

DECISION

Introduction

This hearing 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 Tenants' 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 Tenants under section 72 of the Act

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

- cancellation of the Landlord's 10 Day Notice to End Tenancy for Unpaid Rent (10 Day Notice) under sections 46 and 55 of the Act
- a Monetary Order for compensation for damage or loss under the Act, regulation or tenancy agreement under section 67 of the Act
- an order to allow the Tenants to reduce rent for repairs, services or facilities agreed upon but not provided, under sections 27 and 65 of the Act
- an order for the Landlord to provide services or facilities required by law under section 27 of the Act
- an order requiring the Landlord to comply with the Act, regulation or tenancy agreement under section 62 of the Act
- authorization to recover the filing fee for this application from the Landlord under section 72 of the Act

M.D., agent for the Landlord attended the hearing and was accompanied by S.P. an advocate and A.K., witness.

The Tenants attended the hearing.

Preliminary Matters

During the hearing, the Tenants confirmed that they have vacated the rental unit. As a result, certain issues originally claimed are no longer relevant because the tenancy has ended.

As a result, the Tenants confirmed their intention to withdraw those issues from consideration. In accordance with section 64(3)(c) of the Act, I permitted the application to be amended, and these issues are withdrawn:

- cancellation of the Landlord's 10 Day Notice to End Tenancy for Unpaid Rent (10 Day Notice) under sections 46 and 55 of the Act
- an order to allow the Tenant to reduce rent for repairs, services or facilities agreed upon but not provided, under sections 27 and 65 of the Act
- an order for the Landlord to provide services or facilities required by law under section 27 of the Act
- an order requiring the Landlord to comply with the Act, regulation or tenancy agreement under section 62 of the Act

Service of Notice of Dispute Resolution Proceeding (Proceeding Package)

M.D. testified that the Landlord's Proceeding Package was served on the Tenants on December 3, 2025, by pre-agreed e-mail in accordance with section 43(2) of the *Residential Tenancy Regulation*. The Tenants confirmed receipt of the Proceeding Package within a few days of that date and did not raise any issues with respect to service during the hearing. Therefore, I find the Tenants were served with and received the Proceeding Package in accordance with section 89(1) of the Act.

The Tenants testified that their Proceeding Package was served on the Landlord via registered mail on September 10, 2025. On behalf of the Landlord, M.D. acknowledged receipt of these documents on approximately that date. As a result, I find that the Landlord received the Proceeding Package, after being served in accordance with section 89(1) of the Act.

Service of Evidence

M.D. testified that they served the Landlord's evidence on the Tenants in the same e-mails as the Proceeding Package on December 3, 2025. The Tenants confirmed receipt of the Landlord's evidence within a few days of that date and did not raise any issues with respect to service during the hearing. Therefore, I find the Tenants were served with and received the Landlord's evidence in accordance with section 88 of the Act.

The Tenants testified that their evidence was included in the Proceeding Package, which was sent to the Landlord by registered mail on September 10, 2025 and acknowledged received by the Landlord on that date. Based on the submissions before me, I find that the Tenants' evidence was served on the Landlord in accordance with section 88 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?
- Is the Landlord entitled to recover the filing fee for this application from the Tenants?
- Are the Tenants entitled to a Monetary Order for compensation for damage or loss under the Act, regulation or tenancy agreement under section 67 of the Act?
- Are the Tenants entitled to recover the filing fee for this application from the Landlord?

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.

The parties agreed that the tenancy began on November 1, 2024, with a monthly rent of \$2,300.00, due on the first day of the month, with a security deposit in the amount of \$1,150.00 and a pet damage deposit in the amount of \$1,150.00. A copy of the Tenancy Agreement was submitted into evidence.

The following facts were agreed to by both parties:

- The tenancy ended on September 30, 2025.
- The Tenants were responsible for paying the utilities for the rental unit.
- The Tenants did not pay rent for September 2025 in the amount of \$2,300.00.
- The Tenants did not pay utilities for the August–September 2025 billing period in the amount of \$573.99.
- The air conditioning unit stopped working on or about May 26, 2025.
- The air conditioning unit was repaired on July 4, 2025.
- The Tenants were not provided any rent reduction or compensation in relation to the air conditioning issue.

The Landlord's Claim

Unpaid rent and utilities

M.D. testified that the Tenants failed to pay rent for September 2025 in the amount of \$2,300.00. M.D. also testified that the Tenants were responsible under the tenancy agreement for the utilities for the rental unit and did not pay the utilities for the billing period covering August and September 2025 in the amount of \$573.99.

M.D. testified that the utilities for the rental unit are billed through the Regional District of Okanagan-Similkameen and FortisBC, and that some charges are issued on a bi-monthly basis. M.D. stated that the Landlord did not agree to any fixed utility amount with the Tenants and that the charges reflected actual usage.

