

**INTRODUCTION**

- [1] This decision determines two applications filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").
- [2] The Landlord seeks to keep part of the Tenants' security deposit for a missing window screen, missing keys and moving expenses related items, in the amount of \$414.94.
- [3] The Tenants seek bad faith compensation from the Landlord in the amount of \$6,124.13.

**DISPOSITION**

- [4] I find that the Tenants are responsible for the missing window screen, in the amount of \$52.79. The Landlord's other security deposit claims are denied. The security deposit balance, including interest, totals \$548.44. The Landlord must return to the Tenants the amount of \$495.65.
- [5] I find that the Landlord must pay the Tenants bad faith compensation in the amount of \$2,500.00, being \$833.33 per tenant.
- [6] The Landlord must pay the Tenants the total amount of \$2,995.65 by the timeline below.

**BACKGROUND**

- [7] The Unit is a three-bedroom, three-bathroom bungalow that the Landlord has owned for about 3.5 years.
- [8] The Landlord, the Tenants ("CB", "BW" and "MM") and another tenant ("JH") entered into a written, fixed-term tenancy agreement from October 1, 2022 to September 30, 2023, which then continued on a monthly term (the "Tenancy Agreement"). The Tenants and JH paid the Landlord a security deposit of \$2,500.00 at the beginning of the tenancy. Rent in the amount of \$2,500.00 was due on the first day of the month.
- [9] Around mid-December of 2024 JH moved out of the Unit.
- [10] On August 26, 2025 the Landlord served the Tenants with a *Form 4(B) Eviction Notice* with an effective date of November 1, 2025 for purchasers (the "Purchasers") wanting possession of the Unit. On August 27, 2025 the Landlord's realtor (the "Realtor") provided the Tenants with an affidavit from the Purchasers (the "Affidavit") which stated that they intended to take possession of the Unit on or after November 1, 2025.
- [11] Around August 31, 2025 MM moved out of the Unit.
- [12] On October 10, 2025 the Landlord returned to JH \$625.00 of the security deposit funds.
- [13] On October 31, 2025 the Tenants vacated the Unit.
- [14] On November 1, 2025 the Landlord paid the Tenants \$1,231.18 for moving expenses. The Landlord provided the Tenants with one-month's rent compensation by not collecting October 2025 rent.
- [15] On November 12, 2025 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking to keep part of the Tenant's security deposit. The Landlord transferred \$1,460.06 of the security deposit funds to the Tenants and held back the \$414.94 balance.
- [16] On November 14, 2025 the Tenants filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking compensation for a bad faith eviction.

- [17] On December 9, 2025 the Rental Office sent the parties notice of a teleconference hearing scheduled for January 27, 2026.
- [18] On January 8, 2026 the Rental Office provided the parties with a 56-page PDF evidence package.
- [19] On January 27, 2026 the hearing was postponed to January 28, 2026 in accordance with the notice of hearing because of a winter storm closure.
- [20] On January 28, 2026 the Landlord and the Tenants participated in the hearing. The parties stated that all evidence submitted to the Rental Office was included in the evidence package.
- [21] The parties were permitted to submit additional evidence after the hearing. In particular, the Tenants were permitted to submit documents regarding their actual electricity, internet and furnace oil expenses while living in the Unit. However, only the Landlord submitted one additional document.

### ISSUES

- A. Has the Landlord established claims against the Tenants for a window screen, keys and moving expenses related items?
- B. Have the Tenants established a bad faith compensation claim?
- C. If the Tenants have established a bad faith claim, then what is the amount of compensation?
- D. Was the Notice invalid because the Affidavit was served after the Notice? Does this impact the Tenants' right to compensation?

### ANALYSIS

- A. Has the Landlord established claims against the security deposit for a window screen, keys and moving expenses?**

- [22] Clause 39(2)(a) of the *Act* provides the damage standard at the end of a tenancy, stating as follows:

*When a tenant vacates a rental unit, the tenant shall*

*(a) leave the rental unit reasonably clean and undamaged, except for reasonable wear and tear...*

- [23] For the reasons below, I find that the Landlord has established a claim for a replacement window screen. The Landlord's other claims are denied.

