

Residential Tenancies Tribunal

Application 2026-0443-NL and 2026-0529-NL

Seren Cahill
Adjudicator

Introduction

1. Hearing was held on 4-August-2026 at 9:01 am.
2. The applicant of the initial claim, [REDACTED], hereinafter referred to as the tenant, attended by teleconference.
3. The respondent and counterclaimant, [REDACTED] hereinafter referred to as the landlord, also attended by teleconference.

Preliminary Issues

4. The parties acknowledged they were properly served.
5. This was a month-to-month rental agreement, with rent set at \$950.00/month due on the 1st of each month.

Issues before the Tribunal

6. What is the nature and proper disposition of the \$950.00 deposit?

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 (the *Act*).

Issue 1: Nature of the Deposit

Landlord's Position

8. The landlord testified that the tenant paid a \$950.00 holding deposit and paid \$950.00 in rent for the month of April 2026. He resided at the premises only from 24-April-2026 to 27-April-2026. She originally applied for an additional \$950.00 payment for the month of May 2026 in lieu of notice but conceded during the hearing that the holding deposit had become that rent payment.

Tenant's Position

9. The tenant characterized the payment as a security deposit and seeks its return in accordance with s. 14(12) of the *Act*.

Analysis

10. The landlord's documentary evidence (L#1 and L#2) shows that she has consistently specified that the deposit is a "holding deposit." The tenant has equally consistently considered the payment to be a "security deposit." It is clear as a matter of fact that there was no meeting of the minds – the parties never shared an understanding of the nature of the payment. The payment was made prior to the occupancy. A second payment of \$950.00 was made during the month of April.
11. S. 14(2) of the *Act* states that where a landlord receives from a tenant money or other value that is more than the amount of rent payable in respect of the residential premises, the money or value shall be considered to be a security deposit. Only \$950.00 was due for the month of April, so the remaining \$950.00 is rendered a security deposit by s. 14(2), notwithstanding a lack of intention on the part of the landlord to create such a deposit. As the tenant has made a claim for the return of a security deposit and served the landlord notice of the same, and as the landlord did not make a claim against the deposit within 10 days, the deposit must be returned to the tenant.
12. The landlord claims unpaid rent for the month of May 2026 on the basis that the tenant did not provide adequate notice of termination. S. 18(1)(b) of the *Act* states that in a month-to-month tenancy the tenant must give the landlord not less than one month's notice in a month-to-month tenancy. The landlord testified that she was unable to find a new tenant and therefore suffered a loss of \$950.00 for the month of May. As the loss is the result of the tenant's breach of the rental agreement, he is liable for this amount.

Decision

13. Each party owes the other \$950.00.

Summary of Decision

14. Each party owes the other \$950.00. I decline to issue an order that each party is to pay the other \$950.00.

19-August-2026

Date



Seren Cahill
Residential Tenancies Office