

Residential Tenancies Tribunal

Application 2024-0357-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 2:00 p.m. on 18-June-2024.
2. The applicants, [REDACTED] and [REDACTED], hereinafter referred to as “the tenants” 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 unable to reach them by telephone at the start of the hearing. 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 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 they have been properly served. The tenants submitted an affidavit with their application stating that they had served the landlord with the notice of hearing electronically by email to: [REDACTED] and [REDACTED] on 11-May-2023 (TT#1). The tenants were able to show proof of email address and proof 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 tenants, I proceeded with the hearing in their absence.
5. There was a written month-to-month rental agreement that commenced on 1-August-2020. The tenants vacated the unit on 31-December-2023. Rent was \$700.00 per month, due on the first of each month. A security deposit of \$500.00 was paid on 9-July-2020 and is in the landlord’s possession.

Issues before the Tribunal

6. The tenants are seeking:
 - Refund of security deposit \$500.00.

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 \$500.00.

Analysis

8. Section 14 of the *Residential Tenancies Act, 2018* states:

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).*

9. The landlord did not refund the security deposit to the tenants within the 10-day timeframe as outlined in Section 14 above. The landlord did however counter the claim made by the tenants but chose not to attend the hearing on 18-June-2024. I accept that the tenants paid the security deposit as stated in the signed rental agreement and as the security deposit is not an asset of the landlord, I find that the landlord shall refund the security deposit to the tenants.
10. Pursuant to the *Residential Tenancies Act, 2018* the landlord must pay interest on a security deposit to a tenant(s) 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 2020 - 2023 was 0% and is currently 1% for 2024.

Decision

11. The tenant's claim for refund of security deposit succeeds.

Summary of Decision

12. The landlord shall pay the tenants \$502.34 as follows:

Refund of Security Deposit	\$500.00
Interest.....	2.34
Total	\$502.34

June 27, 2024

Date



Pamela Pennell, Adjudicator
Residential Tenancies Office