

Residential Tenancies Tribunal

Application 2025-0391-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:54 p.m. on 5-August-2025.
2. The applicant, [REDACTED], hereinafter referred to as "the tenant" attended by teleconference.
3. The respondent, [REDACTED], hereinafter referred to as "the landlord" did not attend.

Preliminary Matters

4. The landlord was not present or represented at the hearing and I was able to reach her by telephone at the start of the hearing at which time she stated that she had to return to work and was unable to participate. This Tribunal's policies concerning notice requirements 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 the notice of hearing 10 clear days prior to the hearing date and, where the respondent fails to attend the hearing, Rule 29.11(1) states that the hearing may proceed in the respondent's absence so long as she has been properly served. The tenant submitted an affidavit with her application stating that she had served the landlord with the notice of hearing electronically by email on 21-May-2025 (TT#1). The tenant acknowledged that she made a clerical error on the affidavit in the email address used. The tenant was able to show which email address was used and she was able to show a copy of the sent email (TT#2). In accordance with the *Residential Tenancies Act, 2018* this is good service. As the landlord was properly served, and as any further delay in these proceedings would unfairly disadvantage the tenant, I proceeded with the hearing in her absence.
5. There was a written month-to-month rental agreement which commenced on 15-April-2025. The tenant (sublessee) vacated the unit on 21-April-2025. Rent was \$500.00 per month, due on the 24th day of each month. A security deposit of \$375.00 was paid on 25-March-2025 and is in the landlord's (sublessor's) possession.

Issues before the Tribunal

6. The tenant is seeking:
 - Refund of security deposit \$375.00

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*. 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 \$375.00

Tenant's Position

8. The tenant testified that she paid the landlord a security deposit of \$375.00 on 25-March-2025 and she submitted a copy of the bank transaction to support the claim (TT#3). The tenant also submitted a copy of the rental agreement stating that the security deposit was paid on 25-March (TT#4). The tenant stated that she is seeking the security deposit to be refunded in full.

Analysis

9. 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.

10. Based on the tenant's testimony and the exhibits entered into evidence, I accept that the tenant paid a security deposit of \$375.00 to the landlord on 25-March-2025. In accordance with Section 14 of the *Act* as stated above, I find that the landlord failed to make a claim to retain the security deposit, and she also failed to make a counter claim once she was served by the tenant. For those reasons, I find that the landlord shall refund the security deposit to the tenant. Pursuant to the *Residential Tenancies Act, 2018*

the landlord must pay interest on a security deposit to a 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 annual interest rate for 2025 is 1%.

Decision

11. The tenant's claim to have the security deposit refunded succeeds.

12. The landlord shall pay the tenant \$376.16 as follows:

Refund of security deposit.....	\$375.00
Interest	1.16

Total	\$376.16
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August 18, 2025

Date

Pamela Pennell, Adjudicator
Residential Tenancies Office