

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 for a total claim of \$3,639.22.

DISPOSITION

- [3] The Landlord and the Respondent, who I find are jointly and severally liable, must pay the Tenant \$3,639.22 by the timeline below.

BACKGROUND

- [4] The Unit is an apartment in a multi-unit building owned by the Landlord.
- [5] On May 6, 2025, the Tenant paid the Respondent a security deposit of \$1,800.00 for the Unit. The Tenant and the Respondent signed a tenancy agreement for the Unit, dated May 6, 2025, listing the Landlord and the Respondent as the landlords. The Tenant did not move into the Unit.
- [6] On July 3, 2025, the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* (the “Application”) with the Rental Office seeking a return of double the security deposit, including interest. The Tenant named the Landlord and the Respondent as respondents to the Application. The Tenant served the Application to the Respondent by email on June 30, 2025.
- [7] On August 22, 2025, the Rental Office sent the Tenant and the Respondent notice of a paper-based hearing with a first submission deadline of September 4, 2025.
- [8] On September 5, 2025, the Rental Office sent the Tenant and the Respondent an evidence package with a second submission deadline of September 11, 2025.
- [9] On September 16, 2025, a copy of the evidence package was sent to the Landlord’s representative (the “Landlord’s Representative”). The Landlord’s Representative was provided with a response submission deadline of September 22, 2025.
- [10] On September 23, 2025, a response evidence package was sent to the parties.
- [11] On October 2, 2025, the Landlord’s Representative provided an additional submission, which was shared with the parties.
- [12] On October 2, 2025, the Island Regulatory and Appeals Commission (the “Commission”) issued Order LR25-46, which is similar to this dispute, as it involved the Landlord, the Landlord’s Representative, the Respondent, and the Unit, but not the Tenant.
- [13] On October 15, 2025, the Rental Office sent the Landlord a copy of the Application and all evidence submitted to date. The Landlord notified the Rental Office that the Landlord’s Representative was representing the Landlord in this matter.
- [14] On October 16, 2025, the Rental Office sent the parties a copy of Order LR25-46, which was added to the record as Director’s Evidence.
- [15] The Landlord’s Representative and the Respondent both requested additional time to submit evidence. The Landlord and the Respondent provided additional submissions, which were shared with the other parties.

- [16] On January 26, 2026, the evidence previously submitted to the Rental Office by the Tenant was emailed to the parties, as it had not been sent previously. The parties were provided with a response deadline of January 28, 2026, and no further submissions were received.
- [17] I have reviewed all of the evidence submitted and prepared this Order.

ISSUES

- A. Was there a tenancy agreement between the Tenant, the Landlord, and the Respondent?
- B. Must the Tenant be compensated double the security deposit?

EVIDENCE

Tenant's evidence and submissions

- [18] The Tenant stated that his security deposit of \$1,800.00 was never returned.
- [19] The Tenant stated that on May 6, 2025, he and the Respondent entered into a written fixed-term tenancy agreement for the Unit, commencing on June 1, 2025. In the tenancy agreement, the Landlord and the Respondent are both listed as the "landlords," and the Respondent is also listed as the "Superintendent or Property Manager" of the Unit.
- [20] The Tenant provided a May 6, 2025, email from the Respondent's company's email address stating that his "rental application" for the Unit was approved and that he had to provide some additional information and pay the security deposit. On May 6, 2025, the Tenant paid the Respondent a security deposit of \$1,800.00.
- [21] The Tenant provided emails dated May 20, 2025, from the Respondent's company's email address stating, "*We cannot proceed with your application as your lease offer expired yesterday,*" and that the Unit had been offered to another tenant.
- [22] On May 20, 2025, the Tenant sent the Respondent's company an email stating, "*I have sent you an another email this time. I did sent it before it looks like you haven't received it.*" Attached to the email was a document named "Lease Agreement.pdf."
- [23] The Tenant provided emails dated May 20, 2025, from the Respondent's company's email address stating that a copy of the signed tenancy agreement was due "*a week or 7 business days*" after May 6, 2025. Another email stated that the "*lease offer*" expired on May 19, 2025, and that the Unit had been offered to another tenant. The Tenant was told that his security deposit would be refunded.
- [24] On May 20, 2025, the Tenant replied to the Respondent's company's email address, agreeing to the refund of the security deposit. The Tenant stated that he has not received a refund of his security deposit despite requesting it several times.

