

INTRODUCTION

- [1] This decision addresses two applications filed by the Subtenant and the Tenant with the Residential Tenancy Office (the "Rental Office") pursuant to the *Residential Tenancy Act*, cap. R-13.11 (the "Act").
- [2] The Subtenant seeks compensation for double the security deposit \$550.00, return of the original amount of the security deposit \$550.00, and additional compensation, in the amount of \$285.00. The Subtenant's total requested amount is \$1,385.00.
- [3] The Tenant seeks to keep the Subtenant's security deposit for rent owing and additional compensation, in the total amount of \$889.00.

BACKGROUND

- [4] The Unit is a single-bedroom in a two-bedroom, one-bathroom apartment, which the Tenant rents from the property owner.
- [5] In April 2025, the Subtenant and the Tenant entered into an oral, monthly subletting agreement for the Unit. Rent in the amount of \$550.00 was due on the first day of the month. The Subtenant was also responsible for 1/3rd of the utilities and internet.
- [6] In July 2025, the Subtenant paid the Tenant a \$550.00 security deposit.
- [7] On November 25, 2025, the Subtenant vacated the Unit.
- [8] On January 2, 2026, the Subtenant filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking return of the security deposit, double the security deposit, and additional compensation. The Subtenant e-mailed the Tenant the *Form 2(A)* on January 7, 2026.
- [9] On January 22, 2026, the Subtenant amended the *Form 2(A) Tenant Application to Determine Dispute* (the "Subtenant Application"). The Subtenant Application was served to the Tenant on January 23, 2026.
- [10] On January 26, 2026, the Tenant filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking to keep the Subtenant's security deposit and additional compensation. The Tenant served the *Form 2(B)* to the Subtenant on January 28, 2026.
- [11] On March 13, 2026, the Tenant amended the *Form 2(B) Landlord Application to Determine Dispute* (the "Tenant Application"). The Tenant Application was e-mailed to the Rental Office and the Subtenant at the same time.
- [12] On April 9, 2026 the Rental Office provided the parties notice of a tele-hearing scheduled for May 19, 2026.
- [13] On May 1, 2026, the Rental Office provided the parties a 63-page PDF and 1-video evidence package.
- [14] On May 15, 2026, the Subtenant e-mailed the Tenant and the Rental Office a 24-page PDF and 3-video additional evidence package.
- [15] On May 19, 2026, the Subtenant and the Tenant participated in the tele-hearing. The parties confirmed that they received the evidence package and the additional evidence package, and confirmed that all evidence submitted to the Rental Office was included. During the hearing, the Tenant e-mailed the Subtenant and the Rental Office two additional screenshots for evidence.

DISPOSITION

- [16] The Tenant has established a valid claim for rent owing and unpaid utilities in the amount of \$634.00. The Tenant will keep the Subtenant's security deposit to offset the claims.
- [17] The Subtenant must pay the Tenant \$84.00 by the timeline below.
- [18] The Tenant's remaining claims are denied. The Subtenant's claims are denied.

ISSUE

- A. Has the Tenant established a claim against the Subtenant to justify keeping the security deposit and additional compensation and/or has the Subtenant established claims for compensation?

ANALYSIS & FINDINGS

- [19] When a party makes an application to the Rental Office, the onus is on the party to support their application with compelling evidence. In this case, both parties have the onus to prove their claims on the civil standard of a balance of probabilities.
- [20] The Tenant is seeking to keep the Subtenant's security deposit and additional compensation for rent owing, unpaid utilities and compensation for money paid to the Subtenant for miscellaneous items. The Tenant's total claim is \$889.00
- [21] The Subtenant is seeking the return of the security deposit, compensation for double the security deposit and compensation for the loss suffered due to not receiving the security back from the Tenant. The Subtenant's total's claim is \$1,385.00.

Tenant's claims: Rent owing, unpaid utilities & miscellaneous items

- [22] The Tenant is seeking \$889.00, calculated as follows:

Item	Amount
Novemeber rent	\$550.00
November utilities	\$42.00
November internet	\$42.00
Cigarettes	\$25.00
Money given	\$230.00
Total	\$889.00

- [23] The Tenant stated that she and her husband occupy one bedroom and the Subtenant occupied the other bedroom, with shared common areas. In October, 2025, the Tenant and her husband were away and permitted another individual to occupy their bedroom while away for the month of October 2025.
- [24] The Tenant stated that when she returned at the end of October 2025, the common areas were very messy. The Tenant stated that she asked the Subtenant and the other individuals to vacate the Unit by November 30, 2025. The Tenant admitted that no eviction notice was given.
- [25] The Tenant stated that the Subtenant, despite being reminded on October 31, 2025, did not pay November 2025's rent. The Tenant stated that the Subtenant also owes 1/3rd of the cost for utilities and internet.