### Missing Window Screen

- [24] The Landlord stated that the master bedroom window screen was missing at the end of the tenancy. The Landlord looked throughout the Unit but was unable to find it. In particular, the Landlord searched the basement storage room "*high and low*" but was unable to find the screen. It cost the Landlord \$52.79 for a replacement screen.
- [25] The Tenants stated that they removed the window screen in the summer of 2023 and placed it in the basement's storage room to allow for the installation of an air conditioning unit. The Tenants did not re-install the screen at the end of the tenancy. The Tenants do not remember seeing the screen around the time that they moved out.

- [26] The evidence presented establishes that the window screen was present at the beginning of the tenancy. The Tenants moved the window screen to the Unit's basement early in the tenancy. The Tenants should have reinstalled the screen in its original location at the end of the tenancy. The Tenants do not recall seeing the screen at the end of the tenancy. I am satisfied that the Landlord completed a thorough search and the screen was not located. Based upon the evidence presented, I find that the screen was lost during the tenancy while the Tenants occupied the Unit after the Tenants moved it.
- [27] I find that the Tenants are responsible for the replacement screen, in the amount of \$52.79.

### Missing Keys

- [28] The Landlord stated that the Tenants were provided with three sets of keys at the beginning of the tenancy. The Landlord was not certain whether there were two keys for each set. The Tenants only returned one key, which only unlocked the Unit's back door. The Landlord purchased two replacement lock sets for \$59.75.
- [29] The Landlord stated that around the end of the tenancy he received a text-message from one of the Tenants apologizing and stating that they would contact JH regarding additional keys.
- [30] The Landlord stated that it is possible JH took keys with him when he moved out. JH was the Landlord's main contact person until JH moved out.
- [31] The Landlord stated that a written move-in inspection was not completed at the beginning of the tenancy.
- [32] The Tenants stated that they returned the two sets of keys that they were given. CB and BW shared a set of keys and MM had a set of keys. The Tenants do not know whether JH returned his keys. JH moved out of the Unit around mid-December of 2024.
- [33] I find that the Landlord has not established a claim for replacement locks. There is insufficient evidence to establish that the Tenants failed to return the keys that they were originally provided to them. In this case there was no written move-in inspection report or other documentation identifying what keys were originally provided to the Tenants.
- [34] It is unclear whether JH returned his set of keys.
- [35] However, in the circumstances of this case where JH was originally the Landlord's main contact person, JH and the Landlord directly communicated, and the Landlord directly provided JH with his entire \$625.00 share of the original security deposit, I find that the Landlord should have addressed any of JH's missing keys directly with JH.
- [36] As a result, the Landlord's claim of \$59.75 for changing the Unit's locks is denied.

### Moving Expenses Related Items

- [37] The Landlord is seeking \$310.19 related to moving expenses compensation that the Landlord provided to the Tenants. The Tenants purchased storage containers (\$275.24) and a TV-expandable kit (\$34.95) and the Landlord reimbursed these expenses. The Landlord argued that he should be credited with these funds or the Tenants should provide the storage containers to the Landlord.
- [38] The Tenants' evidence is summarized as follows. MM put her personal property in storage containers and took them to a storage location. MM's personal property remained in storage as of the hearing date and are still in use.

[39] BW stated that he purchased an expandable cardboard box to store a valuable, delicate, OLED television screen. The television remains in the box.

