

DECISION

Introduction

This hearing dealt with the Tenant's Application for Dispute Resolution under the *Residential Tenancy Act* (the Act) for:

- a Monetary Order for the return of all or a portion of their security deposit under sections 38 and 67 of the Act
- authorization to recover the filing fee for this application from the Landlord under section 72 of the Act

This hearing also dealt with the Landlord's Application for Dispute Resolution under the *Residential Tenancy Act* (the Act) for:

- a Monetary Order for unpaid rent under section 67 of the Act
- a Monetary Order for damage to the rental unit or common areas under sections 32 and 67 of the Act
- authorization to retain all or a portion of the Tenant's security deposit in partial satisfaction of the Monetary Order requested under section 38 of the Act
- authorization to recover the filing fee for this application from the Tenant under section 72 of the Act

The Tenant A.D. attended the hearing for the Tenant. The Landlord R.A. attended the hearing for the Landlords.

Service of the Tenant's Notice of Dispute Resolution Proceeding and Evidence

The Landlord R.A. acknowledged receipt of both the Tenant's Notice of Dispute Resolution Proceeding and the Tenant's evidence.

The Tenant acknowledged receipt of the Landlord's evidence.

Service of the Landlord's Notice of Dispute Resolution Proceeding and Evidence

The Tenant acknowledged receipt of both the Landlord's Notice of Dispute Resolution Proceeding and the Landlord's evidence.

Issues to be Decided

Is the Tenant entitled to a monetary order for the return of all or a portion of the security deposit?

Is the Tenant entitled to the recovery of the filing fee?

Is the Landlord entitled to a monetary order for unpaid rent?

Is the Landlord entitled to a monetary order for damage to the rental unit or common areas of the residential property?

Is the Landlord entitled to retain all or a portion of the Tenant's security deposit in partial satisfaction of the monetary orders requested?

Is the Landlord entitled to the recovery of the 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 for my decision.

Evidence was provided showing that this tenancy began on April 1, 2024, with a monthly rent of \$3,400.00, due on the first day of the month, with a security deposit in the amount of \$1,700.00. The rental unit is the upper suite of a detached house on the Landlord's property.

Regarding possession of the security deposit, the Landlord R.A. testified that the Tenant is one of three tenants under the tenancy agreement signed in April 2024. R.A. elaborated that the Tenant vacated the rental unit in February 2025, and that the two remaining tenants and the Landlord agreed on March 1, 2025, to apply one third of the security deposit to March 2025's monthly rent. R.A. affirmed that the remaining two thirds of the deposit has been returned to one of the two tenants.

The Tenant's Application for the Return of the Security Deposit

The Tenant acknowledged that they are one of three tenants who signed the April 1, 2024, tenancy agreement. The Tenant testified that they were not involved in any discussion regarding the Landlord's retention of the security deposit. The Tenant stated that they were not offered the opportunity for the return of the deposit at any time.

Regarding the end of the tenancy, the Tenant testified that they vacated the rental unit on February 27, 2025, and that the Landlord and the two remaining tenants entered into a new tenancy agreement in November of 2024. The Tenant emphasized that they are not listed as a tenant on the November 2024 tenancy agreement.

The Landlord R.A. acknowledged that the Tenant vacated in February 2025 without providing a valid notice to end tenancy. R.A. affirmed that the Tenant continued to occupy the rental unit after the Landlord and the two other tenants entered into the November 2024 agreement. R.A. elaborated that despite the Tenant not being on the November 2024 agreement, the Tenant continued to occupy the rental unit and continued to pay the entire amount of monthly rent for the two tenants and the Tenant's occupation. R.A. argued that forms the basis for an implied tenancy agreement given the Tenant paid rent for all three occupants and continued to occupy the rental unit.

Landlord R.A. stated that when the Tenant vacated in February 2025, the two remaining tenants created the agreement to deduct a portion of the security deposit and gave notice to end the tenancy to the Landlord with an effective date of March 31, 2025. The Landlord remarked that the security deposit was transferred from the April 2024 tenancy agreement to the November 2024 tenancy agreement.

Regarding the Tenant's written forwarding address, the parties agreed that the Tenant provided the forwarding address on May 9, 2025.

The Tenant testified that the Landlord breached the Act and the tenancy agreement by failing to return the security deposit within fifteen days after the tenancy ended and after the Landlord was provided with the Tenant's written forwarding address. The Tenant requests for the return of the security deposit, plus the doubling effect of the deposit.

The Landlord R.A. testified and emphasized again that they made a verbal agreement in February 2025 with the two remaining tenants on the April 2024 tenancy agreement, to apply a third of the security deposit to March 2025's rent. R.A. declared that the remainder of the deposit was returned to the two tenants on April 2, 2025.

