



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes MNSDB-DR, FFT

Introduction

This matter proceeded by way of an *ex parte* Direct Request Proceeding, pursuant to section 38.1 of the *Residential Tenancy Act* (the *Act*), and dealt with an Application for Dispute Resolution by the tenants for a Monetary Order seeking the return of their security deposit and pet damage deposit (collectively, the “deposits”).

The tenants submitted two signed “Proof of Service of the Tenant’s Notice of Direct Request Proceeding” forms which declare that on March 14, 2020 the tenants served each of the above-named landlords with the Notice of Direct Request Proceeding, along with copies of supporting documents, via registered mail. The tenants provided two copies of the Canada Post Customer Receipts containing the Tracking Numbers to confirm these mailings. Section 90 of the *Act* determines that a document served in this manner is deemed to have been received five days after service.

Based on the written submissions of the tenants, and in accordance with sections 89 and 90 of the *Act*, I find that the landlords are deemed to have received the Direct Request Proceeding documents on March 19, 2020, the fifth day after their registered mailing.

Issue(s) to be Decided

Are the tenants entitled to a monetary award for the return of all or a portion of their security deposit pursuant to section 38 of the *Act*? If so, should it be doubled?

Are the tenants entitled to a monetary award for the return of all or a portion of their pet damage deposit pursuant to section 38 of the *Act*? If so, should it be doubled?

Are the tenants entitled to recover the filing fee for this application from the landlord pursuant to section 72 of the *Act*?

Background and Evidence

I have reviewed all written submissions and evidence before me; however, only the evidence and submissions relevant to the issues and findings in this matter are described in this decision.

On the tenants' Application for Dispute Resolution by Direct Request (the "application"), the tenants have requested a Monetary Order seeking a return of their security deposit in the amount of \$900.00 and the return of their pet damage deposit in the amount of \$950.00.

On the application, the tenants' attested that the tenancy ended on June 30, 2019 pursuant to a written notice to end tenancy served by the tenants to the landlords. The tenants submitted, in part, the following evidentiary material:

- A copy of a residential tenancy agreement which was signed by the landlords and the tenants, indicating a monthly rent of \$1,900.00, due on the first day of each month for a tenancy commencing on July 15, 2017. The tenancy agreement depicts that the tenants were required to pay a security deposit and pet damage deposit, each in the amount of \$950.00, by June 30, 2017;
- A copy of a Tenant's Monetary Order Worksheet for an Expedited Return of Security Deposit and/or Pet Damage Deposit (the Monetary Order Worksheet) showing the amount of the security deposit and pet damage deposit paid by the tenants and the amount sought in return by the tenants. The tenants assert that an amount of \$50.00 was identified as an authorized deduction from the security deposit, resulting in a balance of \$900.00 sought by the tenants for the return of the security deposit. The tenants indicate that there are not any authorized deductions for the pet damage deposit and seek the full return of the pet damage deposit in the amount of \$950.00.

On the Monetary Order Worksheet, the tenants attested that they were not given at least one opportunity to participate in a move-in condition inspection by the landlord. The tenants additionally attested that neither they nor an authorized representative participated in a move-in condition inspection as the landlord did not conduct a move-in condition inspection. The tenants asserted that they were not provided a copy of a condition inspection report as a move-in condition inspection was not conducted by the landlord.

On the Monetary Order Worksheet, with respect to matters related to the end of the tenancy, the tenants attested that they were not given at least one opportunity to participate in a move-out condition inspection by the landlord. The tenants additionally attested that neither they nor an authorized representative participated in a move-out

condition inspection as the landlord did not conduct a move-out condition inspection. The tenants asserted that they were not provided a copy of a condition inspection report at the end of the tenancy as a move-out condition inspection was not conducted by the landlord.

The tenants provided a copy of a letter addressed to the landlords, dated January 20, 2020, in which they provided their forwarding address and expressed that they sought the return of their deposits totalling \$1,900.00. The tenants asserted that the letter was served to the landlords by way of registered mail addressed to the service address provided for the landlords in the tenancy agreement.

Additionally, the tenants provided a copy of a "Proof of Service Tenant Forwarding Address for the Return of Security and/or Pet Damage Deposit form" (Proof of Service of the Forwarding Address) which depicts that the tenants provided their forwarding address to the landlords by way of registered mail on January 21, 2020. The tenants provided a copy of the Canada Post Customer Receipt and transaction receipt containing the Tracking Number to confirm this mailing.

Analysis

I have reviewed all relevant documentary evidence provided by the tenants. Section 90 of the Act provides that because the January 20, 2020 letter containing the tenants' forwarding address was served to the landlords by registered mail, the landlords are deemed to have received the forwarding address five days after its mailing. In accordance with sections 88 and 90 of the Act, I find that the landlords are deemed to have received the tenants' forwarding address on January 25, 2020, five days after its registered mailing.

I accept the following declarations made by the tenants on the Monetary Order Worksheet:

- The tenants have not provided consent for the landlord to keep all or part of the deposits;
- There are no outstanding Monetary Orders against the tenants for this tenancy; and
- The tenants have not extinguished their right to the deposits in accordance with sections 24(1) and 36(1) of the *Act*.