With respect to the air conditioning system, M.D. testified that although air conditioning was not listed as a service in the tenancy agreement, it was available for the Tenants' use and was repaired when it failed.

A.K., a witness, testified that the compressor was replaced and that a failed compressor accounts for most electrical usage. A.K. testified that when the compressor was not functioning, electrical consumption would have been lower.

Yard clean-up

M.D. testified that under the tenancy agreement, the Tenants were responsible for yard maintenance.

M.D. testified that the Tenants did not perform any weeding or yard maintenance during the tenancy and refused to do so when asked. M.D. testified that after the Tenants vacated, the yard was overgrown, with weeds that had grown higher than the sheds.

M.D. testified that the Landlord hired a contractor to remove the weeds and restore the yard.

The Landlord submitted the following evidence:

- Tenancy Agreement
- Rent ledger from October 2024 to September 2025
- Utility invoice from Okanagan Falls dated August 18, 2025 for the period July 1 to September 30, 2025 in the amount of \$573.99
- Invoice dated October 2025 for yard clean-up in the amount of \$509.88
- Photographs of the yard at the rental unit
- Consent form signed by the Tenants authorizing service by email, dated October 18, 2025

Responding to the Landlord's claims, C.N. testified that they withheld the September 2025 rent because the air conditioning system was not working for more than 20 days. C.N. stated that the air conditioning broke on May 26, 2025, and was not repaired until July 4, 2025, with a further service visit the following week to add refrigerant. C.N. testified that the lack of air conditioning affected the Tenants' family, including their children's health, and caused significant discomfort in the rental unit.

The Tenants' Claim

C.N. testified that the Tenants incurred additional costs as a result of the air conditioning failure, including purchasing fans, increased electricity use, and transportation costs to keep their children comfortable. C.N. stated that they did not have receipts for these expenses but estimated that the costs were at least equivalent to one month's rent.

C.N. testified that the Tenants are seeking compensation of three months' rent, in the amount of \$6,900.00, as well as reimbursement for what they believe were overpayments for utilities.

With respect to utilities, C.N. testified that before the tenancy began, the Landlord told the Tenants that utilities would be approximately \$400.00 per month. C.N. stated that they relied on this representation when entering into the tenancy. C.N. acknowledged that they did not have any written evidence of this promise.

C.N. testified that the Tenants experienced unusually high electricity bills and believed this was caused by problems with the heat pump and compressor. C.N. stated that the compressor repeatedly attempted to start during the winter months and that this significantly increased power consumption. C.N. testified that the Tenants raised concerns about high utility costs with the Landlord by email on November 1, 2024 and again on January 29, 2025.

C.N. testified that the utility bills decreased after the air conditioning was turned off, which the Tenants believe supports their position that the system was contributing to excessive power usage.

With respect to yard maintenance, C.N. testified that the Landlord told the Tenants before the tenancy began that no landscaping or yard maintenance would be required. C.N. stated that because of the heat, family illness, and the stress caused by disputes with the Landlord, the Tenants refused to do yard work.

C.N. testified that the Tenants are also seeking the return of their security deposit and pet damage deposit.

The Tenants submitted the following evidence in support of their claims:

- Fortis BC electricity bills:
 - January 19 – March 19, 2025, \$1,242.31
 - March 19 – May 19, 2025, \$685.18
 - May 19 – July 19, 2025, \$398.63
- Email correspondence between the Tenant and the Landlord's agent, M.D., dated from October 29, 2024, to June 30, 2025, addressing, among other matters, the operation and repair of the air-conditioning system and compressor, utility charges (including electricity and water), and access for contractors.

Analysis

The Landlord's Claim

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

The Landlord seeks a monetary order for unpaid rent for September 2025 in the amount of \$2,300.00 and unpaid utilities for the August–September 2025 billing period in the amount of \$573.99.

The parties agreed that the Tenants did not pay rent for September 2025 and did not pay utilities for the August–September 2025 billing period. The Landlord submitted a utility invoice from Okanagan Falls dated August 18, 2025, for the period July 1 to September 30, 2025 in the amount of \$573.99, and M.D. testified that the Tenants were responsible for these charges under the tenancy agreement.

Section 26(1) of the Act requires a tenant to pay rent when it is due under the tenancy agreement, whether or not the landlord complies with the Act, the regulations, or the tenancy agreement, unless the tenant has a right under the Act to deduct rent. There is no evidence before me that the Tenants had a right under the Act to withhold or deduct rent or utilities.

Although C.N. testified that the Tenants withheld rent and disputed utilities due to concerns about the air-conditioning and high electricity costs, those disputes do not relieve the Tenants of their obligation to pay rent and utilities when due.

Accordingly, I find that the Landlord is entitled to a monetary award in the amount of \$2,873.99, representing \$2,300.00 in unpaid rent for September 2025, and \$573.99 in unpaid utilities.