- [26] The Tenant stated that she is also seeking compensation for \$25.00, which she gave the Subtenant for cigarettes, and \$230.00 that she gave the Subtenant to “*help him out.*” The Tenant stated that the Subtenant was a student and she was assisting him by giving him money for various reasons.
- [27] The Subtenant stated that he vacated the Unit on November 25, 2025.
- [28] The Subtenant disputed the Tenant’s rent owing claim. The Subtenant stated that he paid the Tenant November 2025’s rent in cash.
- [29] The Subtenant did not dispute owing the Tenant for November’s utilities and internet. The Subtenant stated that he wanted to see the utility and internet bills.
- [30] I find that the Tenant has established a valid claim, in the total amount of \$634.00
- [31] The parties gave conflicting evidence about whether the Subtenant paid the November 2025 rent. The Subtenant stated that he paid the rent to the Tenant in cash. The Tenant denied receiving any payments.
- [32] The Subtenant could not provide details about when the payment occurred, including the date or time. The Subtenant stated that only the payment took place in the Unit and that the other occupant witnessed the transaction.
- [33] The other occupant did not participate in the tele-hearing or provide testimony under affirmation. During the hearing, I allowed the Subtenant an opportunity to contact the occupant so they could participate. However, the Subtenant was unable to have the witness join the tele-hearing.
- [34] The Tenant’s evidence includes a chain of text messages with the Subtenant dated November 25, 2025. Within these text-messages, the Tenant is asking for \$550.00, which is the rent amount.
- [35] I find that the evidence presented establishes, on a balance of probabilities, that the Subtenant owes the Tenant \$550.00 for November 2025 rent.
- [36] I find that the Subtenant’s evidence does not prove that November’s rent was paid.
- [37] The Subtenant did not dispute owing utilities and internet for November 2025. I accept the Tenant’s evidence that the utility and internet bills total \$84.00 (\$42.00 + \$42.00).
- [38] I find that the Tenant’s remaining claims are outside the Rental Office’s jurisdiction (authority). Based on the evidence presented, the money given to the Subtenant was not under the “*landlord-tenant / tenant-subtenant*” relationship and therefore, was not a claim under the *Act*. Therefore, I cannot award the Tenant the compensation requested.
- [39] The Tenant will keep the Subtenant’s security deposit, in the total amount of \$550.00 to offset the total amount owed.
- [40] I note that in Order LR24-72 the Island Regulatory and Appeals Commission determined that when a tenant continues to occupy the rental unit with the subtenant, the original tenant is not considered a “landlord” of the subtenant. As a result, section 40 of the *Act* does not apply to the Tenant because section 40 only applies to “landlords. The Tenant does not have to pay interest on the security deposit to the Subtenant. Further, the Tenant was not required to file an application with the Rental Office within 15-days from the end of the subtenancy. For those reasons double the security deposit is denied.

Subtenant's claim: compensation for loan

- [41] The Subtenant's claim for returning the security deposit and double the security deposit are denied for the reasons outlined above.
- [42] However, the Subtenant is seeking compensation in the amount of \$285.00.
- [43] The Subtenant stated that because the Tenant did not return his security deposit, he needed to take out a loan.
- [44] I find that the Tenant has established a valid claim against the Subtenant's security deposit. The Subtenant's evidence does not establish a valid reason under the *Act* for the Tenant to compensate the Subtenant for a third-party loan taken out by the Subtenant. The claim is denied.
- [45] The Tenant Application is allowed, in part. The Tenant has established a total claim of \$634.00. The Tenant will keep the Subtenant's security deposit, in the amount of \$550.00.
- [46] The Subtenant must pay the Tenant \$84.00 by the timeline below.
- [47] The Subtenant Application is denied.

IT IS THEREFORE ORDERED THAT

1. The Tenant will keep the Subtenant's security deposit, in the amount of \$550.00.
2. The Subtenant must pay the Tenant \$84.00 by July 27, 2026.

DATED at Charlottetown, Prince Edward Island, this 25th day of June, 2026.

(sgd.) Cody Burke

Cody Burke
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.