

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 compensation from the Landlords for double the security deposit and security deposit interest on the principal security deposit.

DISPOSITION

- [3] I find that the Landlords must pay the Tenants double the security deposit and interest on the principal security deposit, in the total amount of \$4,086.51.
- [4] Both Landlords are responsible for ensuring that this payment is made by the timeline below.

BACKGROUND

- [5] The Unit is a three-bedroom, one-bathroom house that one of the Landlords (“KM”) has owned for about six years.
- [6] The Tenants submitted into evidence a written tenancy agreement dated November 20, 2024 (the “Tenancy Agreement”) which provides the following details. The tenancy start date was December 1, 2024. Rent in the amount of \$2,000.00 was due on the first day of the month. The security deposit required was \$2,000.00.
- [7] The first page of the Tenancy Agreement lists one of the Landlords (“GM”) as the landlord and the section for the tenant names is blank.
- [8] The parties disagree regarding who are the landlords and the tenants. GM disputes that his signature is on the second page of the Tenancy Agreement. GM initially disputed that a \$2,000.00 security deposit was paid. The Tenants stated that one of the Tenants (“AJM”) paid GM a \$2,000.00 security deposit on November 20, 2024.
- [9] On or about January 13, 2026 KM served AJM with a *Form 4 Eviction Notice* with a vacate date of February 28, 2026 (the “Notice”).
- [10] On January 30, 2026 the Tenants vacated the Unit.
- [11] On February 18, 2026 one the Tenants (“TI”) filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking compensation for double the security deposit (the “Application”).
- [12] On February 19, 2026 after 5:00 p.m., TI served the Landlords with the Application. TI served KM at the email address that KM had provided in the Notice.
- [13] On May 1, 2026 the Rental Office emailed the Landlords and TI notice of a tele-hearing scheduled for June 2, 2026.
- [14] On May 15, 2026 the Rental Office emailed the Landlords and TI an evidence package containing an 83-page PDF and one video from the Tenants.
- [15] On June 2, 2026 TI, one of the other Tenants (“AT”) and GM participated in a Rental Office tele-hearing. TI, AT and GM confirmed that they received the evidence package and that all documents and evidence previously submitted to the Rental Office were included.

- [16] At the tele-hearing GM stated that he was not representing KM. GM stated that he was unaware if KM was participating in this proceeding and he had not spoken to KM about this proceeding.
- [17] IT stated that only his name is on the Application because the other Tenants wanted IT to represent them.
- [18] On June 24, 2026 the Rental Office emailed the Tenants and the Landlords adding AT, AJM and the fourth tenant ("DZ") as parties under section 81 of the *Act* as persons that will be or are likely to be materially affected by the determination of this proceeding. The evidence package was also attached to this email. The parties were permitted to submit additional documents and written submissions.
- [19] On July 3, 2026 the Rental Office emailed the parties informing that the Rental Office did not receive additional evidence or submissions from the parties. The parties were permitted until July 7, 2026 to provide additional evidence and submissions.
- [20] The Rental Office did not receive additional evidence or submissions from the Tenants or the Landlords.

ISSUE

- A. Must the Landlords pay the Tenants double the security deposit and security deposit interest?

PRELIMINARY MATTERS**Parties**

- [21] There is an issue in this case regarding who are the landlords and the tenants.
- [22] For the reasons below, I find that TI, AT, AJM and DZ are the Tenants and GM and KM are both Landlords.
- [23] At the hearing TI stated that GM arranged for another person for the initial showing of the Unit to the Tenants. TI stated that all four Tenants were present when the Tenancy Agreement was signed at GM's auto repair business location on November 20, 2024. TI stated that GM filled out the Tenancy Agreement.
- [24] TI and AT use a joint signature with both of their initials. TI and AT stated that their signature is on page 2 of the Tenancy Agreement (EP9). AJM took photographs of the Tenancy Agreement around the time it was signed.
- [25] TI stated that Schedule "D" of the Tenancy Agreement (EP32) was signed later at the Unit. Only AJM and DZ initialled Schedule "D" because they were present and TI and AT were at work. AJM had pet fish in the Unit, which were referenced in Schedule "D".
- [26] TI stated that on November 20, 2024 the Tenants also paid the security deposit to GM.
- [27] TI stated that they did not know KM until July of 2025 and they had previously only dealt with GM.
- [28] On July 23, 2025 KM sent AJM a message requesting that from August 2025 onwards the rent be directly e-Transferred to KM through KM's Hotmail account.
- [29] GM stated that he has an office at his auto repair business.

