



DECISION

Introduction

This hearing dealt with the Landlord's July 4, 2025 Application for Dispute Resolution under the *Residential Tenancy Act* (the "Act") for:

- compensation for monetary loss/other money owed
- authorization to retain the security deposit for compensation
- recovery of the Application filing fee.

The Tenant's August 26, 2025 Application, crossed to that of the Landlord in this hearing:

- compensation for monetary loss/other money owed
- the return of the security deposit

The Tenant and the Landlord both attended the scheduled hearing.

Service of the Notice of Dispute Resolution Proceeding and evidence

At the outset of the hearing, each party confirmed they received the Notice of Dispute Resolution Proceeding and prepared evidence from the other.

Issues to be Decided

- a. Is the Landlord entitled to compensation for monetary loss/other money owed?
- b. Is the Tenant entitled to compensation for monetary loss/other money owed?
- c. Is the Landlord authorized to retain the security deposit? Is the Tenant entitled to the return of the security deposit?
- d. Is the Landlord eligible for recovery of the Application filing fee?

Background and Evidence

I have reviewed all evidence, including the testimony of the parties, but will refer only to what I find relevant to my decision.

The Tenant and the Landlord each provided a copy of the tenancy agreement they had in place. The tenancy start date was August 1, 2024, set for an initial fixed term to end on July 31, 2025. The rent amount was \$1,500.

a. *Is the Landlord entitled to compensation for monetary loss/other money owed?*

The Landlord in the hearing referred to the 'Rules and Regulations' that were part of the tenancy agreement:

23: carpets must be professionally steam cleaned at the end of the tenancy, regardless of length of tenancy, at the tenant(s) expense. A carpet cleaner machine is not acceptable. [The Landlord] will arrange this at the end of your move-out and deduct the expense from your security deposit if you do not have the carpets done yourself.

34: If the tenant wishes to break the lease and leave before the expiration of the lease, the tenant agrees to pay the fair liquidated damage amount of \$500. This amount is to cover the time and costs it takes to find and instate a new tenant – for instance, this money will be used for such things as advertising showing the suite, screening potential tenants, drawing a new lease, doing the check in and check out of each tenant and performing other duties as required. This does not release the tenant from the obligation to pay rent until such a new tenant is found. The tenant authorizes the landlord to use funds from the damage deposit for this purpose.

The Tenant recalled receiving a copy of this addendum only when moving out, when a question about carpet cleaning arose. In the hearing, the Tenant agreed that, given their signatures that appear on this document, they signed it at the start of the tenancy.

On May 23, 2025, the Tenant provided a written notice to the Landlord that they intended to move out from the rental unit by June 30, 2025.

The Landlord on this Application listed the following:

We are seeking compensation for carpet cleaning of \$168 that is stated in the Rules and Regulations #23 and breaking of the lease agreement of \$500 stated in the Rules and Regulations signed by both tenants.

The Landlord in the evidence provided the condition inspection report, which shows a move-in inspection on August 1, 2024, and no date for a move-out inspection. The document bears the Landlord's notation: carpet cleaning 189 (corrected to \$168) breaking lease 500" and "Tenant is not signing off on the \$668 owing refused by tenant".

As summarized by the Tenant:

On June 28, 2025, the Tenant [name] and Landlord conducted a move out inspection. However, it was not completed or signed given that the Landlord wanted the Tenant to sign off on their security deposit for liquidated damages and carpet cleaning.

In their written response prepared for this hearing, the Tenant provided the following:

- they stated their willingness to cooperate with the Landlord's efforts to re-rent the rental unit
- they did not agree to the Landlord's use of the deposit for the liquidated damages
- they provided a forwarding address on June 28, 2025, and moved out from the rental unit on June 30 (the email is in the Landlord's evidence)
- the Tenant cited a Residential Tenancy Branch policy guideline re: liquidated damages clauses/agreements that denotes a forfeiture of a security deposit for that purpose, as well as "unconscionable and material terms"
- the Landlord provided no evidence re: their actual efforts/costs at re-renting the rental unit; therefore, the liquidated damages amount specified in the addendum is not "a genuine pre-estimate of loss" in this situation
- the Landlord had no permission to retain any part of the security deposit

In the hearing, the Tenant provided that there was no damage to the carpets aside from normal wear and tear, and no stains.

The Tenant also cited the Landlord's lack of proof of advertising in this scenario, and in fact the Landlord re-rented the rental unit right away.

In the evidence, the Landlord provided a copy of the invoice for carpet cleaning (\$168), dated July 1, 2025.

Regarding the claim for liquidated damages, the Landlord provided their email to the Tenant dated May 8, 2025, citing the rules/regulations, stating "yes, there is a penalty for breaking your lease." This was in response to the Tenant's inquiry on May 7 regarding the applicable rules in this situation.

On May 13, in the Landlord's email, they advised the Tenant that the owner would not be willing to release the Tenant from the ongoing tenancy agreement, applying the liquidated damages clause in this scenario.

b. Is the Tenant entitled to compensation for monetary loss/other money owed?

The Tenant presented a claim amount of \$2,250, as “reduction of rent for loss of quiet enjoyment.”