Based on the declarations provided by the tenants, I find that the landlords did not have the tenants' written consent to retain any portion of the security deposit or pet damage deposit.

The security deposit and pet damage deposits are held in trust for the tenant by the landlord. At no time does the landlord have the ability to simply keep the security deposit because they feel they are entitled to it or are justified to keep it. The landlord may only keep all or a portion of the security deposit or pet damage deposit through the authority of the Act, such as an order from an arbitrator, or the written agreement of the tenant.

Section 38(1) of the Act requires the landlord to either return a tenant's security deposit and/or pet damage deposit in full or file for dispute resolution for authorization to retain the deposit(s) 15 days after the *later* of the end of a tenancy, or upon receipt of the tenant's forwarding address in writing.

If that does not occur, the landlord is required to pay a monetary award, pursuant to section 38(6)(b) of the Act, equivalent to double the value of the security deposit and/or the pet damage deposit. There are exceptions to this outlined in sections 38(2) to 38(4) of the Act. A landlord may also under sections 38(3) and 38(4) retain a tenant's security or pet deposit if an order to do so has been issued by an arbitrator or if the tenant agrees in writing that the landlord may retain the amount to pay a liability or obligation of the tenant.

Based on the declarations provided by the tenants, I find that the rights of the tenants to seek return of their deposits have not been extinguished.

On the Monetary Order Worksheet, the tenants declared that they were not provided at least one opportunity to participate in a move-out condition inspection by the landlord. I find that the landlords breached their obligation by not offering the tenants an opportunity to attend a condition inspection at the end of the tenancy in accordance with section 35 of the Act.

I find that the landlords did not adhere to the requirements of section 38(1) of the Act, as the landlords did not return the security deposit, in the amount of \$900.00, and pet damage deposit of \$950.00, as requested by the tenants, within 15 days of January 25, 2020, which is the later of the dates as stated in sections 38(1)(a) and 38(1)(b) of the Act.

There is no evidence before me to show that the landlord applied for dispute resolution claiming against the security deposit and pet damage deposit within 15 days following the conclusion of the tenancy or after receiving the tenants' forwarding address.

On the Monetary Order Worksheet, the tenants provided that that an amount of \$50.00 was identified as an authorized deduction from the security deposit. However, there is no evidence before me to demonstrate that the landlord received the tenants' written authorization to retain the remaining balance of the security deposit, or a portion of the remaining balance of the security deposit.

I find that there is no evidence before me to demonstrate that the landlords received the tenants' written authorization to retain any portion of the pet damage deposit, to offset damages or losses arising out of the tenancy as per section 38(4)(a) of the Act, nor did the landlords receive an order from an Arbitrator enabling them to do so.

Section 38(6) of the Act sets out what is to occur in the event that a landlord fails to return or claim the security deposit within the specified timeframe:

- (6) If a landlord does not comply with subsection (1), the landlord
 - (a) may not make a claim against the security deposit or any pet damage deposit, and
 - (b) must pay the tenant double the amount of the security deposit, pet damage deposit, or both, as applicable.

Pursuant to section 38(6)(b) of the Act, a landlord is required to pay a monetary award equivalent to double the value of the security deposit and pet damage deposit if a landlord does not comply with the provisions of section 38 of the Act. I find that the landlord failed to adhere to section 38(1) of the Act.

The language of section 38(6)(b) is mandatory. As the landlord has failed to comply with section 38(1), I must order that it pay the tenant double the amount of the security deposit and pet damage deposit.

Residential Tenancy Policy Guideline 17 states that "unless the tenant has specifically waived the doubling of the deposit, either on an application for the return of the deposit or at the hearing, the arbitrator will order the return of double the deposit." However, the tenants have not provided any such waiver; therefore the provisions of section 38(6)(b) must be applied.

The tenants are therefore entitled to a monetary award in the amount of \$3,700.00, representing a doubling of the tenants' unreturned security deposit (\$900.00 x 2), and a doubling of the tenants' unreturned pet damage deposit (\$950.00 x 2).

As the tenants were successful in this application, I find that the tenants are entitled to recover the \$100.00 filing fee paid for this application.

Conclusion

Pursuant to sections 38, 67, and 72 of the Act, I issue a Monetary Order in the tenants' favour in the amount of \$3,800.00 against the landlord, calculated as follows:

Item	Amount
Doubling of unreturned Security Deposit (\$900.00 x 2)	\$1,800.00
Doubling of unreturned Pet Damage Deposit (\$950.00 x 2)	\$1,900.00
Recovery of Filing Fee	\$100.00
Total Monetary Award to Tenants	\$3,800.00

The tenants are provided with a Monetary Order in the above terms and the landlord must be served with this Order as soon as possible. Should the landlord fail to comply with this Order, this Order may be filed in the Small Claims Division of the Provincial Court and enforced as an Order of that Court.

This decision is made on authority delegated to me by the Director of the Residential Tenancy Branch under Section 9.1(1) of the *Residential Tenancy Act*.

Dated: March 26, 2020

Residential Tenancy Branch