- [30] GM stated that he and KM did not sign the Tenancy Agreement and he did not initial the Schedule "D" (EP32). GM stated that it is strange no tenants are named on the first page of the Tenancy Agreement. GM stated that he only dealt with AJM.
- [31] GM stated that he managed the Unit until around the summer of 2025 and at that point KM became directly involved and took over managing the Unit.
- [32] Based upon the evidence presented, I am satisfied that all four Tenants either signed or initialled the Tenancy Agreement. The four Tenants lived in the Unit. AJM was the Landlords' main contact person and AJM sent the monthly rent payments. However, this did not limit AJM to being the sole tenant.
- [33] It is unclear whether GM prepared and signed the Tenancy Agreement or had another person assist with this work. However, I am satisfied that the Tenancy Agreement is a genuine document prepared for the Tenants' rental of the Unit from the Landlords. The Tenancy Agreement was signed at GM's place of business. The details in the Tenancy Agreement are consistent with the parties' evidence regarding the monthly rent, the rent due date and the security deposit.
- [34] Further, the Landlords have not brought forward a different tenancy agreement. The Landlords were required to prepare a written tenancy agreement under subsection 11(1) of the Act. If the Tenancy Agreement is not a genuine document, then the Landlords should have submitted the actual tenancy agreement that they were obligated to prepare under the Act.
- [35] It was the Landlords' responsibility to specify the Tenants' names in the Tenancy Agreement under clause 11(2)(b) of the Act. Had the Tenancy Agreement been properly completed, then this matter regarding which persons were tenants may never have been an issue.
- [36] Subsection 1(h) of the Act defines "*landlord*" as follows:
- "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;*
- [37] I find that both Landlords fall within this definition of "*landlord*" and both Landlords are responsible for ensuring that the payment ordered below is completed.
- [38] GM's name is stated on the Tenancy Agreement and the Tenants paid the security deposit directly to GM. GM was the person that the Tenants were dealing with until the summer of 2025. I note that GM did not provide evidence showing that the Tenants' security deposit was transferred to KM. Further, such a transfer would be inconsistent with GM's initial position (discussed below) that the Tenants had not in fact paid a security deposit.
- [39] KM is a "*landlord*" because KM owned the Unit. KM was also the person that the Tenants directly dealt with from the summer of 2025 until the Tenancy Agreement ended.

Security Deposit Payment

- [40] GM initially disputed that AJM paid a security deposit. GM submitted into evidence an expired e-Transfer for \$2,000.00 that AJM had sent to GM on December 1, 2024. At the tele-hearing GM stated that he was unsure whether this expired e-Transfer was a security deposit payment or a rent payment.
- [41] GM later reviewed the November 20, 2024 e-Transfer document (EP50) and stated that it looks to be the security deposit payment.
- [42] GM stated that the security deposit was not paid back to the Tenants. GM stated that he transferred the security deposit to KM in the Fall of 2025.
- [43] The Tenants submitted into evidence an e-Transfer from AJM to GM dated November 20, 2024 for \$2,000.00 that was successfully deposited. This e-Transfer contains a message that states *"Deposit."*
- [44] The Tenants submitted into evidence a message from the Landlords on January 31, 2026 which states in part:

"Hi [AJM]

Looks ok. Not perfect but ok. Did you call oil in? Or do you want that deducted..."

- [45] The Tenants dispute that they are responsible for any oil costs.
- [46] TI stated that none of the security deposit funds were returned.
- [47] Based upon the evidence presented, I find that the \$2,000.00 payment on November 20, 2024 was the security deposit.
- [48] During the tele-hearing GM reviewed the e-Transfer documents and stated that it looked like this was the security deposit payment. The Landlords' January 31, 2026 message is consistent with the Tenants paying a security deposit because of the reference to a deduction. The Tenants' evidence was that this payment was for the security deposit.

ANALYSIS

- [49] For the reasons below, I find that the Landlords must pay the Tenants double the security deposit and interest on the principal security deposit.
- [50] 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.

- [51] The Landlords were required to comply with subsection 40(1) regarding the security deposit. The Tenants vacated the Unit on January 30, 2026 after being served with the Notice. The Landlords had to return the entire security deposit or file an application with the Rental Office within the fifteen day timeline. This timeline passed months ago.
- [52] The Landlords did not file an application against any of the Tenants or return the security deposit.
- [53] There is no previous Rental Office order authorizing the Landlords to keep the Tenants' security deposit.
- [54] At the hearing GM stated that KM and AJM may have had an agreement regarding the security deposit but GM did not know the details.
- [55] However, the parties have not provided the Rental Office with a copy of any written agreement permitting the Landlords to keep the security deposit.
- [56] Further, the Tenants provided text-messages with KM in mid-February of 2026 requesting the return of the security deposit (EP48), which is inconsistent with such an agreement.
- [57] I find that there is insufficient evidence that there was a written agreement for the Landlords to keep the Tenants' security deposit.
- [58] As a result, the Landlords are required to pay the Tenants the security deposit and compensation equal to the security deposit by operation of law under subsection 40(4) of the Act.
- [59] The Landlords must pay the Tenants the total amount of \$4,086.51 by the timeline below, calculated as follows:

Item	Amount
Security deposit	\$2,000.00
Interest (20 NOV 2024 to 27 JUL 2026)	\$86.51
Security deposit section 40 compensation	\$2,000.00
Total:	\$4,086.51

- [60] The Landlords have not filed an application against the Tenants with the Rental Office or served the Tenants with an application for compensation. As a result, I will not consider an offset against the Tenants' established claims in this decision.

CONCLUSION

- [61] The Application is allowed.
- [62] The Landlords must pay the Tenants the amount of \$4,086.51 by the timeline below.

IT IS THEREFORE ORDERED THAT

1. The Landlords must pay the Tenants the amount of \$4,086.51 by August 27, 2026.

DATED at Charlottetown, Prince Edward Island, this 27th 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.