In the Tenant’s written submission, the basis for this amount is:

- a 25% reduction in rent (*i.e.*, \$375 per month) for 6 (*sic*) months Feb 2025 to May 2025 = \$1,500
- 50% from June 2025 “for loss of quiet enjoyment and to compensate for having to stay elsewhere” = \$750

In the Tenant’s written summary, they provided the following relevant timeline:

- issues arose in November 2024, with the resident in the below unit (*i.e.*, below that of the Tenant in the rental unit) playing “loud music and banging on the walls and other disturbances”
- the Tenant notified the Landlord about this in February 2025, shown in their email record of messages to the Landlord
- on May 13 the Tenant advised the Landlord of continuing noise disturbances and the impact on their mental health, also citing the below resident’s “writing on the sidewalk pictures and derogatory comments directed towards him” – the Landlord responded to say they addressed the issue
- on May 15, the Tenant advised the Landlord they would stay elsewhere for the following weeks
- on May 27 the Landlord notified the Tenant about liquidated damages/carpet cleaning fees
- on June 5 the Tenant advised of further disturbances

In the hearing, the Tenant presented that they queried to the Landlord about mediation in this scenario. They used the word “harassment” to describe what they were subject to from the other resident.

In response to this piece of the Tenant’s claim, the Landlord in their evidence provided the email they received from the Tenant in November 2024 outlining the Tenant’s query on other neighbours who had a child. The Tenant followed up with information to the Landlord that they

met with the neighbouring resident and “we are completely comfortable with this and definitely see a good relationship with our new neighbour.”

A separate email from the Tenant shows the Tenant describing another incident with the downstairs resident, in May 2025, when the Tenant had a verbal conflict with that other person. The Tenant noted the continuation of this issue since February 2025. An earlier message from March 2025 has the Tenant describing “we both did some yelling and screaming”. The Tenant acknowledged this was owing to their own “difficulty with coping.”

In the hearing, the Landlord set out that they called the other resident and talked about what the Tenant presented, and reminded that other resident to “keep it down.” The Tenant did not mention mediation to the Landlord until the final inspection. The Landlord provided the Tenant and the other resident with a notice about the concept of quiet enjoyment.

c. Is the Landlord authorized to retain the security deposit? Is the Tenant entitled to the return of the security deposit?

Both parties agreed the Tenant paid a security deposit of \$750. The agreement shows the Tenant paid this deposit on June 28, 2024.

The parties met for a final inspection, the Tenant did not agree to any deduction from the deposit. The Tenant provided their forwarding address to the Landlord on June 28.

On the Application, the Tenant provided:

Landlord is withholding the security deposit claiming liquidate damages and carpet cleaning. The landlord failed to return the security deposit within the 15 days after the tenants provided their forwarding address. The Landlord inserted prohibited clauses into the Addendum at para 23 and 34. The tenants do not agree that the landlord is entitled to their damage deposit, and the landlord has not provided any evidence to support a penalty clause for pre-estimate of loss for liquated damages.

The Landlord brought this Application to the Residential Tenancy Branch on July 4, 2025. As of the date of the Landlord’s Application, the security deposit accumulated interest.¹

c. Is the Landlord eligible for recovery of the Application filing fee?

The Landlord paid the Application filing fee amount of \$100 on July 4, 2025.

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2024 \$750.00: \$10.35 interest owing (2.7% rate for 51.09% of year)

2025 \$750.00: \$3.61 interest owing (0.95% rate for 50.68% of year)

Analysis

In general, a party that makes an application for compensation against the other party has the burden to prove their claim. This burden of proof is based on a balance of probabilities. An award for compensation is provided for in s. 7 and s. 67 of the *Act*.

To be successful in a claim for compensation, an applicant has the burden to provide sufficient evidence to establish the following four points:

- that a damage or loss exists;
- that a damage/loss results from a violation of the *Act* and/or tenancy agreement;
- the value of the damage or loss; and
- steps taken, if any, to mitigate the damage/loss.

a. *Is the Landlord entitled to compensation for monetary loss/other money owed?*

I find the Tenant signed and agreed to the stipulation concerning carpet cleaning in the rental unit. The Tenant did not present that they completed this at the end of the tenancy. Though the clause suggests that the Landlord may retain funds for this purpose, I find the Landlord made the Application to the Residential Tenancy Branch for compensation, as set forth in the *Act*, and did not arbitrarily retain some portion from the deposit for this purpose. I grant the carpet cleaning compensation to the Landlord: \$168. This was set forth in the tenancy agreement, and I find the Tenant was aware of this.

I find the Landlord in their communication with the Tenant referred to the liquidated damages amount as a “penalty” that was in place because the Tenant was seeking to end the tenancy early. I find the Tenant’s health situation, which they claim was exacerbated by the conduct of another resident that was causing them undue stress and anxiety, takes precedence over the Landlord’s strict requirements regarding the fixed-term tenancy.

On this basis, as a matter of equity in this tenancy, I dismiss the Landlord’s claim for liquidated damages in this scenario. I note the Landlord made the Tenant aware of the liquidated damages clause in the agreement; however, the Tenant still opted to end this tenancy prior to the set tenancy-end date.