Landlord's evidence and submissions

- [25] The Landlord's Representative stated that since 2023, she has often been approached by property managers seeking to rent properties at bulk prices.
- [26] The Landlord's Representative stated that she first met the Respondent in March 2023, and he told her that he was a property manager. In early March 2025, the Respondent contacted the Landlord's Representative and asked whether she had any vacant properties available for rent. The Respondent stated that he wanted to rent properties at bulk prices for subletting.

- [27] The Landlord's Representative submitted messages sent by the Respondent in May 2025, which stated:
- "Are there any other apartments? I do have many clients at this time, but the issue is that we need good apartments..."* and *"Also, keep me posted if more apartments come up."*
- [28] The Landlord's Representative stated that between March 2025 and May 2025, the Respondent rented four properties from her, which included the Unit. She stated that only one written agreement was signed between the Respondent and the Landlord's Representative, and no written agreements were signed for the other three properties, including the Unit.
- [29] The Landlord's Representative stated that on May 9, 2025, and May 13, 2025, the Respondent paid her \$500.00 and \$1,300.00 in "deposits" for the Unit. The parties agreed that the Respondent could take possession of the Unit on June 1, 2025, as the Respondent stated that he had a subtenant ("C.M.") ready to move in on June 1, 2025.
- [30] The Landlord's Representative stated that on June 16, 2025, she messaged the Respondent to inform him that he was overdue in paying rent for the four rental properties, stating:
- "You have too much payment didn't pay, owner is is very dissatisfied with my work" and "I know your family in the hospital, but I don't wanna lost my job."*
- [31] The Landlord's Representative stated that in June 2025, the Respondent paid \$7,000.00 toward rental arrears for the four rental properties, but he still owed \$6,100.00. In July 2025, the Respondent was \$12,700.00 in arrears.
- [32] The Landlord's Representative messaged the Respondent, stating, *"You have a lot of units with unpaid rent right now..."* The Respondent replied, stating, *"I know, and I do understand business. Sorry about that."*
- [33] The Landlord's Representative stated that on or about July 10, 2025, she learned that on May 8, 2025, the Respondent had signed a six-month tenancy agreement with C.M. for the Unit and received \$7,200.00 in advance rent payments, without the Landlord's Representative's knowledge or approval. (I note that this matter was determined in Commission Order LR25-46.)
- [34] The Landlord's Representative stated that until the Rental Office notified her of this matter, she did not know the Respondent had also entered into a separate tenancy agreement with the Tenant for the Unit. She stated that she had not received any of the Tenant's funds from the Respondent.

Respondent's evidence and submissions

- [35] The Respondent stated that there was never a written contract between himself and the Landlord's Representative. The Respondent stated he was only a manager/commission-based agent for the Landlord's Representative with respect to the Unit and other rental units, and he did not have any decision-making authority. The Respondent stated that he is still owed his commissions.
- [36] The Respondent stated tenants would pay him the security deposit and rent for rental units; however, the funds were then handed over in cash or transferred directly to the Landlord's Representative or the Landlord. He stated that any mishandling of funds would be the Landlord's Representative's responsibility.
- [37] The Respondent stated that the e-Transfer payments listed in evidence by the Landlord's Representative are accurate but incomplete. He stated that additional payments were made in cash, which was common because the Respondent had cash income from another business that he owned. The amounts the Landlord's Representative describes as "arrears" were paid in cash to the Landlord's Representative.

- [38] The Respondent stated that regarding the Tenant, he personally met with the Tenant, provided the tenancy agreement, and instructed the Tenant to sign and return the document within 24 hours. The Tenant missed the deadline and was notified that the tenancy agreement would not be honoured due to the delay in returning the signed agreement.

ANALYSIS

A. Was there a tenancy agreement between the Tenant, the Landlord, and the Respondent?

- [39] Subsections 1(h) and (x) of the Act define a landlord and tenant as follows:

(h) **“landlord”**, in relation to a rental unit, includes

(i) the owner of the rental unit, the owner’s agent or another person who, on behalf of the owner,

(A) permits occupation of the rental unit under a tenancy agreement, or
(B) exercises powers and performs duties under this Act or a tenancy agreement,

(ii) the heirs, assigns, personal representatives and successors in title to the owner,

(iii) a person, other than a tenant occupying the rental unit, who

(A) is entitled to possession of the rental unit, and
(B) exercises any of the rights of a landlord under a tenancy agreement or this Act in relation to the rental unit, and

(iv) a former landlord, as the context requires.

