

INTRODUCTION

- [1] This decision addresses 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 rent and compensation for double the security deposit, including interest for a total claim of \$5,364.78.

DISPOSITION

- [3] The Landlord and the Respondent, who I find are jointly and severally liable, must pay the Tenant \$5,364.78 by the timeline below.

BACKGROUND

- [4] The Unit is an apartment in a multi-unit building owned by the Landlord.
- [5] On June 11, 2025, the Tenant paid the Respondent a \$1,775.00 security deposit for the Unit. On June 13, 2025, the Tenant paid the Respondent \$1,775.00 for July 2025’s rent. The Tenant did not move into the Unit.
- [6] On July 11, 2025, the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* (the “Application”) with the Rental Office, seeking a return of rent and the security deposit. The Tenant served the Application to the Respondent by email.
- [7] On August 25, 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 a 114-page PDF evidence package with a response submission deadline of September 11, 2025.
- [9] On September 16, 2025, the Rental Office sent a 13-page PDF response evidence package to the Tenant and the Respondent.
- [10] 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 “Landlord’s Representative”) and the Respondent, but a different rental unit and a different tenant.
- [11] On October 14, 2025, the Director added the Landlord as a party to this matter under section 81 of the Act, and all parties were notified of the continuation of the paper-based hearing. A copy of the Application and all evidence submitted to date was sent to the Landlord. The Landlord was given a submission deadline of October 31, 2025.
- [12] 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.
- [13] On October 31, 2025, the Landlord requested an extension to the evidence submission deadline. The Landlord was given an extended submission deadline of November 7, 2025.
- [14] On November 7, 2025, the Landlord requested another extension to the evidence submission deadline. The Landlord was given an extended submission deadline of November 14, 2025. Due to technical difficulties, the Landlord’s evidence submission deadline was extended to November 27, 2025.

- [15] On November 28, 2025, the Rental Office sent the Landlord's additional evidence (a 129-page PDF) to the Tenant and the Respondent with a response submission deadline of December 10, 2025.
- [16] On December 10, 2025, the Respondent requested an extension to the evidence submission deadline. The Respondent was provided with an extended submission deadline of December 17, 2025.
- [17] On December 16, 2025, the Respondent requested another extension to the evidence submission deadline. The Respondent was provided with an extended submission deadline of December 22, 2025.
- [18] On December 23, 2025, the Respondent's additional evidence (an 8-page PDF) was sent to the Landlord and the Tenant. The parties were notified that no further submissions would be accepted after this date.
- [19] I have reviewed all of the evidence submitted and prepared this Order.

ISSUES

- A. Was there a tenancy agreement between the Landlord and the Respondent?
- B. Was there a tenancy agreement between the Landlord and the Tenant?
- C. Has the Tenant established her compensation claims?

EVIDENCE

Tenant's evidence and submissions

- [20] The Tenant stated that she is seeking a return of \$1,775.00 in rent and her security deposit of \$1,775.00.
- [21] The Tenant stated that she met the Respondent through a mutual acquaintance who lived in the Unit's building. The Respondent told the Tenant that he worked with a rental company with the Landlord's Representative. The Tenant stated she asked the Respondent about renting the Unit. The Respondent told the Tenant that the Unit was available for rent but not for a showing.
- [22] The Tenant stated that on June 11, 2025, she sent the Respondent an e-Transfer of \$1,775.00 as a security deposit for the Unit. The Tenant stated that on June 13, 2025, she sent the Respondent an e-Transfer of \$1,775.00 for July 2025's rent.
- [23] The Tenant stated that the Respondent told her she had secured the Unit for July 1, 2025. The Tenant stated that she had requested a copy of the tenancy agreement, but was not provided with one.
- [24] The Tenant stated that on June 25, 2025, she called the Respondent to ask when she could get the keys for the Unit. The Respondent told the Tenant to meet him at the Unit later that day to collect the keys and to sign the tenancy agreement.
- [25] The Tenant stated that upon her arrival at the Unit, the Landlord's Representative was showing the Unit to prospective tenants, but the Respondent was not there. The Landlord's Representative told the Tenant that she was the Unit's property manager and the Unit had been rented to someone else.