In sum, I grant the Landlord \$168 in compensation for the cost of carpet cleaning at the end of the tenancy.

b. Is the Tenant entitled to compensation for monetary loss/other money owed?

As provided by the Tenant in this hearing, quiet enjoyment is a principle that is afforded to a tenant as a right under the *Act* and the tenancy agreement. This may entail compensation where a tenant's right to quiet enjoyment was infringed upon, either deliberately by a landlord, or negligently where a landlord allows a situation to endure, with impact to a tenant, despite a landlord's knowledge about the situation with no ensuing preventative action.

I find the Tenant is not showing that the Landlord failed to take reasonable steps in addressing the matter. I find the Tenant was subject to heightened anxiety owing to their PTSD – it was not the case that the Landlord did not address the situation to a sufficient degree. In November 2024, the Tenant raised an issue with the Landlord, underline the seriousness and impact thereof, yet then disclosed the impact had alleviated once they spoke to the other party. I find it was reasonable to the Landlord's to rely on the Tenant's own capacity to achieve this, to a certain degree.

With the situation that ensued from February 2025 onwards, I find the Tenant did not show this was an extended or prolonged harassment, though they applied that term to the situation. The term 'harassment' denotes a form of bullying, or something more deliberate, which the Tenant had not shown here. I find the Tenant in some instance co-instigated the conflict had with the other resident, as shown in the information the Tenant disclosed to the Landlord via email. In one interaction, the Tenant responded with very crass terminology to the other party. In sum, I find the Tenant was not exclusively subject to one-way torment from another resident in the building, while the Landlord chose not to address the situation.

I find the Tenant and the other resident were jointly responsible for the ongoing situation. I find this evident in the Landlord's response to the situation wherein they served information about the concept of quiet enjoyment to both parties in this situation.

I find the Tenant and the other resident were jointly responsible for the ongoing situation. I find this evident in the Landlord's response to the situation wherein they served information about the concept of quiet enjoyment to both parties in this situation. As well, I find the Landlord credible on their account of the Tenant only mentioning mediation as an option at the end of the tenancy.

In sum, I accept that the Tenant endured undue stress from this situation. This is owing to their own capacity to adjust to stressful situation owing to their PTSD. I find the Landlord did not exacerbate the situation, or exploit the situation for some benefit, and the Landlord did not

approach the situation in a negligent fashion. I find the Landlord addressed the situation as best they could in the circumstances.

The Tenant did not provide fulsome details on their stay elsewhere in order to justify a 50% reduction in rent associated with that timeframe. As well, I find the situation does not warrant compensation owing to no breach of the Tenant's right to quiet enjoyment by the Landlord – chiefly through inaction, as the Tenant alleges -- in these circumstances.

In sum, I dismiss the Tenant's claim for monetary loss/other money owed stemming from this tenancy, without leave to reapply.

c. Is the Landlord authorized to retain the security deposit? Is the Tenant entitled to the return of the security deposit?

The Act s. 38 sets a 15-day timeline for action by a landlord to claim against a deposit, either the later of the Tenant's forwarding address being in place, or the tenancy-end date.

The Act s. 38(6) provides that if a landlord does not comply with this timeline, they may not make a claim against a deposit, and must pay double any deposit amount to a tenant.

I find the Landlord had the Tenant's forwarding address in place on June 28. The tenancy ended by June 30, and the Landlord brought this Application forward against the deposit on July 4. I find the Landlord did not violate the 15-day timeframe, and there is no doubling of the deposit for that reason.

The Act s. 72 sets out that, in a situation of a payment from a tenant to a landlord, the director may order a landlord to deduct that amount from any security deposit due to a tenant.

The deposit amount, including interest, as of the date of the Landlord's Application, was \$763.96. I deduct the \$168 compensation that I granted to the Landlord above. This leaves \$595.96 to return to the Tenant.

d. Is the Landlord eligible for recovery of the Application filing fee?

I find the Landlord was moderately successful in this Application, and it was necessary for them to bring this Application in order to legally dispense with the security deposit. I grant the Landlord \$50 of the Application filing fee in return.

Conclusion

I order the Landlord to pay the balance of \$545.96 to the Tenant.

I grant to the Tenant a Monetary Order in the amount of **\$545.96** under the following terms:

Monetary Issue	Granted Amount
compensation to Landlord for monetary loss/other money owed	\$168
compensation to Tenant for monetary loss/other money owed	\$0
authorization for Landlord to retain security deposit in full (with interest)	-\$168
return of security deposit to the Tenant	\$595.96
Landlord Application filing fee	\$50

I provide the Tenant with this Monetary Order in the above terms and the Tenant must serve it to the Landlord as soon as possible. Should the Landlord fail to comply with this Monetary Order, the Tenant may file this Monetary Order in the Small Claims Division of the Provincial Court where it will be enforced as an Order of that Court.

I make this decision on the authority delegated to me by the Director of the Residential Tenancy Branch under s. 9.1(1) of the *Act*.

Dated: October 15, 2025

Residential Tenancy Branch