

Residential Tenancies Tribunal

Application 2025-0661-NL

Michael Reddy
Adjudicator

Introduction

1. The hearing was called at 9:15 AM on 27 August 2025 via teleconference.
2. The applicant, [REDACTED], represented by [REDACTED], hereinafter referred to as the landlord, attended the hearing.
3. The respondent, [REDACTED], hereinafter referred to as the tenant, did not attend and was not represented.

Preliminary Matters

4. The tenant was not present or represented at the hearing and I was unable to reach them by telephone prior to 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 the 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 he/she has been properly served. The landlord submitted an affidavit with the application stating that the tenant was served with the notice of the hearing on 14 August 2025 at approximately 8:40 AM (L#1) via text message ([REDACTED]). In accordance with the Residential Tenancies Act, 2018 this is good service. As the tenant was properly served, and as any further delay in these proceedings would unfairly disadvantage the landlord, I proceeded with the hearing in her absence.
5. There was a written monthly rental agreement (L#2) between 1 June 2023 and 3 August 2025. Rent was set at \$1000.00 due on the 1st of each month. There was a security deposit of \$750.00 collected on the tenancy on 19 May 2023 and still in possession of the landlord.

6. The landlord amended the application to exclude the claim for vacant possession and include \$20.00 hearing expenses.

Issues before the Tribunal

7. The landlord is seeking:
 - rental arrears in the amount \$500.00
 - late fees in the amount \$49.00
 - hearing expenses in the amount \$20.00
 - security deposit to be applied against monies owing.

Legislation and Policy

8. 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 case are S. 14 and S. 15 of the *Residential Tenancies Act, 2018*; and Residential Tenancies Policy 10-001: Security Deposit and 12-001: Costs.

Issue 1: Rental Paid/ Late Fees

Landlord Position

9. The landlord is claiming \$500.00 of rental arrears and late fees of \$49.00 in relation to rent for July 2025. The landlord testified that the tenant only partially paid rent in the amount of \$500.00 for in July 2025.
10. Along with her application, the landlord supplied text messages between herself and the tenant in relation to outstanding rental arrears which began on 14 July 2025 (L#3), 16 July 2025 (L#4) and 21 July 2025 (L#5).
11. The landlord testified the tenant vacated the rental premises on 3 August 2025 at which time, \$500.00 of rental arrears remained outstanding for July 2025.

Analysis

12. Non-payment of rent is a violation of the rental agreement. Rent is required to be paid under a rental agreement by a tenant during the use or occupancy of a residential premises. I accept the landlord's testimony that rent was not fully paid for the month of July 2025.
13. L#3, L#4, and L#5, identifies that the tenant was fully informed and aware of rental arrears which remained for July 2025.

14. The tenant shall pay rental arrears in the amount of \$500.00.

15. In relation to \$49.00 claimed for late fees, Section 15 of the Act states:

Fee for failure to pay rent

(1) Where a tenant does not pay rent for a rental period within the time stated in the rental agreement, the landlord may charge the tenant a late payment fee in an amount set by the minister.

16. Residential Tenancies Policy 2-4; Deposits, Payments and Fees states that “when rent is not paid on time, a landlord may charge a late fee of \$5.00 for the first day rent is in arrears and \$2.00 for each additional day that the rent remains in arrears in any consecutive number of rental periods up to a maximum of \$75.00”.

17. As of the date of the hearing (27 August 2025), rental arrears have been confirmed as indicated herein. The tenant shall pay late fees in the amount of \$49.00 as identified on the Application for Dispute Resolution (L#6).

Decision

18. The landlord’s claim for rental arrears and late fees succeeds in the amount of \$549.00 determined as follows:

- Rental arrears for July 2025.....\$500.00
- Late fees.....\$49.00

- Total.....\$549.00

Issue 2: Hearing Expenses \$20.00

Landlord Position

19. The Landlord provided a receipt (L#7) demonstrating payment of a \$20.00 application fee and is seeking reimbursement.

Analysis

20. In accordance with Section 12-1 of the Residential Tenancies Policy Manuel, filing fees can be claimable costs. As the landlord’s claim has been successful, I find that the tenant is responsible for the hearing expenses

Decision

21. The landlord's claim for hearing expenses succeeds in the amount of \$20.00.

Issue 3: Security Deposit

Landlord Position

22. The landlord is seeking to retain the security deposit in relation to monies owing. During the hearing the landlord stated they wished to retain the security deposit in its entirety to be applied against monies owing for rental arrears, late fees and cleaning / disposal of abandoned belongings. Along with the application, the landlord supplied a receipt for the security deposit payment (L#8) on 19 May 2023 in the amount \$750.00.

Analysis

23. In accordance with Residential Tenancies Policy 10-01, if a landlord has collected a security deposit from a tenant, and if at any point during the tenancy, or after it has ended, the landlord believes that they are entitled to retain some or all of that deposit as compensation for a liability of the tenant, or as compensation for the tenant's failure to fulfil their obligations under the rental agreement, the landlord may either: 1./ Enter into a written agreement with the tenant on the disposition of the deposit, or 2./ File an Application for Dispute Resolution with this Division, seeking compensation for financial damages; and to retain the deposit to offset the financial damages.

24. No evidence was provided with respect to costs associated with cleaning and disposal. However, the landlords claim for compensation for rental arrears, late fees and hearing expenses has been successful as per the above.

25. Pursuant to Section 14 of 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. As the landlord's claim for compensation has succeeded, the security deposit plus applicable interest at the rate prescribed by the *Security Deposit Interest Calculator* shall be applied against the monies owed (\$750.00 + \$12.43) and reveals a security deposit of \$762.43.

Decision

26. The landlord shall retain \$569.00 of the security deposit determined as follows:

- Rental arrears.....\$500.00
- Late fees.....\$49.00
- Hearing expenses.....\$20.00

- Total.....\$569.00

Summary of Decision

27. The landlord shall retain \$569.00 of the security deposit determined as follows:

- Rental arrears.....\$500.00
- Late fees.....\$49.00
- Hearing expenses.....\$20.00

- Total.....\$569.00

6 October 2025



Date

Michael Reddy, Adjudicator
Residential Tenancies Office