

## Residential Tenancies Tribunal

Application 2025-0212-NL

Michael Reddy  
Adjudicator

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### Introduction

1. Hearing was called at 9:15 AM on 20 May 2025.
2. The applicant, [REDACTED], hereinafter referred to as "the tenant", attended by teleconference.
3. The respondents, [REDACTED] and [REDACTED], hereinafter referred to as "the landlords", did not attend.

### Preliminary Matters

4. The landlords were not present at the hearing and I was unable to reach them by telephone at the start of the hearing. This Tribunal's policies concerning notice requirement and hearing attendance have been adopted from the *Rules of the Supreme Court*, 1986. According to Rule 29.05(2)(a) respondents to an application must be served with claim and notice of hearing 10 clear days prior to the hearing date and, where the respondents fail to attend the hearing, Rule 29.11(1) states that the hearing may proceed in the respondent's absence so long as they have been properly served. The tenant submitted an affidavit with his application (T#1) stating he served the landlords by electronic mail ([REDACTED] & [REDACTED]) on 31 March 2025. In addition, both landlords had been served a Notice of Re-scheduled Hearing (T#2) on 29 April 2025. In accordance with the *Residential Tenancies Act*, 2018, this is good service. As the landlords were properly served, and as any further delay in these proceedings would unfairly disadvantage the tenant, I proceeded with the hearing in their absence.
5. There was a written fixed term agreement which commenced in January 2023 until August 2025 (T#3), with rent initially set at \$1100.00 per month, due on the first of each month. Rent increased to \$1500.00 effective 1 September 2024. There was an agreement between both parties to end the fixed term rental agreement by 31 January 2025 (T#4). A security deposit of \$825 had been collected on 1 January 2023 (T#5). An increase of \$300.00 on the security deposit had been collected on 4 September 2024 (T#6) totaling \$1125.00 and still in the landlords' possession.

## **Issues before the Tribunal**

6. The tenant is seeking a refund of the security deposit in the amount of \$1125.00 plus interest.

## **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 (the Act)*.
8. Also, relevant and considered in this decision is the following Section of *the Act*, Section 14: Security Deposit.

### **Issue 1: Refund of Security Deposit plus interest**

#### Relevant Submission

9. The tenant testified he paid to the landlords a total of \$1125.00 over two payments: \$825.00 on 1 January 2023 and \$300.00 on 4 September 2024. The tenant stated the security deposit has not been returned by the landlords after he vacated the rental premises 31 January 2025 as both parties had an agreement to terminate the fixed term rental agreement early.

#### **Analysis**

10. 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.

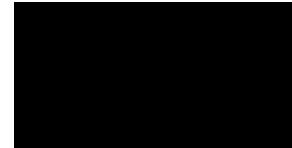
11. In accordance with section 14(9) of the *Act* as stated above, the landlord did not return the security deposit within the 10-day time frame, and the landlord has failed to make application to the Director in accordance with section 14(11) to retain the security deposit. The tenant was able to show that he paid the security deposit. For these reasons, I find that the landlord shall refund the security deposit to the tenant.

12. Pursuant to the *Residential Tenancies Act, 2018* the landlord must pay interest on a security deposit to the tenant for the entire period that the landlord has had the security deposit. The interest is calculated as simple interest and is not compounded. The interest was 0% for 2013 to 2023 and the annual interest is 1% for 2024 and 2025.

### **Decision**

13. The tenant's claim for refund of security deposit plus interest succeeds in the amount of \$1138.58.

18 July 2025



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Date

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Michael Reddy, Adjudicator  
Residential Tenancies Office