

INTRODUCTION

- [1] This decision addresses an application filed by the Subtenant with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").
- [2] The Subtenant seeks a return of \$1,050.00 in rent, \$199.00 in utilities paid, and the \$525.00 security deposit, totalling \$1,774.00.

BACKGROUND

- [3] The Unit is a room in an apartment (the "Residential Property") which the Tenant rented from the property owner ("S.L."). The Tenant also lived in the Residential Property.
- [4] On January 31, 2026, the Subtenant and the Tenant entered into an oral, monthly subletting agreement for the Unit. Rent was \$525.00 due on the first day of the month. A security deposit of \$525.00 was paid on February 17, 2026. The Subtenant was also responsible for utilities, but the evidence is unclear on the amount.
- [5] On March 13, 2026, the subtenancy ended, and the Tenant moved out of the Unit, due to the Tenant's eviction from the Residential Property.
- [6] On March 18, 2026, the Subtenant emailed the Rental Office and the Tenant a *Form 2(A) Tenant Application to Determine Dispute* (the "Application"), seeking a return of rent, a return of utilities paid, and the return of the security deposit.
- [7] On June 2, 2026, the Rental Office emailed the parties notice of a tele-hearing scheduled for June 30, 2026.
- [8] On June 18, 2026, the Rental Office emailed the parties a 25-page PDF evidence package.
- [9] On June 30, 2026, the Subtenant participated in the tele-hearing. I telephoned the Tenant but received no answer. I also emailed the Tenant an additional copy of the tele-hearing notice. The Tenant did not call in to the tele-hearing, and the hearing proceeded 10 minutes after the scheduled time.
- [10] The Subtenant confirmed receipt of the evidence package and that it contained all submitted evidence. The Tenant submitted no evidence.

DISPOSITION

- [11] The Tenant will pay the Subtenant \$829.84 by the timeline below.

ISSUE

- A. Is the Subtenant entitled to a return of rent, a return of utilities paid, and the return of the security deposit?

ANALYSIS & FINDINGS

- [12] The Subtenant stated that he was seeking a return of all the funds he paid to the Tenant.
- [13] The Subtenant stated he rented the Unit from the Tenant, who also lived in the Residential Property. He paid the Tenant a \$525.00 security deposit, \$525.00 x 2 in rent for February and March 2026, and \$199.00 for utilities for February 2026, totalling \$1,774.00.

- [14] On March 11, 2026, the electricity was disconnected at the Residential Property. The Subtenant alleged that the Tenant had not paid the electricity bill. At that time, the Tenant had not been seen at the Residential Property for about a week.
- [15] On March 13, 2026, the Subtenant was away from the Residential Property. When the Subtenant returned, he found that S.L. had changed the locks.
- [16] S.L. told the Subtenant that the Tenant had not been paying S.L. the rent owed and that the Subtenant and Tenant were being evicted from the Residential Property. The Subtenant retrieved his personal property from the Unit.
- [17] The Subtenant and Tenant were in text communication until March 14, 2026, but the Tenant stopped communicating with the Subtenant after that time.
- [18] The Subtenant stated that he was seeking a refund of all the funds he paid the Tenant because he alleged the Tenant did not use those funds to pay rent or utilities. The Subtenant stated that he does not know how much the Tenant was paying for rent or utilities.
- [19] Regarding the Subtenant's request for a return of rent, I find that the Subtenant has established this claim in part. The Subtenant paid the Tenant \$525.00 in rent for March 2026; however, the Subtenant occupied the Unit until March 13, 2026, and I find that the subtenancy ended on that date when the Subtenant moved out. When the Tenant's tenancy ended, the subtenancy was also terminated as a result.
- [20] Therefore, I find that the Tenant will return 18 days of rent for March 2026 (March 14 to March 31), totalling \$304.84, calculated as $(18 \div 31) \times \$525.00$.
- [21] Regarding the Subtenant's request for a return of the remainder of the rent and utilities paid, I find that the Subtenant has not established these claims. The Subtenant's agreement for payment of rent and utilities was between the Subtenant and the Tenant, and the Subtenant paid the Tenant the agreed rent and utilities. If the Tenant did not pay his rent or utilities, that is a matter between the Tenant and the parties to whom those amounts are owed.
- [22] Regarding the Subtenant's request for a return of the security deposit, there is no evidence that the Tenant is entitled to keep it. The Tenant also did not file an application to keep it. Therefore, I find that the Tenant must return the security deposit to the Subtenant.
- [23] 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 a subtenant, the original tenant is not considered a "landlord" of the subtenant under the Act.
- [24] 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 or compensate the Subtenant double the security deposit for failing to return the security deposit or file an application within 15 days of the end of the tenancy.

CONCLUSION

- [25] The Application is allowed in part.
- [26] The Tenant must return \$304.84 of the March 2026 rent to the Subtenant.
- [27] The Tenant must return the \$525.00 security deposit to the Subtenant.

IT IS THEREFORE ORDERED THAT

1. The Tenant must pay the Subtenant \$829.84 by August 31, 2026.

DATED at Charlottetown, Prince Edward Island, this 17th day of July, 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.