

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 a return of double the security deposit, including interest, in the amount of \$2,036.71.

DISPOSITION

- [3] I find that the Tenant has established a claim for double the security deposit, including interest, in the amount of \$2,036.71.
- [4] The Landlord must pay the Tenant \$2,036.71 by the timeline below.

BACKGROUND

- [5] The Unit is one-half of a duplex owned by the Landlord.
- [6] On June 14, 2024, the parties entered into an oral monthly tenancy agreement for the Unit. Rent of \$1,280.00 was due on the first day of the month. A \$1,000.00 security deposit was paid on June 10, 2024.
- [7] The Tenant moved out of the Unit on July 31, 2025 by mutual agreement.
- [8] On September 10, 2025, the Tenant filed an amended *Form 2(A) Tenant Application to Determine Dispute* (the "Application") with the Rental Office seeking the return of double the security deposit.
- [9] On October 17, 2025, the Rental Office sent the parties notice of a teleconference hearing scheduled for November 13, 2025.
- [10] On October 21, 2025, at the Landlord's request, the Rental Office sent the parties notice of a rescheduled teleconference hearing for December 4, 2025.
- [11] On November 10, 2025, the Rental Office sent the parties an updated notice of a teleconference hearing scheduled for December 4, 2025, with the hearing time updated from 11:00 am to 1:00 pm.
- [12] On November 18, 2025, the Rental Office sent the parties a 17-page evidence package.
- [13] On December 4, 2025, the Tenant called into the teleconference hearing. I called the Landlord and left a voicemail. I waited ten minutes, but the Landlord did not participate in the hearing. The Tenant confirmed that all the evidence she submitted to the Rental Office was included in the evidence package.
- [14] After the hearing, the Tenant provided additional evidence, which was shared with the Landlord. The Landlord provided no additional submissions.

ISSUE

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

EVIDENCE

- [15] The Tenant stated that she provided the Landlord notice on July 19, 2025, that she would be moving out of the Unit by the end of July 2025, and the Landlord agreed to end the tenancy at that time.
- [16] The Tenant stated that on July 31, 2025, she messaged the Landlord to inform them that she had moved out of the Unit. On August 6, 2025, the Landlord notified the Tenant that she would receive her full security deposit back.
- [17] On August 14, 2025, the Tenant messaged the Landlord about the security deposit, as she had not received it back. The Landlord replied that he had sent it the day before, but must have sent it to the wrong email address. The Tenant provided the Landlord with an updated email address for the e-Transfer.
- [18] The Tenant stated that she has not had any communication with the Landlord since August 14, 2025, and she has not received her security deposit back. Messages between the parties were submitted as evidence.

ANALYSIS

- [19] Section 40 of the Act addresses the retention and return of a security deposit:
- (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.*
- [20] The Tenant provided undisputed evidence establishing that the parties agreed to end the tenancy on July 31, 2025 and that the Landlord agreed to return the security deposit to the Tenant.
- [21] As the tenancy ended on July 31, 2025, the Landlord had until August 15, 2025 (15 days from July 31, 2025) to either return the security deposit or apply to the Rental Office to claim against it; however, the Landlord did neither.
- [22] There are no earlier Rental Office decisions authorizing the Landlord to keep the security deposit. There is insufficient evidence that the parties entered into a written agreement permitting the Landlord to keep the security deposit.

- [23] I find that the Landlord did not comply with the Section 40 requirements for keeping a security deposit. Therefore, under subsection 40(4) of the Act, the Landlord must, by the timeline below, compensate the Tenant with double the security deposit, including interest on the principal amount, in the amount of \$2,036.71. The interest is calculated from the security deposit payment date to the date of this Order.

Mandatory Tenancy Agreement Information

- [24] For all tenancy agreements commencing on or after April 8, 2023, landlords are required to prepare written tenancy agreements in accordance with sections 10 and 11 of the *Act*.
- [25] 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 all mandatory information is included in the Landlord's tenancy agreements.

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$2,036.71 by January 19th, 2026.

DATED at Charlottetown, Prince Edward Island, this 18th day of December, 2025.

(sgd.) Mitch King

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.