The Landlord submitted copies of the April 2024 tenancy agreement, and the November 2024 tenancy agreement. The Landlord submitted bank statements and a written statement to support the return of the remainder of the security deposit to the two other tenants. The Landlord also submitted a copy of an email message dated August 29, 2025. The sender is one of the two tenants on the April 2024 tenancy agreement, the recipient is the Landlord R.A. Redactions are in brackets for confidentiality, the contents of the message states:

Hey [R.A],

... and I are just emailing you to confirm that we did in fact split the damage deposit

three ways,

And when [the Tenant] left with less than a weeks notice we all agreed to use his third of the

damage deposit to fulfill his portion of that months rent.

Thanks,

The Landlord's Application

Regarding unpaid rent, the Landlord R.A. testified that the Landlord's crossed application is subject to the outcome of the Tenant's application. R.A. elaborated and in essence argued that the Tenant failed to pay for March 2025's rent and if the Tenant's application is successful, the effects of the agreement between the two tenants and the Landlord for the security deposit deduction to be applied towards March 2025's rent, and March utilities would be reversed.

The Tenant testified that they are not on the tenancy agreement after the November 2024 tenancy agreement was executed, and therefore they are not responsible for March 2025's rent.

Regarding damage to the rental unit, the Landlord testified that the Tenants changed the handle on the refrigerator at the rental unit, and that the Tenants changed the orientation of the door on the refrigerator. The Landlord argued that these changes cause problems with the operation of the refrigerator. The Landlord stated that the Tenants are all equally responsible for the refrigerator handle, and that the Tenants lost the refrigerator handle. The Landlord submitted a screenshot of a replacement handle and contended that the Tenant is responsible for their share of the replacement cost – the sum of \$40.00.

Analysis

Is the Tenant entitled to a monetary order for the return of all or a portion of the security deposit?

Section 38(4) of the Act provides that a landlord may retain an amount from a security deposit if at the end of a tenancy, the tenant agrees in writing the landlord may retain the amount to pay a liability or obligation of the tenant.

Section 45 provides the requirements for a tenant's notice to end tenancy to be effective to end a periodic tenancy or a fixed-term tenancy.

Residential Tenancy Branch Policy Guideline #13 provide guidance on the rights and responsibilities of co-tenants under a tenancy agreement, relevant sections state:

D. A tenant is a person who has entered a tenancy agreement to rent a rental unit or manufactured home site. If there is no written agreement, the person who made an oral agreement with the landlord to rent the rental unit or manufactured home site and pay the rent is the tenant. There may be more than one tenant; co-tenants are two or more tenants who rent the same rental unit or site under the same tenancy agreement. Generally, co-tenants have equal rights under their

agreement and are jointly and severally responsible for meeting its terms, unless the tenancy agreement states otherwise. "Jointly and severally" means that all co-tenants are responsible, both as one group and as individuals, for complying with the terms of the tenancy agreement

E. Co-tenants are jointly and severally responsible for payment of rent when it is due. Example: If John and Susan sign a single tenancy agreement together as co-tenants to pay \$1800 dollars in rent per month, then John and Susan are both equally responsible to ensure that this amount is paid each month. If Susan is unable to pay her portion of the rent, John must pay the full amount. If he were to only pay his half of the rent to the landlord, the landlord could serve a 10 Day Notice to End Tenancy for Unpaid Rent and Utilities and evict both John and Susan because the full amount of rent was not paid. The onus is on the tenants to ensure that the full amount of rent is paid when due.

G. A tenant can end a tenancy by giving the landlord a written notice. A tenancy may also end if the landlord and any tenant or co-tenant mutually agree in writing to end the tenancy. When a tenancy ends in these circumstances, the notice or agreement to end the tenancy applies to all co-tenants...

... Sometimes a co-tenant may move out of the rental unit without giving the landlord a notice to end tenancy. If a co-tenant decides to remain in the rental unit and continue with the tenancy, they can do so as long as they uphold their responsibilities according to the agreement (such as paying the full amount of rent, etc.). The co-tenant on the tenancy agreement who moved out remains liable for the tenancy agreement until the tenancy ends, regardless of whether or not they reside in the unit.

Example: Dennis and Warren are co-tenants. Warren moves out of the rental unit without giving notice to the landlord and Dennis chooses to continue living in the rental unit and carry on with the tenancy, paying the full amount of rent by himself. In this circumstance, the original tenancy agreement remains in full effect and both tenants continue to be responsible for complying with the terms of their agreement.

Based on the testimony of the parties, the evidence provided, and on a balance of probabilities, I find that the Tenant is not entitled to a monetary order for the return of the security deposit for reasons I will explain below.

In this case, I accept that the Tenant vacated the rental unit on February 27, 2025. Although the Tenant vacated, I am not convinced the tenancy immediately came to an end given the absence of a valid notice to tenancy and given that the two remaining tenants under the agreement continued to occupy and comply with the terms of the tenancy agreement until the tenancy ended on March 31, 2025.

