

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 Tenants seek double the security deposit from the Landlord.

DISPOSITION

- [3] I find that the Landlord must pay the Tenants double the security deposit balance of \$44.69 that the Landlord deliberately held back. The Tenants' request for double the entire security deposit is denied.
- [4] The Tenants must not deposit the December 4, 2025 cheque that the Landlord issued six months ago. The Landlord must reissue this \$1,020.00 payment to the Tenants.
- [5] The Landlord must pay the Tenants the total amount of \$1,109.99 by the timeline below. The Landlord is responsible for delivering the funds to the Tenants.

BACKGROUND

- [6] The Unit is a two-bedroom, one-bathroom apartment located in a multi-unit apartment building.
- [7] The Landlord and the Tenants entered into a written, fixed-term tenancy agreement from May 1, 2023 to April 30, 2024. On March 29, 2023 the Tenants paid the Landlord a \$1,000.00 security deposit. Rent in the amount of \$1,635.00 was due on the first day of the month. At the end of the fixed-term the tenancy continued on a monthly basis. The monthly rent at the end of the tenancy was \$1,672.00.
- [8] On October 30, 2025 the Tenants provided the Landlord with a *Form 3 Tenant Notice of Termination* with a vacate date of November 30, 2025 (the "Notice").
- [9] On November 28, 2025 the Tenants vacated the Unit and returned the keys to the Landlord.
- [10] On December 4, 2025 the Landlord issued a cheque to the Tenants in the amount of \$1,020.00.
- [11] On January 21, 2026 the Tenants filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking compensation for double the security deposit.
- [12] On May 13, 2026 the Rental Office sent the parties notice of a tele-hearing scheduled for June 4, 2026.
- [13] On May 29, 2026 the Rental Office provided the parties with access to an evidence package through TitanFile containing a 23-page PDF and 7 videos from the Tenants.
- [14] On June 3, 2026 the Landlord's representative (the "Representative") informed the Rental Office that the Landlord would not participate in the tele-hearing.
- [15] On June 4, 2026 the Tenants participated in the Rental Office tele-hearing. The Tenants confirmed that they received the evidence package and that all documents and evidence submitted to the Rental Office were included.

ISSUE

- A. Must the Landlord pay the Tenants double the security deposit?

ANALYSIS

- [16] For the reasons below, I find that the Tenants have established a claim for double the security deposit balance. The Tenants' request for double the entire security deposit is denied.
- [17] Section 40 of the *Act* provides the rules for keeping and returning security deposits, 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.*
- [18] The Landlord was required to comply with subsection 40(1) regarding the security deposit. The tenancy ended on November 30, 2025. The Landlord had to return the entire security deposit or file an application with the Rental Office by December 15, 2025.
- [19] On December 4, 2025 the Landlord only issued payment in the amount of \$1,020.00 to the Tenants. The Landlord deliberately withheld security deposit funds from the Tenants for various reasons, including the following reason from the Representative:
- "...because you falsely accused my maintenance staff of driving into your car with zero evidence ! and the time it took for me to review the cameras and interview him came off your deposit"*
- [20] The security deposit, including interest, totalled \$1,064.69 as of December 4, 2025. I find that the Landlord returned the security deposit interest and part of the security deposit, in the amount of \$1,020.00, but deliberately held back the amount of \$44.69.
- [21] The Landlord did not file an application with the Rental Office to keep the security deposit balance. The Landlord did not serve the Tenants with a Rental Office application.
- [22] There are no earlier Rental Office decisions authorizing the Landlord to keep part of the security deposit under subsection 40(2).
- [23] The parties did not agree that the Landlord could keep part of the security deposit under subsection 40(3).
- [24] For these reasons, I find that the Landlord is required to pay the Tenants double the security deposit balance under subsection 40(4) by operation of law.

- [25] The Landlord must pay the Tenants additional interest on the \$44.69 withheld, as provided below.
- [26] The Tenants stated that they did not deposit the December 4, 2025 cheque. I note that this cheque may no longer be valid because it was issued six months ago.
- [27] As a result, I find that the Tenants must not deposit the December 4, 2025 cheque from the Landlord in the amount of \$1,020.00. Instead, the Landlord must re-issue the payment of these funds.
- [28] For these reasons, I find that the Landlord must pay the Tenants the total amount of \$1,109.99 by the timeline below, calculated as follows:

Reissuance of interest and part of the security deposit	\$1,020.00
Security deposit balance	\$44.69
Double security deposit balance	\$44.69
Additional security deposit interest (4 DEC 2025 to 4 JUN 2026)	\$0.61
Total	\$1,109.99

Landlord Non-Compliance

- [29] The Tenants requested that the Landlord be ordered to pay double the entire security deposit.
- [30] However, the Landlord was only non-compliant with section 40 regarding part of the security deposit, being the funds deliberately withheld.
- [31] The Tenants argued that the Landlord should be ordered to pay double the security deposit because of the Landlord's additional non-compliance with the *Act*. The Tenants provided examples, such as the Landlord's failure to complete the move-out inspection required by section 38 of the *Act*.
- [32] However, the Tenants' evidence regarding additional non-compliance with the *Act* is not a factor under section 40 regarding an award for double the security deposit. Further, the Rental Office does not have authority (jurisdiction) to award punitive damages.
- [33] As a result, the Tenants' compensation request for double the entire security deposit is denied.
- [34] With regard to the Tenants' additional non-compliance complaints against the Landlord, the Tenants may visit the compliance section of the Rental Office's website for further information.

IT IS THEREFORE ORDERED THAT

1. The Tenants must not deposit the December 4, 2025 cheque from the Landlord in the amount of \$1,020.00.
2. The Landlord must pay the Tenants the amount of \$1,109.99 by July 3, 2026. The Landlord is responsible for delivering the funds to the Tenants by this date.

DATED at Charlottetown, Prince Edward Island, this 4th day of June, 2026.

(sgd.) Andrew Cudmore

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.