(x) **“tenant”** includes

(i) a person who is entitled to use or occupy a rental unit under a tenancy agreement,

(ii) the assigns and personal representative of a person referred to in subclause (i), and

(iii) when the context requires, a former or prospective tenant.

- [40] In Order LR25-46, the Commission determined a similar matter, which also involved the Landlord, the Landlord’s Representative, the Respondent, and the Unit, but not the Tenant. The Commission stated as follows:

*“37. ... the Commission finds that [the Respondent] was, **at the time the Agreement was entered into, acting as either an agent or another person on behalf of the property owner, thus meeting the definition of “landlord” under the Act** [emphasis added]. We are satisfied that, based on the evidence we heard, [the Landlord’s Representative] was the representative of the Landlord, but [the Landlord’s Representative] had undertaken an arrangement with [the Respondent] to assist her in marketing several rental units, including the Rental Unit at issue in this appeal. In effect, it would seem that there was a chain of representation with [the Respondent] reporting to [the Landlord’s Representative] and [the Landlord’s Representative] reporting to the Landlord.*

38. At the Rental Office hearing it seems that [the Landlord’s Representative] purported that [the Respondent] was a “tenant”. However, the Commission notes that no evidence of any written tenancy agreement between the Landlord and [the Respondent] was provided to the Commission. Nor was there any evidence that [the Respondent] ever occupied the Rental Unit. Further, there is evidence before the Commission that [the Respondent] was involved with [the Landlord’s Representative] on several other units. The Commission, therefore, finds it untenable that [the Respondent] was truly a “tenant” of the Rental Unit, while also being involved with other units...

41. Accordingly, the Commission finds that [the Respondent] was not a tenant but rather was assisting [the Landlord's Representative] and thus an agent or acting on behalf of the Landlord. Therefore, the Agreement entered into between [the Respondent] and [the tenant] was a tenancy agreement for the Rental Unit, not a subletting agreement...

47. In the Commission's opinion, any alleged lack of payment from [the Respondent] to the Landlord is a matter to be determined between them. A dispute between a landlord and an agent of a landlord is beyond the jurisdiction of the rental Office and the Commission..."

- [41] Similar to the Commission's finding, I find that the evidence supports that the Respondent entered into an arrangement with the Landlord's Representative to assist her in marketing several rental units, including the Unit owned by the Landlord. I further find that the evidence establishes that there was a chain of representation with the Respondent reporting to the Landlord's Representative and the Landlord's Representative reporting to the Landlord.
- [42] I find that the evidence establishes that, at the time the Respondent entered into the tenancy agreement with the Tenant, the Respondent was an agent or a person acting on behalf of the Landlord, making the Landlord liable to the Tenant.
- [43] I further find that, as an agent or a person acting on behalf of the Landlord, and by representing himself as a landlord on the tenancy agreement, the Respondent also meets the statutory definition of a "landlord" as defined by the Act, making the Respondent liable to the Tenant.
- [44] I find that the Respondent meets the statutory definition of a landlord because, on behalf of the Landlord, the Respondent agreed to permit the Tenant's occupation of the Unit under a tenancy agreement. Furthermore, the Respondent exercised the powers and performed the duties of the Landlord as defined by the Act by accepting a security deposit from the Tenant for the Unit
- [45] Additionally, clause 11(2)(b) of the Act states that a landlord shall ensure that the tenancy agreement complies with the requirements of the Act, which includes "the correct legal names of the landlord and tenant." In this case, the Respondent listed his name and the Landlord's name as the "correct legal names of the landlord" in the tenancy agreement.
- [46] Furthermore, because the Respondent represented himself as a landlord on the tenancy agreement, I find that the Respondent is prevented from now denying this fact.
- [47] As the Landlord and the Respondent are both "landlords" within the statutory definition under the Act, I find that both the Landlord and the Respondent are jointly and severally liable in this matter.
- [48] Finally, I find that the evidence does not establish a written tenancy agreement between the Landlord and the Respondent for the Unit. There is no evidence that the Respondent occupied the Unit, and I find that the Respondent was not a "tenant" of the Unit.
- [49] The evidence does not support the Landlord's Representative's assertion that the tenancy agreement was only between the Respondent and the Tenant or that the Respondent was subletting the Unit from the Landlord.
- [50] I note that any alleged payment disputes directly between the Respondent and the Landlord and/or the Landlord's Representative are outside the Rental Office's jurisdiction.
- [51] These findings are also consistent with the Commission's findings in Order LR25-46.