[40] Sections 72 and 73 provide the compensation rules regarding a termination notice served under section 63 for purchasers' occupation of a rental unit. These sections state as follows:

*A landlord shall compensate a tenant who receives a notice of termination of a tenancy under section 62 or 63 in an amount equal to one month's rent plus reasonable moving expenses in accordance with the regulations or offer the tenant another rental unit acceptable to the tenant.*

*Where the landlord is required to compensate a tenant under section 70, 71 or 72, the landlord shall compensate the tenant no later than the termination date specified in the notice of termination of the tenancy given by the landlord.*

[41] Subsection 6(1) of the *Residential Tenancy Regulations* limits the moving expenses amount as follows:

*For the purposes of subsections 70(1) and (2) and sections 71 and 72 of the Act, reasonable moving expenses are the lesser of the actual expenses of the move or one month's rent.*

[42] There is no requirement in these provisions for the Tenants to return or credit the Landlord for items that the Tenants purchased to assist with moving. Further, the Tenants' evidence establishes that the storage containers and the TV box are still being used by the Tenants. As a result, I find that the Landlord's claims for the storage containers and the TV box are denied.

[43] The security deposit balance, including interest, totals \$548.44 calculated as follows:

Item	Amount
Security deposit balance	\$414.94
Interest on \$1,875.00 (1 OCT 2022 to 11 NOV 2025)	\$129.52
Interest on \$414.94 (12 NOV 2025 to 23 MAR 2026)	\$3.98
Subtotal	\$548.44

[44] For these reasons, I find that the Landlord will keep \$52.79 of the security deposit and pay the Tenants the balance of \$495.65.

**B. Have the Tenants established a bad faith compensation claim?**

[45] For the reasons below, I find that the Tenants have established a bad faith compensation claim.

[46] The Tenants' evidence is summarized as follows.

[47] On May 22, 2025 the Landlord indicated to the Tenants that he wished to sell the Unit shortly after a dispute arose regarding the Tenants' right to privacy and quiet enjoyment of the Unit.

[48] The Tenants stated that they struggled with communications with the Landlord and the Realtor. The Tenants felt that they were left in the dark regarding the eviction process because the Landlord and the Realtor were frequently non-responsive to the Tenants' communications. The Tenants believe that the Realtor stopped responding to communications because the sale had fallen through.

[49] On November 6, 2025 CB and BW noticed that the "Sold" sign for the Unit had been removed. On November 8, 2025 they telephoned the Realtor and were told that the Unit was still for sale. On November 9, 2025 the Unit was posted for sale on Facebook.

- [50] The Tenants question whether the Landlord was required to disclose that the sale had fallen through. The Tenants stated if they had known that the sale was not proceeding, then they would have continued living in the Unit.
- [51] The Landlord's evidence is summarized as follows.
- [52] The Landlord stated that he acted in good faith regarding the Notice.
- [53] The Landlord served the Notice because he believed that the Unit was sold. The Landlord submitted into evidence a copy of the agreement of purchase and sale dated July 20, 2025. The Landlord stated that the Purchasers owned and lived in a mobile home that was being sold to help purchase the Unit. The Purchasers' deal selling the mobile home fell through because the mobile home had to be moved. As a result, the Purchasers were unable to obtain the funds to purchase the Unit.
- [54] The Landlord submitted into evidence a document titled *Prince Edward Island Real Estate Association Mutual Release* dated October 27, 2025 that provides for the release of the real estate transaction deposit. The Landlord was unsure of the exact date that he was aware that the transaction would not proceed but it was close to October 27, 2025. The Landlord stated that the Purchasers were "*struggling real hard*" to get their financing in place and it was not until the final hour that the Purchasers "*threw in the towel.*"
- [55] The Landlord stated that he did not tell the Tenants that the real estate deal had fallen through because the relationship with the Tenants had soured. The Tenants had previously alleged that the Landlord was looking in their windows. The Landlord had previously received a text-message from MM stating that he was not allowed to attend the Unit without 48 hours notice. The Tenants also were not picking up all of their dog's feces on the Unit's lawn.
- [56] The parties agree that the Landlord did not notify the Tenants that the real estate transaction underlying the Notice had fallen through.
- [57] I note that one of the overarching purposes of the *Act* is security of tenure. This means that tenants have a right to continue living in their rented home unless there is a lawful basis for the tenancy ending (subsection 51(3)).
- [58] The *Act* specifies the reasons that landlords can end tenancies.
- [59] Section 60 permits landlords to end tenancies based upon non-payment of rent. Section 61 permits landlords to end tenancies for 12 listed reasons which mainly relate to problematic tenant behaviour.
- [60] Section 60 and 61 are retrospective because these grounds of eviction are based upon past tenant behaviour (events that have already occurred).
- [61] Sections 62 to 64 permit landlords to end tenancies based upon prospective landlord behaviour (events that are planned to occur in the future).
- [62] These grounds include future landlord occupation (section 62), purchaser occupation (section 63), demolition, conversion and renovation (section 64).
- [63] The Landlord served the Notice under subsection 63(1), which states in part:

*A landlord of a residential property that contains fewer than three rental units who has entered into an agreement of purchase and sale of the residential property may, on behalf of the purchaser, give the tenant of a rental unit in the residential property a notice of*

*termination if the purchaser in good faith requires possession of the rental unit for the purpose of residential occupation by*

*(a) the purchaser...*

[64] Subsection 65(1) states:

*A former tenant may make an application to the Director under section 75 to determine whether a landlord gave a notice of termination under sections 62, 63 or 64 in bad faith.*

[65] An essential component of purchaser occupation evictions is that the purchasers must in “good faith” require possession of the rental unit. This means that the purchasers must genuinely intend to occupy the rental units.

[66] The Landlord was the party responsible for communicating the Purchasers’ good faith intention to the Tenants.

[67] I am satisfied that initially, at the time the Notice was served, the Purchasers genuinely intended to occupy the Unit. The Landlord’s testimony, the agreement of purchase and sale, the Affidavit, and the deposit release document establish that there was a planned real estate transaction for the Unit and the Tenants needed to move out based upon the terms for this transaction. I note that clause 1 of the agreement of purchase and sale required the Landlord to provide the Purchasers with vacant possession of the Unit, which was incompatible with the Tenants continuing to live in the Unit.

[68] I accept the Landlord’s evidence that the real estate transaction fell through because the Purchasers ultimately could not finance the real estate purchase.

[69] At the latest, the Landlord knew on October 27, 2025 that the Purchasers would not be moving into the Unit. On this date the Landlord and the Purchasers completed a release of the real estate transaction deposit.

[70] On October 27, 2025 or earlier, the Landlord knew that the Purchasers would not be occupying the Unit and vacant possession was therefore unnecessary. The purpose for ending the tenancy stated in the Notice was no longer applicable. The planned future event would not occur because of the failed real estate transaction.

[71] In the context of the Tenants’ right to security of tenure and the good faith obligations in subsection 63(1), I find that the Landlord had a duty to inform the Tenants that the Notice was no longer valid and the Tenants could continue living in the Unit if they wanted.

[72] The Landlord had a continuing obligation to act in good faith. The obligation was not limited to the moment that the Notice was served. This requirement is consistent with the Landlord’s common law obligation of good faith contractual performance (see Order LR25-58).

[73] The evidence presented establishes that CB and BW continued to live in the Unit until October 31, 2025 and MM would have been able to move back into the Unit. I accept CB and BW’s evidence that they could have cancelled their new tenancy agreement with limited repercussions.

[74] Instead of informing the Tenants that they could continue living in the Unit, the Landlord remained silent. The “Sold” sign remained posted at the Unit until after the Tenants left.

[75] At the hearing, the Landlord acknowledged that the reason he did not inform the Tenants was because the relationship had “soured.”

- [76] The Rental Office frequently determines matters where landlord-tenant relations have deteriorated. However, a “soured” relationship alone is not a lawful basis for ending a tenancy and it clearly was not the basis for ending the tenancy in the Notice. The Landlord essentially evicted the Tenants for a different reason and without providing the Tenants an opportunity to dispute it.
- [77] Based upon the evidence presented I find that the Landlord ended the tenancy in bad faith. The Landlord had a duty to inform the Tenants that they could continue renting the Unit. Instead, the Landlord essentially evicted the Tenants because their relationship had soured and he did not want to rent to the Tenants anymore.
- [78] In Canadian Provincial and Territorial residential rental landlord and tenant statutes, the term “bad faith” is only used in Prince Edward Island and Ontario.
- [79] Section 65 of the *Act* and section 57 of Ontario’s *Residential Tenancies Act, 2006*, SO 2006, c 17 (“*ONRTA*”) have similar bad faith compensation provisions.
- [80] Section 63 of the *Act* and section 49 of the *ONRTA* also have similar provisions regarding termination notices when purchasers occupy rental units.
- [81] I note that the Ontario Court of Appeal considered bad faith in the case *Elkins v. Van Wissen*, 2023 ONCA 789. It was determined that under the *ONRTA* the bad faith analysis is not restricted to the point that a termination notice is served (paragraph [43]):

