



Order under Section 135 Residential Tenancies Act, 2006

Citation: Barron v Dionne, 2026 ONLTB 731

Date: 2026-01-08

File Number: LTB-T-037078-25

In the matter of: 704, 556 LAURIER AVE W
OTTAWA ON K1R7X2

Between: Sandy Robert Barron Tenants
Sonia Okamoto

And

Georges-Alexandre Dionne Landlord

Sandy Robert Barron and Sonia Okamoto (the 'Tenants') applied for an order determining that Georges-Alexandre Dionne (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on November 13, 2025.

The Landlord and the Tenants attended the hearing.

Determinations:

1. As explained below, the Tenants proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay to the Tenants the sum of \$312.70.

Interest on rent deposit owing

2. The Tenants applied to the Board, pursuant to section 135(1) of The *Residential Tenancies Act, 2006* (the 'Act'), alleging that the Landlord has illegally retained interest on the last month rent deposit.
3. The Tenants paid a last months rent deposit to the Landlord on February 1, 2023 in the amount of \$2,880.00. No interest had been paid out to the Tenants on the last months rent deposit during the tenancy nor was the interest amount applied to increase the last months rent deposit.
4. The Tenancy ended on April 30, 2025 and the last months rent deposit was applied to that month, but no interest has been paid to the Tenants.

5. Section 106(6) and (7) of the Act state:

(6) A landlord of a rental unit shall pay interest to the tenant annually on the amount of the rent deposit at a rate equal to the guideline determined under section 120 that is in effect at the time payment becomes due.

(7) The landlord may deduct from the amount payable under subsection (6) the amount, if any, by which the maximum amount of the rent deposit permitted under subsection (2) exceeds the amount of the rent deposit paid by the tenant and the deducted amount shall be deemed to form part of the rent deposit paid by the tenant.

6. The Landlord does not dispute that the interest was not paid out to the Tenants and testified that he was required to do repairs to the rental unit after the Tenants had vacated and applied the interest towards the cost incurred for the repairs.
7. The Landlords attempt to offset the payment of interest owing to the Tenants is not permissible under the Act. If the Landlord seeks compensation for alleged damages caused by the Tenants they are required to bring their own application before the Board.
8. I find the Landlord has illegally retained the interest on the Tenants' last month's rent deposit.
9. The Tenants claim interest in the last month's rent deposit in the amount of \$182.00. However, I have calculated the interest on the rent deposit of \$2,800.00 from February 1, 2023 to April 30, 2025 to be \$164.70.

Return of the Key Deposit

10. The Tenants applied to the Board, pursuant to section 135(1) of The *Residential Tenancies Act, 2006* (the 'Act'), alleging that the Landlord has illegally retained a key deposit of \$100.00.
11. The Tenants stated that they were required to pay a \$100.00 key deposit upon entering into the tenancy agreement with the Landlord and moving into the unit on February 1, 2023.
12. The Tenancy ended on April 30, 2025 and the Tenants returned the keys to the Landlord after completing a walkthrough of the rental unit with the Landlord on May 1, 2025.
13. The Tenants sought the return of the key deposit at the end of the walkthrough, but allege the Landlord told them that he needed to confirm the amount being held before doing so.
14. The Tenants state that the Landlord has not returned the key deposit and has since sent them an invoice for alleged repairs that the Landlord claims he was required to complete after the Tenants vacated the rental unit.
15. The Landlord does not dispute that he has not returned the key deposit to the Tenants and testified that the deposit was applied towards the costs incurred by the Landlord for repairs to the rental unit after the Tenants vacated.

16. Section 134 of the Act provides that a Landlord may not collect or require or attempt to collect or require from a tenant, prospective tenant or former tenant of the rental unit a fee, premium, commission, bonus, penalty, key deposit or other like amount of money whether or not the money is refundable.
17. Section 17 of *Ontario Regulation 516/06* under the Act provides for the following exceptions to the prohibition of key deposit charges in section 134:
 3. Payment of a refundable key, remote entry device or card deposit, not greater than the expected direct replacement costs.
[Emphasis added]
18. The Regulation is clear that the payment of a key deposit is refundable. There is no dispute that the Tenants returned the keys to the Landlord. As such the deposit must be returned to the Tenants. The Landlords attempt to apply the key deposit to alleged damages that the Tenants caused is not permissible under the Act. If the Landlord seeks compensation for alleged damages caused by the Tenants they are required to bring their own application before the Board.
19. I find the Tenants are entitled to the return of their \$100.00 key deposit.
20. The Tenants also incurred the cost of \$48.00 for the filing of this application and are entitled to those costs.

It is ordered that:

1. The total amount the Landlord shall pay the Tenants is \$312.70. This amount represents:
 - \$164.70 for interest on the last month's rent deposit;
 - \$100.00 for the key deposit not returned; and
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenants the full amount owing by January 19, 2026.
3. If the Landlord does not pay the Tenants the full amount owing by January 19, 2026, the Landlord will owe interest. This will be simple interest calculated from January 20, 2026 at 4.00% annually on the balance outstanding.
4. The Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.

January 8, 2026
Date Issued

Sean Ramage
Member, Landlord and Tenant Board

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If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.