B. Must the Tenant be compensated double the security deposit?

- [52] I find that the Tenant has established a claim for double the security deposit, including interest, payable by the Landlord and the Respondent, who are jointly and severally liable to the Tenant.
- [53] 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.*
- [54] The Tenant and the Respondent provided conflicting evidence regarding the signing and receipt of the tenancy agreement.
- [55] The evidence establishes that on May 20, 2025, the Tenant emailed the Respondent's company a copy of the signed tenancy agreement, stating that the Tenant had previously sent it to the Respondent. The Respondent stated that the Tenant did not sign the tenancy agreement within the allotted 24-hour timeframe and, therefore, the tenancy agreement was not honoured.
- [56] The Tenant provided two emails, dated May 20, 2025, from the Respondent's company email address, stating that the offer for the Unit had expired. I note that these email messages are inconsistent: one states the offer expired between May 13, 2025, and May 15, 2025, while the other states it expired on May 19, 2025. The emails are also inconsistent with the Respondent's submission, stating that there was a 24-hour timeframe to sign the tenancy agreement. However, I find no evidence to support the Respondent's claim that the Tenant was advised in advance of a time restriction on signing the tenancy agreement.
- [57] Subsection 1(w) of the Act defines a tenancy agreement as "*an agreement, whether written or oral, express or implied, between a landlord and a tenant respecting possession of a rental unit, use of common areas and the provision of services and facilities.*"
- [58] Despite the parties' conflicting evidence as to when the tenancy agreement was signed, I find that the evidence establishes the Tenant was told on May 6, 2025, that his application for the Unit had been approved. Based upon the approval, the Tenant then paid the Respondent the \$1,800.00 security deposit that same day. Additionally, the evidence also establishes that the tenancy agreement was dated May 6, 2025, and the Respondent sent it to the Tenant on that date.

- [59] Therefore, I find that the evidence establishes that the parties entered into a tenancy agreement for the Unit as early as May 6, 2025, and no later than May 20, 2025.
- [60] However, the evidence establishes that the Tenant agreed to a refund of the security deposit on May 20, 2025. Therefore, I find that the tenancy agreement was terminated by mutual agreement on May 20, 2025, under subsection 51(3) of the Act, which states that “*A landlord and a tenant may make a written agreement, other than a tenancy agreement, to end a tenancy.*”
- [61] As such, I find that the Landlord and the Respondent (as a landlord) being jointly and severally liable to the Tenant, had until June 4, 2025 (15 days from May 20, 2025), at the latest, to either return the security deposit or apply with the Rental Office claiming against the security deposit; however, they did neither.
- [62] There are no earlier Rental Office decisions authorizing the Landlord or the Respondent to keep the security deposit. There is no evidence that the parties entered into a written agreement permitting the Landlord or the Respondent to keep the security deposit.
- [63] I find that the Landlord and the Respondent did not comply with the section 40 requirements for keeping a security deposit. Therefore, by operation of law, the Landlord and the Respondent, being jointly and severally liable to the Tenant, must compensate the Tenant double the security deposit, including interest on the principal amount, under subsection 40(4) of the Act.

CONCLUSION

- [64] I find that the Respondent, acting as the Landlord's agent, or a person acting on behalf of the Landlord, entered into a signed tenancy agreement with the Tenant, binding the Landlord and the Tenant.
- [65] I find that the Respondent also represented himself as a landlord in the tenancy agreement, thereby making him a landlord within the meaning of the Act and binding him as a landlord in this matter. Therefore, the Landlord and the Respondent are jointly and severally liable to the Tenant.
- [66] I find that the Tenant has established a claim for double the security deposit, including interest, totalling \$3,639.22, payable by the Landlord and the Respondent, by the timeline below.
- [67] My calculations are as follows:

Item	Amount
Security Deposit	\$1,800.00
Interest (May 6/25 – March 12/26)	\$39.22
Double Security Deposit	\$1,800.00
Total	\$3,639.22

IT IS THEREFORE ORDERED THAT

1. The Landlord and the Respondent must pay the Tenant \$3,639.22 by April 13, 2026.

DATED at Charlottetown, Prince Edward Island, this 12th day of March, 2026.

(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.