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

The Landlord seeks to recover \$509.88 for yard clean-up on the basis that the Tenants allowed weeds to grow in the yard.

Policy Guideline 1 provides that a tenant in a single-family dwelling is generally responsible for routine yard maintenance, which includes cutting grass and a reasonable amount of weeding, unless the tenancy agreement provides otherwise.

The tenancy agreement in this case contains a specific provision addressing yard maintenance. It states:

“There is no grass to mow.”

The tenancy agreement does not contain any additional term requiring the Tenants to perform weeding or general yard maintenance beyond what is expressly stated.

While M.D. testified that the Tenants did not perform any weeding and that the yard was overgrown when they vacated, the scope of the Tenants' yard obligations must be determined from the tenancy agreement. Where a tenancy agreement is silent or limited, Policy Guideline 1 does not impose an automatic obligation on a tenant to perform general yard maintenance or weeding beyond what has been agreed.

The Landlord did not establish that the Tenants agreed to be responsible for weeding the yard. Accordingly, I find the Landlord has not proven a compensable loss under section 67 arising from a breach of the tenancy agreement.

The Landlord's claim for \$509.88 for weeding and yard clean-up is dismissed.

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

Under section 72(2)(b) of the Act, a landlord may retain a tenant's security deposit and pet damage deposit in partial satisfaction of a monetary award.

I have found that the Landlord is entitled to a monetary award of \$2,873.99 for unpaid rent and utilities.

Accordingly, I allow the Landlord to retain the Tenants' security deposit of \$1,150.00 and pet damage deposit of \$1,150.00, for a total of \$2,300.00, together with interest of \$32.25, in partial satisfaction of the monetary award.

After applying the deposits and interest, the Landlord's remaining entitlement is:

\$2,873.99 (unpaid rent and utilities for September 2025) – \$2,300.00 (security and pet damage deposits) – \$32.25 (interest calculated from November 1, 2024, to the date of this decision) = \$541.74.

The Landlord is therefore entitled to a total monetary award of \$541.74, subject to any set-off arising from the Tenants' compensation claim.

The Tenants' Claim

Are the Tenants entitled to a Monetary Order for damage or loss under the Act, regulation or tenancy agreement?

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

- the landlord has 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 tenant acted reasonably to minimize that damage or loss

The Tenants seek compensation of \$6,900.00 (three months' rent) together with reimbursement for what they allege were excess utility charges, based on two main grounds:

1. the failure of the air-conditioning system between May 26 and July 4, 2025; and
2. unusually high electricity and utility bills.

Air-conditioning

The parties agree that the air-conditioning unit was operational at the start of the tenancy, stopped working on May 26, 2025, and was not repaired until July 4, 2025. Although air-conditioning is not specifically listed in the tenancy agreement, I find that it constituted a service or facility provided with the rental unit. Under section 32 of the Act, the Landlord was therefore required to maintain it in working order.

Policy Guideline 16 confirms that damage or loss is not limited to physical property and includes, among other things, the loss of a service or facility provided under a tenancy agreement and loss of quiet enjoyment. I accept the Tenants' evidence that the loss of air-conditioning between May 26 and July 4, 2025, caused discomfort and inconvenience in the rental unit, including the need to use fans and take other steps to keep the household, particularly the children, comfortable. I therefore find that the Landlord's failure to maintain the air-conditioning resulted in a compensable loss of a service and a corresponding reduction in the Tenants' quiet enjoyment.

Policy Guideline 16 further provides that the purpose of compensation is to place the affected party in the same position they would have been in had the loss not occurred, and that where the precise value of the loss is not easily quantifiable, compensation may be assessed on a reasonable basis reflecting the nature and duration of the loss.

Although the Tenants did not provide receipts for out-of-pocket expenses, the evidence establishes that the air-conditioning was unavailable for approximately five weeks during the warmest part of the year. The Tenants' claim for three months' rent is not proportionate to the duration or nature of the loss. However, the Tenants are entitled to compensation reflecting the loss of use of an important amenity.

I find that a 15% rent reduction for the period from May 26 to July 4, 2025, reasonably reflects the value of the temporary loss of the air-conditioning service and the resulting reduction in quiet enjoyment. While the Tenants continued to reside in the rental unit and retained full use of the premises, including the ability to sleep, prepare meals, and carry out daily activities, the absence of air-conditioning during this period nevertheless reduced their comfort and enjoyment of the unit. A 15% reduction appropriately recognizes this partial loss of a service without overstating its impact on the overall value of the tenancy.

The monthly rent was \$2,300.00.
15% of one month's rent is \$345.00.
The loss lasted approximately 1.25 months.

