

## Residential Tenancies Tribunal

Application 2024-0223-NL

Decision 24-0223-00

Pamela Pennell  
Adjudicator

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### Introduction

1. Hearing was called at 9:11 a.m. on 29-May-2024.
2. The applicant, [REDACTED], hereinafter referred to as “the tenant” attended by teleconference. Also, [REDACTED], authorized representative attended by teleconference (TT#1).
3. The respondent, [REDACTED], hereinafter referred to as “the landlord” attended by teleconference.

### Preliminary Matters

4. The tenant submitted an affidavit with his application stating that he had served the landlord with the notice of hearing electronically by email to: [REDACTED] on 8-April-2024 (TT#2). The landlord confirmed receipt of the document on that date. In accordance with the *Residential Tenancies Act. 2018*, this is good service.
5. There was a verbal month-to-month rental agreement that commenced in July 2023; however, the tenant moved into the unit roughly 6 years prior to the landlord purchasing the unit. The tenant vacated the premises on 16-August-2023. Rent was \$850.00 per month, due on the first of each month. A security deposit of \$475.00 was transferred to the landlord from the previous homeowner after she acquired the property and is still in the landlord's possession.

### Issues before the Tribunal

6. The tenant is seeking:
  - Refund of security deposit \$475.00.

### 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 \$475.00**

### Tenant's position:

9. The tenant testified that he paid a security deposit in the amount of \$475.00 and as the tenancy ended on 16-August-2023, he is seeking to have the security deposit refunded.

### Landlord's position:

10. The landlord testified that there were damages to the unit and she withheld the security deposit to go towards the cost to repair the damages.

### **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 is required to return the security deposit no later than 10 days after the tenant vacated the unit unless the landlord has made an application to the director to claim for all or part of the security deposit. The landlord did not counter the applicants request for refund of security deposit and as such, I find that the landlord shall refund the security deposit to the tenant in the amount of \$475.00.
13. Pursuant to the *Residential Tenancies Act, 2018* the landlord must pay interest on a security deposit to tenants 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 for 2017-2023 was 0% and is currently 1% for 2024.

## Decision

14. The tenant's claim for a refund of the security deposit succeeds.

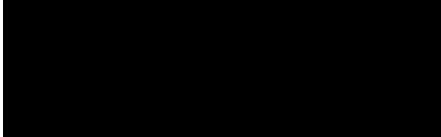
## Summary of Decision

15. The landlord shall refund the security deposit plus interest to the tenant in the amount of \$476.96 as follows:

Security deposit .....	\$475.00
Interest .....	1.96
Total .....	<u>\$476.96</u>

May 30, 2024

Date

  
Pamela Pennell, Adjudicator  
Residential Tenancies Office