

DECISION

Introduction

This hearing dealt with Applications from both the Landlord and the Tenant under the *Residential Tenancy Act* (the Act).

The Landlord's Application for Dispute Resolution is 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 Tenants' Application for Dispute Resolution is 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

Service of Notice of Dispute Resolution Proceeding (Proceeding Package), Evidence

The parties acknowledged receipt of the other party's documents. No issues of service were raised. I find each party served the other under sections 88 and 89 of the Act.

Issues to be Decided

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?

Is the Landlord entitled to retain all or a portion of the Tenants' security deposit in partial satisfaction of the monetary award requested? Or are the Tenants entitled to the return of their security deposit?

Is the Landlord or the Tenants entitled to recover the filing fee for this application from the other?

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 \$1,500.00 security deposit. The monthly rent was \$2,900.00. The Tenants vacated the rental unit on August 1, 2025.

The Tenant applied for the return of their security deposit. The Landlord applied for \$1,328.66 for unpaid utilities and \$1,000.00 for damage to the rental unit. The Landlord also requested to keep the Tenant's security deposit.

The Tenants provided their forwarding address to the Landlord in writing on August 15, 2025. The Tenants did not agree in writing that the Landlord could retain the security deposit. The Landlord returned \$171.34 to the Tenants.

The Landlord testified that the Tenants agreed to pay utilities at the start of the tenancy. The electricity and the natural gas accounts were in the Tenants' names for direct payment. The Landlord stated the municipality required them to keep the account in their own name for water and sewer. The Landlord paid the bill and expected reimbursement from the Tenants.

The Landlord testified that they were not aware that the Tenants did not pay the water bill until they went to pay their property tax in 2025. The Landlord provided the Tenants the bill and requested reimbursement, but the Tenants refused.

The Landlord testified about their calculations and explained they are requesting compensation only for the months that the Tenants occupied the rental unit. The Landlord provided copies of the water bills and the tenancy agreement.

The Tenants testified that the Landlord did not provide water bills until 15 months into the tenancy. They believed water was included in rent and said it was unfair to request reimbursement so late. They said they were surprised by the large bill and believed the Landlord should have informed them in 2024. The Tenants argued it was unfair to require payment for both years without warning.

The Tenant testified that the Landlord failed to provide them with a copy of the tenancy agreement at the start of this tenancy, despite their requests for it. The Tenants provided a text messages as evidence.

The Landlord testified that the rental unit was new at the start of this tenancy. The Tenants damaged the burners on the stove, left marks on the walls, and allowed moss to grow on the balcony.

The parties agreed that they did not complete a condition inspection report at the start or end of this tenancy.

The Tenants denied causing damage. They argued that the Landlord returned \$171.43, which was the security deposit minus water bills. They said if there had been damage, the Landlord would not have returned any amount. The Tenants testified that the Landlord mentioned damage only after new tenants moved in.

Analysis

When two parties to a dispute provide equally possible accounts of events or circumstances related to a dispute, the party making the claim has responsibility to provide evidence over and above their testimony to prove their claim.

Is the Landlord entitled to a Monetary Order for unpaid rent?

Section 26 of the Act states that a tenant must pay rent to the landlord, regardless of whether the landlord complies with the Act, regulations, or tenancy agreement, unless the tenant has a right to deduct all or a portion of rent under the Act.

Under section 13 of the Act, a landlord must prepare a tenancy agreement and provide a copy to the tenants within 21 days of the tenancy starting.

On a balance of probabilities, based on the evidence and testimony, I find the Landlord did not provide a copy of the tenancy agreement until these disputes were filed. I find the Landlord did not inform the Tenants during the tenancy that they were responsible for sewer and water. Unlike the other utilities, sewer and water accounts were in the Landlord's name.

The first water and sewage bill is dated February 2024, with payment due April 2, 2024. The bill covers services from January 1, 2024, to December 31, 2024. This tenancy started in April 2024. A prudent landlord would have received the bill before the tenancy began and provided it to the Tenants, so they understood their obligation to pay. A prudent landlord would also have requested payment promptly.

I find that the Tenants were prejudiced by the Landlord's delay in providing a copy of the tenancy agreement and in requesting reimbursement for the utility.

In these circumstances, I find that it would be inequitable to award the Landlord compensation for the utility. The Landlord's claim for unpaid utilities under section 67 of the Act is dismissed without leave to reapply.

Is the Landlord entitled to a Monetary Order for damage to the rental unit or common areas?

Under Section 35 of the Act, at the end of the tenancy, a landlord must inspect the condition of the rental unit with the tenant, the landlord must complete a condition inspection report with both the landlord and the tenant signing the condition report.

Section 32(3) of the Act states that a tenant must repair damage to the rental unit or common areas that is caused by the actions or neglect of the tenant or a person permitted on the residential property by the tenant.

To be awarded compensation for a breach of the Act, the Landlord must prove:

- the Tenants failed to comply with the Act, regulation, or tenancy agreement
- loss or damage has resulted from this failure to comply
- the amount of or value of the damage or loss
- the Landlord acted reasonably to minimize that damage or loss

Although the Landlord testified that the rental unit was new, I find that this does not prove that the Tenants caused damage. It is possible for a new rental unit to have some defects left by builders. The Landlord provided no condition inspection report, and no photos of the rental unit from the start of this tenancy.

I find that the Landlord has not proven that the Tenants caused any damage to the rental unit. I find the Landlord has not proven that the Tenants breached the Act.

The Landlord's claim for compensation for damage to the rental unit 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 award requested?

Section 38 of the Act states that within 15 days of either the tenancy ending or the date that the landlord receives the tenant's forwarding address in writing, whichever is later, a landlord must repay a security deposit to the tenant or make an application for dispute resolution to claim against it.

The Tenants evidence shows that they sent their forwarding address to the Landlord by email on August 15, 2025. The Landlord is deemed to have received it on August 18, 2025. The Landlord made their application on August 29, 2025, within the time limit.

The security deposit was \$1,500.00 at the start of this tenancy and accrued \$44.48 in interest under the regulations to the date of the hearing. The value of the security deposit is \$1,544.48.

The Landlord returned \$171.43 to the Tenants already. As I have found that the Landlord was not entitled to compensation for the utilities, I Order the Landlord to return the remainder of the security deposits to the Tenants, with interest.

I find that the Landlord has retained \$1,373.05 of the Tenant's security deposits, with interest. (\$1,544.48- \$171.43 = \$1,373.05)

Under section 72 of the Act, I Order the Landlord to return the Tenants' security deposits with interest.

Is the Landlord or the Tenant entitled to recover the filing fee for this application from the other?

As the Tenants were successful in their application, I find that the Tenants are entitled to recover the \$100.00 filing fee paid for their application under section 72 of the Act.

As the Landlord was not successful in their application I find they are not entitled to recover their filing fee.

Conclusion

I grant the Tenant's a **\$1,473.05** Monetary Order under the following terms:

Monetary Issue	Granted Amount
a Monetary Order for the Tenants for the return of their deposit with interest from the Landlord	\$1,373.05
authorization to recover the filing fee for this application from the Tenant under section 72 of the Act	\$100.00
Total Amount	\$1,473.05

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: December 22, 2025

Residential Tenancy Branch