

Residential Tenancies Tribunal

Application 2025-0763-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:48 p.m. on 16-September-2025.
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” attended by teleconference. [REDACTED], support person was also present.

Preliminary Matters

4. The tenants submitted an affidavit with their application stating that they had served the landlord with the notice of hearing electronically by email on 27-August-2025 (TT#1). The landlord confirmed receipt of the document on that date. In accordance with the *Residential Tenancies Act, 2018* this is good service.
5. There originally was a written fixed term rental agreement which commenced on 1-May-2022 which converted to a month-to-month tenancy. The tenants vacated the unit on 30-June-2025. Rent was \$1350.00 per month, due on the 1st day of each month. A security deposit of \$1100 was paid in installments on 29-March-2022 and 1-May-2022 and \$448.26 has been refunded to the tenants.
6. The tenants acknowledged that the security deposit was overpaid in the amount of \$87.50 and would like to have that portion of the refunded security deposit to be considered rent refunded. The tenants amended the application to omit compensation paid for inconvenience and other and to decrease the amount sought for refund of security deposit from \$340.50 to \$301.00 plus interest.

Issues before the Tribunal

7. The tenants are seeking:

- Refund of security deposit \$301.00 plus interest
- Hearing expenses \$48.00

Legislation and Policy

8. The jurisdiction of the Director of Residential Tenancies is outlined in sections 46 and 47 of the *Residential Tenancies Act, 2018*. Also, relevant and considered in this decision is the following section of the *Residential Tenancies Act, 2018*: Section 14: Security deposit. Also, relevant and considered in this decision is the following section of the *Residential Tenancies Policy*: 12-01 Recovery of costs.

Issue # 1: Refund of Security Deposit \$301.00 plus interest

Tenant's and Landlord's Positions

9. The tenants testified that out of the \$1012.50 that is considered to be the security deposit paid, the landlords refunded \$360.76 at the end of the tenancy, retaining the remainder amount without their approval to do so. The tenants stated that they agree that the landlord shall retain some monies to cover the cost of damages as acknowledged by them and they are seeking to have \$301.00 from the security deposit plus applicable interest refunded to them. The landlord disputed that he should refund any monies to the tenants as there were additional damages to the unit.

Analysis

10. 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.
11. I accept that the tenants overpaid the security deposit in the amount of \$87.50 and I accept that the amount was refunded to the tenants at the end of the tenancy as rent refunded. As for the security deposit of \$1012.50, I accept that the landlords refunded \$360.76 leaving a balance of \$651.74. In accordance with Section 14 of the *Act* as stated

above, I find that the landlord failed to make a claim to retain that portion of the security deposit, and he also failed to make a counter claim once he was served by the tenants. The tenants stated that they agree that the landlord shall retain a portion of the security deposit and tenant 1 stated that they are seeking an additional \$301.00 plus interest to be refunded to them. I find that the landlord shall refund \$301.00 of the security deposit to the tenants.

12. 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 2022-2023 was 0% and is currently 1% for 2024-2025.

Decision

13. The tenant's claim to have a portion of the security deposit plus interest refunded succeeds.

Issue # 2: Hearing expenses \$48.25

Analysis

14. The tenants paid an application fee of \$20.00 to *Residential Tenancies* and incurred *Commissioner of Oath* fees in the amount of \$28.25. The tenants submitted a copy of the receipts to support the claim (TT#2). In accordance with Section 12-1 of the *Residential Tenancies Policy Manuel*, filing fees and other administrative fees can be claimable costs. I find that filing fees are not required for claims for refund of security deposit and as such, the cost shall not be passed on to the landlord. As for the *Commissioner of Oaths* fee, I find that the landlord shall be responsible for that cost.

Decision

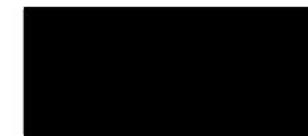
15. The tenant's claim for hearing expenses succeeds in the amount of \$28.25.

Summary of Decision

16. The landlord shall pay the tenants \$345.80 as follows:

Refund of security deposit.....	\$301.00
Interest	16.55
Hearing expenses	28.25
Total	\$345.80

September 18, 2025
Date



Pamela Pennell, Adjudicator
Residential Tenancies Office