Accordingly, pursuant to sections 7 and 67 of the Act and Policy Guideline 16, the Tenants are awarded \$431.25 ($\345.00×1.25) as compensation for the loss of the air-conditioning service and quiet enjoyment.

High electricity and utility charges

The Tenants claim they are entitled to reimbursement for utility costs that exceeded approximately \$400.00 per month, based on an alleged verbal representation made before the tenancy began and on their belief that a malfunctioning heat pump and compressor caused excessive electricity usage. In response, D.M. took the position that the tenancy was "plus utilities," that no cap or estimate formed part of the tenancy agreement, and that the Tenants were responsible for all utility charges based on actual usage.

The email correspondence shows that the Tenants raised concerns about high utility costs on multiple occasions between January and June 2025, and that they specifically attributed their electricity bills to the condition of the air-conditioning and compressor. In particular, the Tenants advised D.M. that their electricity bills were "crazy high" and later alleged that a "blown" compressor was causing the system to run continuously and increase power consumption. D.M. replied that the tenancy was "plus utilities," that all utilities were the Tenants' responsibility, and that he had not received any technical confirmation from the contractor that the compressor was causing excessive electricity usage.

The tenancy agreement requires the Tenants to pay the utilities for the rental unit, and there is no term in the agreement that limits or caps those charges at any specific amount. Although C.N. testified that the Landlord represented utilities would be approximately \$400.00 per month, he acknowledged that this estimate was not documented in writing. In the absence of any written agreement restricting utility costs, I find that the Tenants remained responsible for the actual utility charges incurred during the tenancy.

While the Tenants submitted FortisBC electricity bills showing high usage, they did not provide any technical or expert evidence establishing that the heat pump or compressor was malfunctioning in a manner that caused excessive electricity consumption. There is no service report, invoice, or technician's opinion confirming that the system was drawing abnormal power or running continuously.

A.K. testified that a failed compressor accounts for most electrical usage and that when the compressor was not functioning, electrical consumption would have been lower. This evidence does not support the Tenants' position that the compressor caused excessive electricity charges. I also note that electricity charges declined during the

period from May 19 to July 19, 2025, even though the air-conditioning unit was not operating for much of that time, which further undermines the claim that the system was driving unusually high consumption.

Although the Tenants genuinely believed that the air-conditioning system was responsible for their high electricity bills, belief alone is not sufficient to establish causation. On a balance of probabilities, the evidence does not show that the Landlord failed to maintain the rental unit in a way that caused the Tenants to incur higher utility charges.

I therefore find that the Tenants have not established that:

- the Landlord breached section 32 of the Act in a manner that caused excessive electricity usage; or
- the utility charges were higher than they should have been due to a defect in the rental unit.

The Tenants' claim for reimbursement of excess utilities, and for the balance of the claimed \$6,900.00, is dismissed.

Monetary Award Set-Off

Both parties are entitled to monetary awards under this decision. Where both a landlord and tenant are entitled to money, the amounts are properly set off against each other so that only the net amount is payable.

The Landlord has been granted a monetary award for unpaid rent and utilities and authorized to retain the Tenants' deposits and interest in partial satisfaction of that award. After those deductions, the Landlord's remaining entitlement is:

- Monetary Order for unpaid rent and utilities: \$2,873.99
- Less security and pet damage deposits: -\$2,300.00
- Less interest on deposits: -\$ 32.25

Landlord's remaining entitlement: \$ 541.74

The Tenants have been awarded compensation for the loss of the air-conditioning service in the amount of \$431.25.

These two awards arise from the same tenancy and are therefore set off against each other:

- Landlord's remaining entitlement: \$ 541.74
- Less Tenants' compensation: -\$ 431.25

Landlord's entitlement:

\$ 110.49

After set-off, the Tenants' compensation claim is fully satisfied, and the Tenants must pay the Landlord \$110.49.

Is either party entitled to recover the filing fee for this application?

Both parties paid a filing fee and both sought monetary relief against the other. As each party was successful on some issues and unsuccessful on others, I find that it would not be appropriate to award recovery of the filing fee to either party. Accordingly, each party must bear their own filing fee.

Conclusion

I grant the Landlord a Monetary Order for unpaid rent and utilities under section 67 of the Act in the amount of \$110.49.

The Landlord is provided with this Order in the above terms, and the Tenants must be served with **this Order** as soon as possible. Should the Tenants fail to comply with this Order, this Order may be filed and enforced in the Provincial Court of British Columbia (Small Claims Court).

The Tenants are not entitled to a Monetary Order for compensation for damage or loss under the Act, regulation or tenancy agreement under section 67 of the Act, and that claim is dismissed without leave to reapply.

The Tenants are not entitled to recover the filing fee, and that claim is dismissed without leave to reapply.

The Landlord is not entitled to recover the filing fee, and that claim is dismissed 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: January 6, 2026

Residential Tenancy Branch