

Residential Tenancies Tribunal

Application 2025-0549-NL

Michael Reddy
Adjudicator

Introduction

1. Hearing was heard at 1:45 PM on 28-July-2025 via teleconference.
2. The applicant, [REDACTED], hereinafter referred to as the tenant, attended the hearing and represented the tenants. [REDACTED], tenant2, did not attend the hearing.
3. The respondent, [REDACTED], was represented by [REDACTED], hereinafter referred to as the landlord, attend the hearing.

Preliminary Matters

4. The tenant submitted an affidavit with the application indicating the landlord was served electronically [REDACTED] and [REDACTED] on 17-July-2025 at approximately 10:59 AM (T#1). The landlord did not dispute this service. In accordance with the *Residential Tenancies Act (the Act), 2018* this is good service, and the hearing proceeded.
5. There was a fixed term rental agreement which commenced on 1-October-2022. The rental agreement was assigned / transferred to the tenants on 11-February-2023, and they moved out on 24-May-2025, following arrangements to reassign the existing lease to another individual. Rent is set at \$955.00, due on the 1st of each month. There was a security deposit of \$543.75 collected on the tenancy on 12-September-2022 from the original lease holders, which was transferred to the tenants on 11-February-2023 as per a lease holder addendum agreement(T#2) and again reassigned to another party on 22-May-2025 as per another lease holder addendum agreement (T#3).
6. The tenants amended their application to include a claim for hearing expenses in the amount of \$20.00.

Issues before the Tribunal

7. The tenants are seeking the following:
- Refund of the Security deposit plus interest
 - Compensation for inconveniences in the amount of \$70.61
 - Compensation for damages in the amount of \$264.49
 - Compensation for other in the amount of \$575.00
 - Hearing expenses in the amount of \$20.00

Legislation and Policy

8. The jurisdiction of the Director of Residential Tenancies is outlined in Sections 46 and 47 of the *Residential Tenancies Act (the Act), 2018*.
9. Also, relevant and considered in this decision are Sections 10 and 14 of the *Act*, along with *Policies 9-004: Compensation for Damage to Tenant's Personal Property* and *12-001: Recovery of Costs* of the Residential Tenancies Program.

Issue 1: Refund of Security Deposit plus interest

Relevant Submission

10. The tenants submitted a Lease Holder Addendum – Lease Assignment (Exhibit T#3), signed by the tenants and a [REDACTED], dated 22 May 2025.

Tenants Position

11. The tenants stated that they assumed the lease in February 2023 through a lease assignment. At that time, the outgoing tenants had paid a \$543.75 security deposit to the landlord, and this deposit was transferred to the incoming tenants as part of the assignment. The tenants then reimbursed the former occupants directly for this amount.
12. The tenants testified that they vacated the unit on 24 May 2025 and arranged a further lease assignment to [REDACTED]. After they moved out and returned the keys to the landlord, [REDACTED] advised she would not proceed with the tenancy, did not take possession, and did not reimburse the tenants for the security deposit.
13. The tenants are seeking a refund of the \$543.75 security deposit, plus interest from 12-September-2022, from the landlord. They argue that the landlord did not

apply the security deposit to a new leaseholder and that the landlord was aware they had not been reimbursed by [REDACTED]

Landlord Position

14. The landlord testified that the security deposit was originally paid by prior tenants in September 2022. In February 2023, the tenants assumed the rental agreement under a lease assignment, consistent with section 10 of the Residential Tenancies Act, 2018. The security deposit was reassigned to the tenants, who reimbursed the former tenants directly. The landlord indicated that paragraph 5 of the Rental Agreement with Northview contains the tenants' acknowledgement of this.
15. The landlord stated that the tenants later entered into a lease assignment with [REDACTED] on 22-May-2025. As in 2023, the security deposit was transferred from the outgoing tenants to the incoming assignee. The landlord advised that the tenants were released from the rental agreement on 23-May-2025 and that [REDACTED] was to take over the tenancy. The landlord argued that the assignment was between the tenants and [REDACTED], and any exchange of funds between them was a private matter.