*“On a plain reading of ss. 49(1) and 57(1)(b), the landlord’s conduct is linked to the purchaser’s good faith. Section 49(1) permits the landlord to, on behalf of the purchaser, give the tenant a termination notice so long as the purchaser, in good faith, requires possession of the rental unit for the purpose of residential occupation. Section 57(1)(b) requires the Board to determine, among other things, whether the landlord gave the s. 49 termination notice in bad faith. When ss. 49(1) and 57(1)(b) are read together, it is clear that the object of those provisions is to prevent the sale of a property from being used to unlawfully evict a tenant. Accordingly, the Board must consider all the evidence before it that is relevant to the landlord’s bad faith under s. 57(1)(b). It is an error of law for the Board to restrict its consideration to the evidence at the point in time when the landlord gives the tenant a s. 49 termination notice. This case makes that point.”*

**C. If the Tenants have established a bad faith claim, then what is the amount of compensation?**

- [82] On October 21, 2025 CB and BW signed a new tenancy agreement for another rental unit. CB and BW stated that they are in a temporary rental because they are in the process of building a home. The new landlords are “*friends of friends*.” CB stated that she did not believe the new landlords would have held them to their agreement if the Tenants had been permitted to remain in the Unit.
- [83] CB and BW’s portion of the Unit’s monthly rent increased from \$1,250.00 (half of the Unit’s total rent) to the new unit’s rent of \$1,600.00. With the new rent electricity, oil (heat) and internet are included services.
- [84] At the Unit these costs were the Tenants’ responsibility and were split between the Tenants.
- [85] The Tenants stated that the Unit’s electricity was usually about \$90.00 to \$100.00 per person during the more expensive months from December to March when heat pumps were used, for a total cost of \$270.00 to \$300.00 per month. The electricity cost was about \$45.00 to \$50.00 per person during the summer months for a total cost of \$135.00 to \$150.00. The internet cost was about \$30.00 per person each month for a total cost of about \$90.00.

- [86] The costs were divided amongst four persons when JH lived in the Unit. After JH moved out the costs were divided amongst the three Tenants except that MM paid the other half of the monthly rent, in the amount of \$1,250.00.
- [87] CB and BW do not expect to start building their new house until the spring and they do not expect to be able to move in until the fall at the earliest or more likely the spring of 2027.
- [88] MM stated that she has not officially moved anywhere and she does not have a specific renting cost. At the end of August 2025 MM finished her Charlottetown contract and travelled out of Province for acting work, moving from "gig to gig." MM has worked in several cities since moving out and MM had work lined up for about a year. If the eviction had not occurred, then MM would have kept her personal property in the Unit and lived in the Unit while off contract. MM has incurred a monthly storage cost in the amount of \$148.01 for storing her personal property.
- [89] I note that there are limited Island Regulatory and Appeals Commission (the "Commission") decisions regarding bad faith compensation. I note that two of the decisions, Orders LR23-48 and LR24-05, denied compensation because the tenancies ended before the *Act* came into force (before April 8, 2023). The former residential rental legislation applied, which did not authorize bad faith compensation.
- [90] In this case the tenancy ended on October 31, 2025 and the *Act* applies.
- [91] Subsection 65(6) of the *Act* provides for the following remedies after a finding of bad faith:
- Where the Director determines that a landlord gave notice of termination in bad faith, the Director may issue one or more of the following orders:*
- (a) an order that the landlord pay a specified sum to the former tenant for
- (i) all or any portion of any increased rent that the former tenant has incurred or will incur for a one-year period after vacating the rental unit, and
- (ii) reasonable out-of-pocket moving, storage and other similar expenses that the former tenant has incurred or will incur;
- (b) an order for an abatement of rent;
- (c) an order that the landlord pay to the Director an administrative monetary penalty in an amount not exceeding \$10,000; or
- (d) any other order that the Director considers appropriate.
- [92] Subsection 1(n) defines rent as follows:
- "rent" means money paid or agreed to be paid, or value or a right given or agreed to be given, by or on behalf of a tenant to a landlord in return for the right to possess a rental unit, for the use of common areas and for services or facilities, but does not include*
- (i) a security deposit, or
- (ii) a fee prescribed under clause 107(1)(j);
- [93] The definition of rent considers included services. In this case, the Unit's rent in the amount of \$2,500.00 excluded electricity, internet and furnace oil, which were the Tenants' responsibility.
- [94] Based upon the evidence presented, it appears that the Tenants' total rent payments decreased because the tenancy ended.
- [95] CB and BW share of the Unit's rent payment was \$1,250.00 and their rent payment for the new unit is now \$1,600.00. However, the new rent includes the costs of electricity and internet, which were excluded services when the Tenants lived in the Unit.

