

INTRODUCTION

- [1] This decision addresses an application filed with the Residential Tenancy Office (the “Rental Office”) under the *Residential Tenancy Act* (the “Act”).
- [2] The Tenant seeks the return of the security deposit and double the security deposit as compensation from the Landlord.

BACKGROUND

- [3] The Unit is a room rental and shared common spaces in an apartment (the “Residential Property”).
- [4] The parties entered into a written fixed-term tenancy agreement for the Unit, for the period from September 5, 2024, to August 31, 2025. Rent was \$800.00 due on the first of the month. A security deposit of \$800.00 was paid on September 4, 2024.
- [5] The parties agree the Tenant vacated in April 2025 but dispute the Tenant’s exact vacate date.
- [6] On May 5, 2025, the Tenant emailed the Rental Office and the Landlord a *Form 2(A) Tenant Application to Determine Dispute* (the “Application”) seeking a return of the security deposit.
- [7] On June 26, July 3, August 8, and September 16, 2025, the Rental Office emailed the Tenant to request additional information before scheduling a tele-hearing. The Tenant did not respond to the Rental Office, and on September 16, 2025, the Tenant was advised that the Rental Office was not proceeding with the Application.
- [8] On February 11, 2026, the Tenant contacted the Rental Office and stated that she was still seeking to proceed with the Application.
- [9] On May 13, 2026, the Rental Office sent the parties notice of a tele-hearing scheduled for June 9, 2026.
- [10] On May 29, 2026, the Rental Office emailed a 30-page PDF evidence package to the parties.
- [11] On June 9, 2026, the Landlord’s representative (the “Representative”) called into the tele-hearing. I telephoned the Tenant, left a voicemail, and emailed her an additional copy of the tele-hearing notice. The Tenant did not join the tele-hearing, and it did not proceed at that time.
- [12] On June 9, 2026, the Tenant contacted the Rental Office and stated that she had not received a copy of the May 13, 2026, tele-hearing notice, and was unaware a tele-hearing had been scheduled.
- [13] On June 18, 2026, the Rental Office sent the parties notice of a rescheduled tele-hearing for July 14, 2026.
- [14] On July 14, 2026, before the hearing, the Tenant submitted additional evidence, which included banking records, to the Rental Office and the Landlord.
- [15] On July 14, 2026, the Tenant and the Representative joined the tele-hearing. The parties confirmed receipt of the evidence package and the Tenant’s additional evidence and that all evidence submitted to the Rental Office was included in it.
- [16] After the hearing, the parties provided additional submissions, which were shared with the other party and added to the record.

DISPOSITION

- [17] The Landlord must return the security deposit, including interest, and pay the Tenant double the security deposit, totalling \$1,638.39, by the timeline below.

ISSUE

- A. Must the Landlord return the security deposit and compensate the Tenant double the security deposit?

ANALYSIS & FINDINGS

- [18] The Tenant stated that she was seeking a return of the security deposit. The Tenant stated that she moved out of the Unit around April 24, 2025, and that she paid April's rent in full. The Tenant disputed the Representative's evidence that she failed to pay rent for April 2025.
- [19] The Tenant stated that she had issues with her bank account, but the April 2025 rent payment was processed. The Tenant submitted banking records as evidence.
- [20] The Representative stated that the Landlord should be able to keep the security deposit for unpaid rent for April 2025. The Representative stated that the Landlord served the Tenant with a *Form 2(B) Landlord Application to Determine Dispute* (the "Form 2(B)") to retain the security deposit for rent owed for April 2025.
- [21] The Representative stated that the Form 2(B) was also filed with the Rental Office; however, the Landlord no longer has records of service or filing because some of the Landlord's records were lost when the Landlord relocated its office.
- [22] The Representative stated that the Tenant's documentary evidence shows that her April 2025 rent payment did not go through. The Representative stated that the Tenant's records show that on April 1, 2025, an \$800.00 payment was attempted, but on April 3, 2025, it was not processed due to insufficient funds. On April 7, 2025, the Tenant was then charged \$45 for insufficient funds.
- [23] 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.*

- [24] The Landlord was required to comply with subsection 40(1) and either return the entire security deposit or file an application with the Rental Office within 15 days of the tenancy ending, which I find ended no later than April 30, 2025.
- [25] Despite the Representative's evidence that the Landlord filed a Form 2(B) with the Rental Office, I find no evidence before me that the Landlord filed an application with the Rental Office within the time required by subsection 40(1), or at all, seeking to keep the security deposit.
- [26] There is no earlier Rental Office decision authorizing the Landlord to keep the security deposit under subsection 40(2).
- [27] The parties did not agree that the Landlord could keep the security deposit under subsection 40(3).
- [28] For these reasons, I find that the Landlord is required to return the security deposit and pay the Tenant double the security deposit under subsection 40(4) by operation of law.
- [29] As the Landlord did not file a Form 2(B) seeking rent owing, I will not determine the Landlord's rent-owing claim. Additionally, as it has been more than six months since the end of the tenancy, the Landlord is unable to file an application seeking any further claims in this matter.

CONCLUSION

- [30] The Landlord must return the security deposit, including interest, in the amount of \$838.39 to the Tenant.
- [31] The Landlord must also pay the Tenant double the security deposit of \$800.00.
- [32] The total amount the Landlord must pay the Tenant is \$1,638.39. My calculations are as follows:

Item	Amount
Security deposit	\$800.00
Interest (Sept. 4/24 – July 27/26)	\$38.39
Double security deposit	\$800.00
Total	\$1,638.39

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$1,638.39 by August 31, 2026.

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