Analysis

16. Section 10 of the Residential Tenancies Act, 2018 permits a tenant to assign a tenancy with written landlord consent. When an assignment occurs, the assignee steps into the tenant's position and the tenancy continues uninterrupted. The outgoing tenant is typically released from further obligations as of the effective date of the assignment.
17. I reviewed the Leaseholder Addendum-Lease Agreement (T#3) which the tenants supplied along with their application. In review of T#3, that piece of evidence states, "*It is understood and agreed that the following tenants being removed from the Residential Tenancy Agreement will no longer reside in the premises and relinquishes the landlord from all claims regarding the securing deposit*". This document identifies the tenants and the assignee and appears signed by both parties. Based on the information provided, the tenants and Ms. Short executed an assignment agreement on 22-May-2025 (T#3), and the landlord released the tenants from the rental agreement effective 23-May-2025. I find, on a balance of probabilities, that a valid assignment occurred effective 23-May-2025.
18. Under the Act, a landlord must return a security deposit only after a tenancy is terminated. Assignment does not terminate a tenancy; it continues with the new tenant. Therefore, when a valid assignment occurs, the security deposit remains with the tenancy, and any reimbursement between outgoing and incoming

tenants is a private matter. The landlord is not required to refund the deposit at assignment, nor is there a statutory obligation for the landlord to oversee or guarantee repayment between tenants.

19. Because I have found that a valid assignment occurred on 22–23 May 2025, the landlord had no obligation to refund the security deposit to the outgoing tenants. If the tenants were not reimbursed by ██████████, their remedy would be against her, not the landlord. Such a matter falls outside the jurisdiction of the Residential Tenancies Tribunal.

Decision

20. The tenants claim against the landlord for return of the security deposit does not succeed.

Item 2: Compensation for Inconveniences \$70.61

Tenant Position

21. The tenants are seeking compensation for inconveniences in the amount of \$70.61 which they claim were incurred from residing in the rental premises.
22. The tenant testified that a mold problem developed in the unit, and that he had contacted the landlord regarding the issue in February 2025 regarding these concerns. He supplied a copy of a maintenance request (T#5) dated 26-February-2025. The tenant testified the landlord never acted on this request for maintenance, and the issue remained unresolved.
23. The tenant alleges that as a result of this issue not being addressed, he developed a fungal infection and required medication. The tenant noted that he had not experienced these issues prior to residing in the residence and along with his application, he supplied a piece of paper outlining the name of the medication, the number of units purchased, the price per unit and the total cost of medication purchased (T#4). The tenants are seeking compensation for inconveniences in the amount of \$70.61.

Landlord Position

24. The landlord testified that while the rental premises is a lower-level apartment, there had never been a reported mold issue prior to this tenancy. The landlord did not dispute the tenants could have submitted concerns with potential mold in the rental, although noted that she did not have that information in front of her. The landlord further noted that they likely responded and advised them that air drying clothes inside an apartment increases dampness and suggested that the tenants purchase a dehumidifier, which in the landlord's opinion would be the

responsibility of the tenant. The landlord further noted that they were not aware of any provincial regulations with respect to mold and the degree it may or may not cause health issues.