- [96] CB and BW's rent did not change by exactly \$350.00 per month when the change of services is considered.
- [97] MM has lived out of Province for extended periods because of work that was scheduled a year in advance, before the Notice was served. MM is paying a monthly storage cost of \$148.01. MM would have paid \$1,250.00 in rent per month plus services instead of \$148.01 per month had the tenancy continued.
- [98] The Tenants were permitted to submit additional documents after the hearing supporting their normal costs for electricity, internet and furnace oil costs for the Unit. However, I did not receive these documents.
- [99] I note that the Landlord has already compensated the Tenants for their moving expenses.
- [100] Subsection 65(2) of the *Act* permits bad faith compensation applications to be filed no more than one year after the tenants vacated their rental units. A tenant's actual increased rent and expenses under clause 65(6)(a) are much clearer when applications are made closer to the one-year limitation period. In this case the Tenants filed their application two weeks after they vacated the Unit.
- [101] Based upon the evidence presented, it has not been established that MM's rent has increased. In the absence of more detailed evidence regarding the Tenants' actual electricity, internet and furnace oil expenses while living in the Unit, I find that I have insufficient evidence to award the Tenants' requested compensation claim of \$6,124.13 under clause 65(6)(a).
- [102] However, under clauses 65(6)(b) and (d) I have the authority to order an abatement of rent and any other order I consider appropriate.
- [103] The evidence presented establishes that the Notice was initially served for a lawful purpose, based upon the Purchasers' genuine intention to occupy the Unit.
- [104] However, the end of the tenancy was highly disruptive to the Tenants and should have been avoided by the Landlord informing the Tenants that the Notice was no longer valid when the real estate transaction collapsed. I also note that I have not awarded compensation under clause 65(5)(a). In these circumstances, I find that the Landlord must pay the Tenants bad faith compensation equal to one month's rent of \$2,500.00, being \$833.33 for each tenant.

**D. Was the Notice invalid because the Affidavit was served after the Notice? Does this impact the Tenants' right to compensation?**

- [105] Subsection 63(3) of the *Act* states as follows:

*A notice of termination under subsection (1) or (2) is valid only if the tenant has been provided with a sworn affidavit certifying that the purchaser in good faith requires possession of the rental unit for a purpose set out in subsection (1) or (2).*

- [106] In this case the Landlord served the Notice first and the Affidavit was served the next day.
- [107] The Notice would only have been valid at the time it was served if the Tenants previously received the Affidavit or if it was served along with the Notice.
- [108] I note that the *Act* provides one month for tenants to dispute this type of eviction notice under subsection 63(6). I also note that tenants are deemed to accept this type of notice under subsection 63(7) if they do not file an application disputing the notice within one month. If subsection 63(1) were interpreted to permit affidavits to be provided at a later, unspecified date, then tenants could receive affidavits after their right to dispute the eviction notice has passed.