- [26] The Landlord's Representative told the Tenant that the Respondent was just a "third-party guy." The Tenant stated that the Landlord's Representative stated that she was not told that the Tenant had paid the Respondent money to secure the Unit and that the Tenant should get her money back from the Respondent.
- [27] The Tenant stated that on June 26, 2025, the Respondent messaged the Tenant, stating that, due to a miscommunication, the Unit had been rented to someone else. The Tenant stated that on June 27, 2025, the Respondent told the Tenant that the security deposit and rent she had paid would be refunded.
- [28] The Tenant stated that in July 2025, the Respondent told the Tenant that the security deposit and rent paid had been refunded to the Tenant's bank account. The Tenant stated that the money had not been refunded and that she had notified the Respondent several times.
- [29] The Tenant stated that on August 25, 2025, the Respondent messaged the Tenant and stated that he had given the Tenant's money to the Landlord's Representative. The Respondent told the Tenant that the Landlord's Representative was denying that the Respondent was their "agent." The Tenant submitted a message sent from the Respondent which stated, "As soon as I can, I'll pay you back every dollar."

Landlord's evidence and submissions

- [30] The Landlord's Representative stated that since 2023, she has often been approached by property managers seeking to rent properties at bulk prices. The Landlord's Representative stated that she first met the Respondent in March 2023, and the Respondent told her that he was a property manager.
- [31] In early March 2025, the Respondent contacted the Landlord's Representative and asked whether she had any vacant properties available for rent. The Respondent told her that he wanted to rent properties at bulk prices for subletting.
- [32] 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."*
- [33] The Landlord's Representative stated that between March 2025 and May 2025, the Respondent rented four properties from her, none of 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. No agreement was made allowing the Respondent to rent the Unit.
- [34] 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."
- [35] 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.
- [36] 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."*

- [37] The Landlord's Representative stated that on June 25, 2025, a female approached her at the Unit and asked if she could view the Unit. The Landlord's Representative told the female that the Unit had already been rented to someone. The female told the Landlord's Representative that she had paid the Respondent a security deposit for the Unit.
- [38] The Landlord's Representative stated that she has not received any of the Tenant's funds from the Respondent and that the Respondent had no authority to rent the Unit. The Landlord's Representative told the female to get her money back from the Respondent.

Respondent's evidence and submissions

- [39] The Respondent stated that the Tenant paid him a security deposit of \$1,775.00 and the first month's rent of \$1,775.00 for the Unit. The Respondent stated that he gave those funds to the Landlord's Representative in cash or by e-Transfer. The Respondent stated that, based on the Landlord's Representative's instructions, the Respondent rented the Unit to the Tenant. However, when the Tenant visited the Unit, the Landlord's Representative refused to rent it to the Tenant.
- [40] The Respondent stated the Tenant visited the Unit and experienced a refusal of service from the Landlord's Representative. The Respondent stated that the Landlord's Representative refused to rent to the Tenant and behaved rudely.
- [41] The Respondent stated that the Landlord's Representative informed him that the Tenant's money would be refunded either to him or the Tenant; however, the refund never occurred, and the funds remain under the Landlord's Representative's control. The Respondent stated he was told that the Tenant was rejected as a tenant because the Tenant did not have sufficient annual income.

ANALYSIS

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

- [42] Subsections 1(h), (w), and (x) of the Act state 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.

(w) **"tenancy agreement"** means 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.

(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.

- [43] In Order LR25-46, the Commission determined a similar matter that also involved the Landlord, the Landlord's Representative, and the Respondent, but a different rental unit and a different 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..."

- [44] 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.
- [45] I find that the evidence establishes that, at the time the Respondent took the Tenant's security deposit and rent, the Respondent was an agent or a person acting on behalf of the Landlord, making the Landlord liable to the Tenant.
- [46] I find that the Respondent also meets the statutory definition of a "landlord" as defined by the Act, also making the Respondent liable to the Tenant. 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. Furthermore, the Respondent exercised the powers and performed the duties of the Landlord as defined by the Act by accepting a security deposit and rent from the Tenant for the Unit.
- [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] Additionally, I find that the evidence does not establish a tenancy agreement between the Landlord and the Respondent as defined by the Act. There is no evidence that the Respondent occupied the Unit, and I find that the Respondent was not a “tenant” as defined by the Act.
- [49] The evidence does not support the Landlord’s Representative’s assertion that the Respondent was subletting and re-renting the Landlord’s units to tenants.
- [50] I note that any alleged payment disputes directly between the Respondent, as an agent of the Landlord, 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. Was there a tenancy agreement between the Landlord and the Tenant?