Analysis

25. As per section 10, of the Residential Tenancies Act, 2018, a landlord is required to maintain a premises in a good state of repair, ensure the premises complies with health, safety, and housing standards, and ensure the premises is fit for habitation throughout the tenancy. These obligations apply regardless of the age or type of unit and are not displaced by tenant practices that constitute ordinary residential use.
26. The tenant submitted a written maintenance request dated 26 February 2025 (T#5), reporting concerns about mold. On the balance of probabilities, I accept the tenant's evidence as establishing that the landlord was notified of a mold issue on that date. The landlord provided no records of inspection, repair, remediation, or follow-up, and no evidence of communication responding to the maintenance request.
27. Once notified, the landlord had a statutory duty to investigate the mold concern and undertake any necessary repairs. The landlord's statement that they "likely advised" the tenants to use a dehumidifier does not satisfy this obligation. While a dehumidifier may help reduce humidity, it does not replace the requirement to identify and correct the underlying cause of mold, such as moisture intrusion or ventilation deficiencies.
28. The landlord suggested that air-drying clothes indoors can increase dampness. Even if this were the case, tenants are entitled to make normal use of the premises, and the landlord remains responsible for ensuring adequate ventilation and moisture control. There is no persuasive evidence that tenant behaviour was the primary cause of the mold. Regardless, the landlord was required to investigate the issue before attributing it to tenant activity.
29. Given the credible evidence of notice and the absence of any investigation or remediation, I find, on a balance of probabilities, that the landlord failed to comply with section 10 of the *Residential Tenancies Act, 2018*.
30. Section 47 of the *Act* allows the Director to order compensation for inconvenience resulting from a landlord's breach. The tenant seeks \$70.61, representing the cost of medication purchased for a fungal infection. However, the only evidence provided was a typewritten note listing the medication and cost (T#4). No medical documentation was submitted linking the tenant's condition to mold exposure in the unit, and no receipts were provided. While the tenant's experience is acknowledged, health-related claims require some objective

evidence of causation. As this evidentiary threshold has not been met, the tenant is not entitled to reimbursement for medical expenses.

Decision

31. The tenant's claim of costs for medical expenses in the amount of \$70.61 does not succeed.

Item 3: Compensation for Damages \$264.49

Tenant Position

32. The tenant testified that they purchased a new mattress when they moved into the apartment in 2023 and supplied a receipt from Walmart dated 5-March-2023 demonstrating the purchase of a queen size mattress (T#6). The tenant stated that the mattress was damaged by mold and was disposed of when they moved out of the premises. The tenant testified that a representative of [REDACTED] had taken a picture of the state of the mattress related to mold, but did not supply this piece of evidence. The tenant is seeking \$264.49 in relation to purchasing a new mattress after vacating the rental premises.

Landlord Position

33. The landlord disputes [REDACTED] is responsible for the costs associated with replacement of a mattress. She testified the tenants did not supply any evidence related to the claim that the mattress was moldy or damaged, nor did the tenants provide any evidence that they purchased a replacement mattress.

Analysis

34. The tenant testified that they purchased a new queen-size mattress in March 2023 and submitted a receipt demonstrating the original purchase date and cost. The tenant alleges that the mattress became mold-damaged during the tenancy and was disposed of when they vacated the unit. The tenant further testified that a representative of [REDACTED] photographed the mold damage; however, no photograph, report, or corroborating documentation was submitted into evidence.
35. Policy 09-004 – Compensation for Damage to Tenant's Personal Property provides the framework for determining whether a landlord is financially responsible for loss or damage to tenant belongings. Under this policy, a landlord may be liable for such loss only where:
 - the landlord failed to comply with their statutory maintenance obligations;
 - that failure caused damage to the tenant's personal property;
 - the tenant provides sufficient evidence of the damage; and

- the tenant demonstrates the value of the loss and reasonable mitigation efforts.
36. Although the existence of mold in the unit was raised elsewhere in the tenant's claim, the burden remains on the tenant to provide objective evidence that the mattress itself sustained mold damage and that the damage resulted from the landlord's breach. In this case, the tenant did not submit photographs of the mattress, documentation from the [REDACTED] representative allegedly involved, or any independent evidence of mold contamination of the mattress. Further, the tenant did not provide a receipt or any documentary proof of purchasing a replacement mattress, despite seeking compensation in the amount of \$264.49.
37. As Policy 09-004 requires both proof of damage and proof of loss, and as neither requirement has been met on the evidence before me, the causal connection between the landlord's actions and any property damage cannot be established on a balance of probabilities. The absence of supporting documentation means the tenant has not met the evidentiary threshold required for compensation under the policy. Accordingly, the tenant's claim for reimbursement related to replacement of the mattress cannot be supported.

