

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 double the security deposit from the Landlord under section 40 and security deposit interest.

DISPOSITION

- [3] I find that the Landlord must pay the Tenant double the security deposit, in the amount of \$1,800.00, plus security deposit interest, in the amount of \$77.66.
- [4] The Landlord must pay the Tenant the total amount of \$1,877.66 by the timeline below.

BACKGROUND

- [5] The Unit is located in a four-unit building.
- [6] The Landlord and the Tenant entered into a written, fixed-term tenancy agreement from November 1, 2022 to October 31, 2023. At the end of the fixed-term the tenancy continued on a monthly basis. The Tenant paid the Landlord a \$900.00 security deposit before moving into the Unit. Rent in the amount of \$900.00 was due on the first day of the month. The monthly rent at the end of the tenancy was \$947.00.
- [7] Near the beginning of October 2025 the Tenant notified the Landlord that he would be vacating the Unit.
- [8] On October 28, 2025 the Tenant vacated the Unit.
- [9] On March 20, 2026 the Tenant emailed the Rental Office and the Landlord a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking double the security deposit compensation and security deposit interest.
- [10] On June 2, 2026 the Rental Office sent the parties notice of a tele-hearing scheduled for June 30, 2026.
- [11] On June 16, 2026 the Rental Office sent the parties a 27-page PDF evidence package.
- [12] On June 30, 2026 the Tenant participated in the Rental Office tele-hearing. I telephoned the Landlord but I received no response. I emailed the Landlord an additional copy of the tele-hearing instructions. About ten minutes after the scheduled time the hearing proceeded in the Landlord's absence. The Tenant 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 Tenant double the security deposit and security deposit interest?

ANALYSIS

- [13] For the reasons below, I find that the Tenant has established a claim for double the security deposit and security deposit interest.
- [14] 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.*

- [15] The Landlord was required to comply with subsection 40(1).
- [16] The Landlord had to return the entire security deposit or file an application with the Rental Office within 15 days after the date the tenancy ended. Based upon the evidence presented, including the text-message correspondence between the parties, I find that the Landlord accepted that the tenancy would end on October 31, 2025. The timeline for the Landlord to return the security deposit or file an application within 15 days expired several months ago.
- [17] The Landlord did not serve the Tenant with a Rental Office application. There is no evidence that the Landlord filed an application with the Rental Office to keep the Tenant's security deposit.
- [18] The Tenant stated that the parties had no earlier Rental Office hearings. Therefore, there is no earlier Rental Office decision authorizing the Landlord to keep the security deposit under subsection 40(2).
- [19] The parties did not agree that the Landlord could keep part of the security deposit under subsection 40(3).
- [20] For these reasons, I find that the Landlord is required to pay the Tenant double the security deposit under subsection 40(4) by operation of law.
- [21] The Landlord must pay the Tenant security deposit interest from November 1, 2022 to July 2, 2026, in the amount of \$77.66.
- [22] For these reasons, I find that the Landlord must pay the Tenant the total amount of \$1,877.66 by the timeline below, calculated as follows:

Item	Amount
Security deposit	\$900.00
Security deposit interest	\$77.66
Section 40 compensation	\$900.00
Total:	\$1,877.66

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant the amount of \$1,877.66 by August 3, 2026.

DATED at Charlottetown, Prince Edward Island, this 2nd day of July, 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.