- [52] In Order LR25-26, the Commission commented that, despite the definition of “*tenancy agreement*” under subsection 1(w) of the Act, subsections 11(1) and (2) of the Act are mandatory and require a landlord to prepare a written tenancy agreement that complies with the Act and includes the agreed-upon terms. The Commission further commented as follows:

“31. A review of the text messages (see Exhibit E-18, pages 32 to 34 of the Commission’s Record) indicates to the Commission that although some of the terms of a future tenancy agreement were discussed, there was no discussion on whether the tenancy would be on a month-to-month basis or a fixed term basis, as required by clause 11(2)(i)(ii) ...

34. Accordingly, the Commission finds that there was no tenancy agreement and accordingly, the funds paid by the Tenant to the Landlord must be returned to the Tenant, together with interest earned on these funds.

35. As an aside, had the Commission determined that the parties had a valid tenancy agreement, section 40 of the Act would apply and a return of double the security deposit may very well have resulted. However, in the present appeal the Landlord is not subject to section 40 as the Commission has found that there is no tenancy agreement, and therefore a simple return of funds paid, plus interest, is all that is required of the Landlord.”

- [53] In this case, the Tenant paid a security deposit, but did not move into the Unit. This was also the case in Order LR25-26, in which the tenant paid a security deposit but did not move into the rental unit.
- [54] However, in Order LR25-26, the Commission determined that a tenancy agreement must be in writing and that the parties must agree to all the terms and conditions required under subsection 11(2) of the Act. The Commission found in Order LR25-26 that there was no tenancy agreement because the parties did not agree on all the required terms and conditions, specifically the term of the tenancy agreement.
- [55] In this case, I find that the facts are distinguished from Order LR25-26 because the evidence establishes that the parties agreed to the required terms and conditions under subsection 11(2) of the Act. Furthermore, the Tenant paid a security deposit and was aware of the monthly rent and the tenancy start date.
- [56] Therefore, I find that the evidence establishes a tenancy agreement between the parties, as defined under the Act. Despite there not being a written tenancy agreement, which was required under the Act, I find that the definition of “tenancy agreement” includes implied and oral tenancy agreements.

C. Has the Tenant established her compensation claims?

- [57] I find that the evidence establishes the Tenant paid the Respondent \$1,775.00 as a security deposit and \$1,775.00 in rent for July 2025 for the Unit; however, on June 25, 2025, the Landlord's Representative told the Tenant she could not move into the Unit. There is no evidence that the Tenant's funds were returned to her. Therefore, I find that the Tenant has established her claim for a \$1,775.00 return of rent.
- [58] I also find that the Tenant has established a claim for double the security deposit, including interest, as determined below, payable by the Landlord and the Respondent, who I find are jointly and severally liable to the Tenant. As I have found that there was a tenancy agreement between the Landlord and the Tenant, section 40 of the Act applies.
- [59] 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.*
- [60] The evidence establishes that on June 25, 2025, the Landlord's Representative told the Tenant that the Unit had been rented to someone else and the Tenant was unable to move into the Unit.
- [61] I find that the Landlord and the Respondent (as a landlord), being jointly and severally liable to the Tenant, had until July 7, 2025 (15 days from June 25, 2025) 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 regarding the retention of 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 tenancy agreement with the Tenant, binding the Landlord and the Tenant.
- [65] I find that the Respondent also represented himself as a landlord to the Tenant, 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 claims for a return of rent of \$1,775.00 and for double the security deposit, including interest, totalling \$3,589.78, payable by the Landlord and the Respondent by the timeline below.
- [67] My calculations are as follows:

Item	Amount
Return of rent	\$1,775.00
Security deposit	\$1,775.00
Interest (June 11, 2025 – April 22, 2026)	\$39.78
Double security deposit	\$1,775.00
Total	\$5,364.78

IT IS THEREFORE ORDERED THAT

- The Landlord and the Respondent must pay the Tenant \$5,364.78 by June 22, 2026.

DATED at Charlottetown, Prince Edward Island, this 22nd day of April, 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.