

Residential Tenancies Tribunal

Application 2025-0684-NL

Michael Reddy
Adjudicator

Introduction

1. The hearing was called at 2:00 PM on 28-October-2025 via teleconference.
2. The applicant, [REDACTED], hereinafter referred to as the tenant, participated in the hearing.
3. The respondent, [REDACTED], hereinafter referred to as the landlord, did not attend and was not represented.

Preliminary Matters

4. The landlord was not present or represented at the hearing and attempts to reach her by telephone prior to the hearing were unsuccessful. 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 respondents fail to attend the hearing, Rule 29.11(1) states that the hearing may proceed in the respondent's absence so long as she had been properly served. The tenant submitted an affidavit with the application stating the landlord was served electronically ([REDACTED]) with the notice of hearing on 15-September-2025 at approximately 10:05 PM (T#1, T#2). As well, there was a notice of re-scheduled hearing sent to the landlord (T#3) on 8-October-2025. 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 tenant, I proceeded with the hearing in her absence.
5. There was a verbal monthly rental agreement which commenced on 15-March-2025 until 27-May-2025 with rent set at \$1100.00 per month, due on the 1st of each month. A security deposit of \$1100.00 was collected on 28-February-2025 (T#4), a portion of which is still in the possession of the landlord.

Issues before the Tribunal

6. The tenant is seeking the following:
 - Refund of the security deposit plus applicable interest in the amount of \$280.00

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* (the *Act*).
8. Also relevant and referred to in this decision is Section 14 of the *Act*.

Issue 1: Refund of Security Deposit plus interest

Relevant Submission

9. The tenant is seeking refund of the security deposit in the amount of \$280.00.

Tenant Position

10. The tenant testified on 28-February-2025, that he e-transferred the landlord \$1925.00 (T#4) which he described as \$1100.00 for the security deposit and \$825.00 for “partial rent”. After the tenant vacated, he stated the landlord had refunded him \$825.00 on 10-June-2025 (T#5). The tenant stated after his repeated attempts to contact the landlord after leaving, the landlord had informed him he had received all the security deposit.

Analysis

11. It is noted that the tenant’s testimony and evidence as submitted in T#4 and T#5 contains a minor mathematical inconsistency. While the tenant seeks a refund of a ‘balance of \$280.00’ of the \$1100.00 paid, his evidence demonstrates that a refund of \$825.00 was issued, which would leave an outstanding balance of \$275.00. The Tribunal accepts \$275.00 as the correct outstanding amount.
12. Section 14 of the *Residential Tenancies Act, 2018* deals with security deposits, and the relevant subsections state:

Security deposit

- (1) A landlord shall not demand from a tenant a security deposit that is

- (a) more than the amount of rent payable for the first 2 weeks where the residential premises is rented from week to week;
- (b) more than 3/4 of the amount of rent payable for the first month where the residential premises is rented from month to month; or
- (c) more than 3/4 of the amount of rent that would be payable for the first month if rent was divided into a monthly payment where the residential premises is rented for a fixed term.

.....

(3) Where a landlord receives a security deposit that is more than the amount permitted under subsection (1), the tenant may deduct the overpayment from rent or may recover the overpayment together with interest on the amount of the overpayment at the rate prescribed in the regulations.

.....

(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.

13. While the evidence supplied to this Tribunal (T#4) reveals a security deposit in an amount greater than permissible under the Act, the tenant's application seeks the return of the outstanding balance. The Tribunal's jurisdiction is limited to determining the disposition of the amount claimed. Accordingly, this decision does not validate the collection of a deposit in excess of the statutory limit, nor does it prevent the tenant from pursuing recovery of any additional overpayment through an appropriate application. For the purposes of this proceeding, this decision will determine the disposition of the amount claimed for the security deposit.

14. In accordance with section 14(9) of the *Act* as stated above, the landlord did not return the security deposit within the 10-day time frame, and the landlord has failed to make application to the Director in accordance with section 14(11) to retain the security deposit. The tenant was able to show that he paid the security deposit. For these reasons, I find that the landlord shall refund the security deposit to the tenant.

15. Pursuant to 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. The interest is calculated as simple interest and is not compounded. The annual interest is 1% for 2025.

Decision

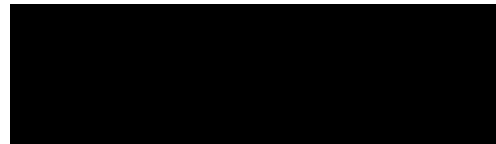
16. The landlord shall pay the tenant \$279.14 (\$275.00 security deposit outstanding + \$4.14 interest).

Summary of Decision

17. The landlord shall refund the security deposit plus interest to the tenant in the amount of \$279.14.

30-April-2026

Date



Michael Reddy, Adjudicator
Residential Tenancies Office