

Residential Tenancies Tribunal

Application 2024-1004-NL

Oksana Tkachuk
Adjudicator

Introduction

1. Hearing was called at 1:57 p.m. on 16-January-2025.
2. The applicants, [REDACTED] and [REDACTED], hereinafter referred to as “the tenants”, attended via teleconference.
3. The respondent, [REDACTED], hereinafter referred to as “the landlord”, attended via teleconference.

Preliminary Matters

4. The tenants submitted an affidavit with their application stating that they had served the landlord with the notice of hearing electronically via email on 13-November-2024 (TT#1). The landlord confirmed receiving notice of the hearing on that date. In accordance with the *Residential Tenancies Act, 2018* this is good service, the hearing proceeded.
5. There was a written fixed term rental agreement for one year which commenced on 1-May-2023 and then converted into a month-to-month rental agreement. Rent was \$2500.00 per month, due on the first of each month. The tenants vacated on 30-September-2024. A security deposit of \$1875.00 was collected on 17-April-2023 and is in the landlord's possession.

Issues before the Tribunal

6. The tenants are seeking:
 - Refund of Security deposit \$1875.00;

Legislation and Policy

7. The jurisdiction of the Director of Residential Tenancies is outlined in sections 46 and 47 of the *Residential Tenancies Act, 2018*.
8. Also, relevant and considered in this decision is the following section of the *Residential Tenancies Act, 2018*: Section 14: Security deposit.

Issue # 1: Refund of Security deposit \$1875.00

Tenant's position

9. The tenants stated that the security deposit was not returned by the landlord after they vacated the rental unit on 30-September-2024. The tenants are seeking refund of security deposit.

Landlord's position

10. The landlord confirmed that security deposit is still in his possession.

Analysis

11. Section 14 of the *Residential Tenancies Act, 2018* deals with security deposits, and the relevant subsections state:

Security deposit

14. (8) A security deposit is not an asset of the landlord but is held by the landlord in trust and may be used, retained or disbursed only as provided in this section.
 - (9) Not later than 10 days after the tenant vacates the residential premises, the landlord shall return the security deposit to the tenant unless the landlord has a claim for all or part of the security deposit.
 - (10) Where a landlord believes he or she has a claim for all or part of the security deposit,
 - (a) the landlord and tenant may enter into a written agreement on the disposition of the security deposit; or
 - (b) the landlord or the tenant may apply to the director under section 42 to determine the disposition of the security deposit.
 - (11) Where a tenant makes an application under paragraph (10)(b), the landlord has 10 days from the date the landlord is served with a copy of the tenant's application to make an application to the director under paragraph (10)(b).
 - (12) A landlord who does not make an application in accordance with subsection (11) shall return the security deposit to the tenant.
12. In accordance with section 14 of the *Act* as stated above, the landlord did not return the security deposit within the 10-day time frame, the landlord has failed to make application to the Director to retain the security deposit. The landlord confirmed that security deposit is still in his possession and for those reasons I find that the landlord shall refund the security deposit to the tenants.
 13. Pursuant to the *Residential Tenancies Act, 2018* the landlord must pay interest on a security deposit to the tenants for the entire period that the landlord has had the security deposit. The annual interest was 0% for 2023 and currently is 1% for 2024-2025.

Decision

14. The tenant's claim succeeds in the amount of \$1894.62.

Summary of Decision

15. The landlord shall refund the security deposit plus interest to the tenants in the amount of \$1894.62.

January 20, 2025

Date



Oksana Tkachuk, Adjudicator
Residential Tenancies Office