Decision

38. The tenant's claim for \$264.49 for damages to personal property does not succeed.

Issue 4: Compensation for Other \$575.00

Relevant Submission

39. The tenants submitted a copy of a "Lease Holder Addendum – Lease Assignment" (T#3), signed by the tenants and a [REDACTED], which appears to have been executed on 22-May-2025. This document specifies "by executing this addendum agreement the leaseholders hereby agree to pay an administration fee of \$500 plus HST".

Tenant Position

40. The tenant is seeking \$575.00 for an administration fee charged by [REDACTED] in relation to subletting the rental premises. The tenant submitted a receipt showing a payment of \$575.00 made on 23 May 2025 (Exhibit T#7). The tenant testified that this fee was unjustified. He stated that he completed all the work required to secure a new tenant, including advertising the unit and arranging all viewings. He further testified that the landlord rejected his first proposed applicant due to occupancy limits but accepted the second applicant he provided. The tenant also

noted that when he originally took over the lease from previous tenants, the administrative fee charged for that reassignment was significantly lower. He added that he was aware of others that had not been required to pay that amount.

Landlord Position

41. The landlord testified that the \$575.00 payment was an administrative fee associated with a lease reassignment. She stated that lease transfers require substantial administrative work, including reviewing applications, verifying information, conducting landlord reference checks, carrying out credit inquiries, and other related processing tasks. She further testified that [REDACTED] has an established policy for lease-transfer fees based on the number of hours required to complete the administrative work. According to this policy, the estimated fee is \$500 plus HST, adjusted upward or downward depending on the actual time required to complete the reassignment.

Analysis

42. Based on the evidence presented, I find that the tenants and the landlord executed a written Lease Holder Addendum – Lease Assignment on 22 May 2025 (T#3). This document expressly states that: *“the leaseholders hereby agree to pay an administration fee of \$500 plus HST.”*
43. The addendum was signed by the tenants and accepted by the landlord who released the tenants from the rental agreement on 23-May-2025, and the amount stated in the agreement corresponds to the \$575.00 paid by the tenants on 23 May 2025 (T#7). There is no evidence that the landlord charged an amount different from, or in excess of, what was agreed to in writing.
44. While the tenant testified that the fee was unfair or unnecessary because he arranged the viewings and located a replacement tenant himself, the Tribunal’s role is to determine whether the fee was permitted and agreed to. No evidence was presented to suggest the tenants were misled, coerced, or otherwise induced into signing the lease-assignment addendum. When parties voluntarily enter a written agreement specifying a fee, the agreement is binding.
45. Accordingly, I find that the landlord’s collection of the lease-assignment administration fee was consistent with the signed addendum and was therefore permitted.

Decision

46. The tenant’s claim for compensation for other does not succeed.

Issue 5: Hearing Expenses \$20.00

Relevant Submission

47. The tenant provided a receipt (T#8) demonstrating payment of a \$20.00 application fee and is seeking reimbursement.

Analysis

48. Section 12-001 of the Residential Tenancies Policy Manual, filing fees can be claimable costs. As the tenant's claims fail, I find that the tenant is responsible for the hearing expenses.

Decision

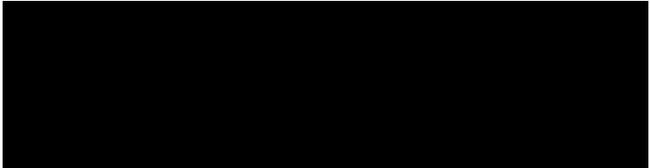
49. The tenants claim for hearing expenses does not succeed.

Summary of Decision

50. The tenants claim for refund of the security deposit plus interest does not succeed.
51. The tenants claim for compensation for inconveniences of \$70.61 does not succeed.
52. The tenants claim for compensation for damages of \$264.49 does not succeed.
53. The tenants claim for compensation for other of \$575.00 does not succeed.
54. The tenants claim for compensation for hearing expenses of \$20.00 does not succeed.

20-January-2026

Date



Michael Reddy, Adjudicator
Residential Tenancies Office