the Rental Office nor the Commission has discretion to vary these provisions."

[14] 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.

[15] 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. The Landlord emailed the Rental Office on two separate occasions, stating that he intended to file a *Form 2(B) Landlord Application to Determine Dispute*. However, the Landlord did not file an application with the Rental Office.

[16] The Tenant stated that in early to mid-February, 2025 she gave notice to the Landlord that she was vacating the Unit and ending the tenancy on March 31, 2025. The Tenant stated that at the time, the tenancy was on a monthly basis and that she did not have a copy of the written tenancy agreement nor ever signed a renewed fixed-term.

[17] I am satisfied that the tenancy ended March 31, 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 15, 2025. The Landlord did not file an application or return the security deposit during this period.

[18] Based upon the evidence presented, I find that the Landlord did not comply with subsection 40(1).

[19] There are no earlier Rental Office decisions authorizing the Landlord to retain the security deposit under subsection 40(2).

[20] The parties did not come to a written agreement that the Landlord could retain the security deposit and there is no Rental Officer order under subsection 40(3).

[21] As a result, the Landlord must pay the Tenant double the security deposit, including interest on the original security deposit in accordance with subsection 40(4).

[22] The Landlord must pay the Tenant \$1,740.61 by the timeline below, calculated as follows:

Item	Amount
Security Deposit (paid AUG 2023)	\$850.00
Interest on \$850.00 (AUG 2023 to 3 SEP 2025)	\$40.61
Double Security Deposit (subsection 40(4))	\$850.00
Total	\$1,740.61

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$1,740.61 by October 3, 2025.

DATED at Charlottetown, Prince Edward Island, this 3rd day of September, 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.