[109] As a result, I find that the Notice was invalid because the Affidavit was served the day after the Notice.

[110] In Order LR25-57 the Commission determined a section 72 compensation claim for a purchaser's occupation of a rental unit where the termination notice had a validity issue. The Commission stated in part as follows (paragraph 39):

*"With respect, the Commission finds that the compensation required by section 72 may not be an automatic liability of a landlord that is due in all circumstances. **For example, an analysis should be done to determine whether the termination notice was even valid.** On this point, the Commission notes that the Eviction Notice in the present case did not include the affidavit required under subsection 63(3)."*

[Emphasis added.]

[111] Although I have found that the Notice was invalid, I find that the Tenants are still entitled to compensation based upon an earlier Commission decision.

[112] In Order LR24-53 the Commission determined a matter where bad faith compensation was sought against a landlord who had not served a *Form 4(B) Eviction Notice*. The Commission stated as follows:

"33. *The Commission agrees with the finding of the Residential Tenancy Officer that there was no document provided to the Tenants that can be considered a "notice of termination"; however, the evidence is undisputed that by January 7, 2024, at the latest, both parties clearly knew and understood the Tenants had to move out by May 2024 because the Landlord was moving in. The Landlord's own evidence was that the Landlord's Agent gave appropriate notice per section 62 of the Act, and that, in fact, he gave more notice than was required per subsection 62(4).*

34. *We note that section 53(f) of the Residential Tenancy Act requires that where a landlord gives a notice of termination, that notice shall be in the approved form. In this case, the Landlords did not follow the Act and did not give the Tenants a notice of termination on the approved form. **However, in the Commission's opinion, the Landlords' failure to follow section 53(f) the Act in giving the Tenants notice of the termination cannot then shield the Landlords from their other obligations under the Residential Tenancy Act to terminate tenancies in good faith and in accordance with the provisions of the Act. To find otherwise would allow the Landlords, and others, to benefit from their own failure to follow the requirements of the Act, and would lead to an unreasonable application of the Residential Tenancy Act in these circumstances.***

35. *The Commission, therefore, finds that the Landlords gave notice to the Tenants, under section 62, that the tenancy would be terminated for the Landlord's own use by May 2024. It follows that the Commission does have authority to consider the Tenants' Application seeking compensation for a bad faith eviction under section 65 of the Act."*

[Emphasis added.]

[113] Similarly, I find that the Landlord cannot rely on their non-compliance with the Act to avoid the Tenants' bad faith compensation claim.

[114] I note that the Ontario Landlord and Tenant Board came to a similar determination regarding compensation involving a void termination notice served for conversion of a rental unit to a non-residential use (*Re File No. SWT-09793-10, 2010 ONLTB 102*). The Board stated in part as follows:

*“The notice served on the Tenants provided neither 120 days notice nor a termination date at the end of a period and was therefore void for termination.*

*However, in the case before me, the Landlords recognize that the Tenants vacated the rental unit in response to the notice of termination served by the Landlords and understand that the Landlord cannot rely on their failure to provide valid notice of termination to deny the Tenants rights as provided under s. 52 of the Act.”*

**CONCLUSION**

- [115] I find that the Tenants are responsible for the missing window screen, in the amount of \$52.79. The Landlord’s other security deposit claims are denied. The security deposit balance, including interest, totals \$548.44. The Landlord must return to the Tenants the amount of \$495.65.
- [116] I find that the Landlord must pay the Tenants bad faith compensation in the amount of \$2,500.00, being \$833.33 for each tenant.
- [117] The Landlord must pay the Tenants the total amount of \$2,995.65 by the timeline below.

**IT IS THEREFORE ORDERED THAT**

1. The Landlord must pay the Tenants the total amount of \$2,995.65 by May 25, 2026.

**DATED** at Charlottetown, Prince Edward Island, this 23rd day of March, 2026.

(sgd.) Andrew Cudmore

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**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.