Although parties make distinctions that there were two tenancy agreements executed, the April 2024 agreement and the November 2024 agreement, I do not consider these two agreements to be distinctive from one another, and more importantly, I do not

accept the Tenant's argument that they were not a tenant under the November 2024 agreement. I place significant weight on the fact that the operation of the two tenancy agreements largely remained the same. For example, the Tenant, and the two other tenants, continued to occupy the rental unit continuously from April 2024 to when the Tenant vacated on February 27, 2025. I am also satisfied that while the agreement was in operation, the Tenant paying monthly rent on behalf of all three tenants under the terms of the November 2024 agreement during the Tenants stay. Based on these examples, and based on the written tenancy agreements, I am satisfied that the three tenants were co-tenants and therefore jointly and severally responsible under the agreement.

In other words I am of the view that after the Tenant vacated on February 27, 2025, the tenancy continued, the Tenant's obligations continued, because the two co-tenants continued to uphold the tenants obligations under the tenancy agreements.

Moreover, as the policy guideline indicates, tenants under a tenancy agreement are jointly and severally responsible for any obligations and liabilities, in my view this applies to the Tenant and the other two tenants ability to authorize any deductions to a security deposit as well. Based on the evidence provided and the testimony provided, I find it more likely that the remaining two tenants lawfully authorized the Landlord to deduct a portion of the security deposit to satisfy the tenants obligation to pay March 2025's monthly rent, in a manner consistent with section 38(4) of the Act. I place weight on the Landlord's August 29, 2025, to support this finding.

Next, based on the Landlord's evidence and testimony, I accept that the remainder of the security deposit has been returned to the tenants collectively on April 2, 2025. In general, co-tenant internal matters and the distribution of the deposit in a co-tenancy situation is not a landlord's responsibility. In this instance, the Landlord returned it to one of the tenants under the tenancy agreements, in a manner compliant with the Act.

For the reasons above, the Tenant's application for a monetary order for the return of all or a portion of the security deposit is dismissed, without leave to reapply.

Is the Tenant entitled to the recovery of the filing fee?

As the Tenant's application was not successful, I decline to grant the Tenant their request for the recovery of the filing fee and I dismiss the Tenant's request, without leave to reapply.

Is the Landlord entitled to a monetary order for unpaid rent?

In the circumstances provided, given the Landlord's submissions and materials provide that the Landlord has received payment for March 2025's rent, I find that the Landlord is not entitled to a monetary order for unpaid rent.

The Landlord's application for a monetary order for unpaid rent is dismissed, without leave to reapply.

Is the Landlord entitled to a monetary order for damage to the rental unit or common areas of the residential property?

The purpose of compensation is to put the person who suffered the damage or loss in the same position as if the damage or loss had not occurred. It is up to the party who is claiming compensation to provide evidence to establish that compensation is due. In order to determine whether compensation is due, the arbitrator may determine whether:

- a party to the tenancy agreement has failed to comply with the Act, regulation or tenancy agreement;
- loss or damage has resulted from this non-compliance;
- the party who suffered the damage or loss can prove the amount of or value of the damage or loss; and
- the party who suffered the damage or loss has acted reasonably to minimize that damage or loss.

The Landlord's application requests compensation in the amount of \$40.00 for damage to the refrigerator door handle.

Based on the Landlord's evidence and the submissions of both parties, I find that the Landlord has not sufficiently demonstrated the value of the damage or the loss, specifically the value of the replacement refrigerator handle. I find that the Landlord has not satisfied the third condition on the four-point test and the test fails.

Moreover, the Landlord's evidence indicates that the Landlord has deducted the cost of the replacement handle from the damage deposit, which as found above the Landlord was granted authorization by the two tenants to retain a portion. Based on this, I find that the Landlord has not sufficiently demonstrated that they incurred a financial loss as they have likely been provided relief by being allowed to retain a portion of the security deposit.

The Landlord's application for a monetary order for damage to the rental unit or common areas of the residential property is dismissed, without leave to reapply.

Is the Landlord entitled to retain all or a portion of the Tenant's security deposit in partial satisfaction of the monetary orders requested?

In this case, I accept the Landlord's evidence indicates that the security deposit was returned to the tenants with lawful deductions on April 2, 2025. As the distribution of the security deposit has been resolved after the tenancy ended, and the Landlord no longer holds the deposit in trust, I find that this issue in the Landlord's application is irrelevant, and moot.

The Landlord's application for a to retain all or a portion of the security deposit is dismissed, without leave to reapply.

Is the Landlord entitled to the recovery of the filing fee?

As the Landlord's application was not successful, I decline to grant the Landlord their request for the recovery of the filing fee and I dismiss the Landlord's request, without leave to reapply.

Conclusion

The Tenant's application is dismissed in its entirety, without leave to reapply.

The Landlord's crossed application is dismissed in its entirety, without leave to reapply.

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

Dated: October 21, 2025

Residential Tenancy Branch