



Order under Section 135 Residential Tenancies Act, 2006

Citation: Zhang v Islam, 2026 ONLTB 5997

Date: 2026-01-19

File Number: LTB-T-066120-24

In the matter of: 1315, 83 BOROUGH DR
SCARBOROUGH ON M1P5E4

Between: Jiayi Zhang Tenant
Yuyan Wang
Jiahui Li

And

Ruhanul Islam Landlord
Isava Fairuz

Jiayi Zhang (the 'Tenant') applied for an order determining that Ruhanul Islam (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on June 25, 2025.

The member who presided at the hearing is on leave. The Associate Chair of the Landlord and Tenant Board has determined that the Member who heard the application is unable to issue a decision in this matter. The matter has therefore been reassigned to me on the Associate Chair's own initiative under the authority of subsection 4.4(1) of the *Statutory Powers Procedure Act*. As the reassigned adjudicator, I have reviewed the evidence and submissions provided by the parties during the hearing held on June 25, 2025 and have listened to the hearing recording. I am satisfied that I am able to decide based on the existing evidentiary record as permitted by subsection 4.4(6) of the *Statutory Powers Procedure Act*. Therefore, a new hearing was not held.

Interim Order LTB-T-066120-24-IN was issued on January 31, 2024 about amending the application to names of two other Tenants.

The Landlord and the Tenants attended the hearing.

The application was amended to include the other Tenants, Yuyan Wang, Jiahui Li and the other Landlord, Isava Fairuz as reflected in the style of cause of this order.

Preliminary Issue:

The Landlord filed an L10 application and requested his application be combine with this T1 application which was denied. The issues that gave rise to the L10 application is unrelated to Tenants application and it would not be efficient use of the Board's time and resources to adjourn this hearing.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay the Tenants \$317.30 which is inclusive of the application fee.

Key Deposit:

2. There's no dispute the Landlord collected a key deposit of \$300.00 on August 1, 2022 and the Tenants received three sets of keys with 3 fobs.
3. The collection of a key deposit is permitted pursuant the Ontario Regulations 516/06 section 17 (3) which includes deposits for "payment of a *refundable* key, remote entry device or card deposit, not greater than the expected direct replacement costs".
4. The Tenant (Li), testified that she returned her one set of keys/fob by leaving it with building security. When the Tenant requested the deposit in her text the Landlord responded he'd send payment by e-transfer. The Landlord also did not respond to the Tenant's text to confirm receipt of keys left with building security. The Landlord did not follow through and return the deposit nor did he respond to the text confirming receipt of the keys. The Landlord testified he did not receive the keys from building security but he confirms he receive 2 sets of keys/fobs on August 1, 2024 when the Tenant's left them with his Agent. I find the Tenant's responsibility to return the keys is not discharged because she elected to leave her one set of keys with a third party that was not the Landlord or an authorized Agent of the Landlord. The Landlord testified he did not receive the one set of keys which is the best evidence before me.
5. I find reasonable cost for one set of keys is \$100.00 given the \$300.00 deposit was collected for three set of keys/fobs (\$100.00x 3). The Landlord can only retain the key deposit if the keys are not returned. Since the Tenant returned two of the three sets of keys to the Landlord's Agent on August 1, 2024, the money retained by the Landlord in the amount of \$200.00 is unlawful.

Interest on LMR:

6. I find the Landlord failed to pay the Tenant interest on the last month's rent deposit, as required by the *Residential Tenancies Act, 2006* (the 'Act').
7. When the tenancy initially started the Tenants paid 5 months paid upfront in the amount of \$11,800.00 and this deposit was applied to the Tenants' April 2023 to July 2023 rent charges for this period which were the last five months before the term of the first lease ended.

8. Pursuant to section 106 (6) of the Act, the Landlord must pay interest to the Tenant annually on the amount of the rent deposit at a rate equal to the guideline determined under section 120 of the Act that is in effect at the time payment becomes due. However, section 135(4) of the Act states, “no order shall be made under this section with respect to an application filed more than one year after the person collected or retained money in contravention of this Act”. Given the one-year limitation period, the Board has authority to order interest that may have been owing before August 16, 2023. Furthermore, the deposits collected were applied to rent owing to July 2023 rent charges.
9. Since the application was filed on August 16, 2024, the Board has authority to consider whether the Landlord owes the Tenant interest on the deposit the Tenant paid when they signed a second tenancy agreement for another term starting on August 1, 2023. At that time, the Tenants paid a deposit for the last three months in the amount of \$9,071.25 (\$3,023.75 monthly rent x 3 months) which got applied to the last three months of the tenancy from May 2024 to July 2024 rent periods.
10. Although the Tenants are seeking interest on the full deposit of \$9,071.25 paid upfront, the Board only has jurisdiction to consider interest owing based on one month deposit from August 1, 2023, to June 30, 2024 because the Board can only order interest for one month rent deposit equal to guideline in accordance with section 120 of the Act. This is due to section 105 of the Act which provides that a landlord may only collect a rent deposit in accordance with section 106 of the Act; and section 106 (2) of the Act set out the amount of rent deposit that can be collected which is equal to or lesser than the amount of rent for one rent period and the amount of rent for one month. Consideration is also given to section 106(6) of the Act that states, that the landlord is required to pay interest annually on the rent deposit at a rate equal to the guideline. I find therefore, the interest is capped on the amount of rent equal to one month rent.
11. The Landlord owes the Tenants 2.5% interest on the deposit in the amount of \$69.30 based on the last month deposit of \$3,023.75. There’s no interest paid for July 2024 since the last month rent deposit was applied to July 2024 rent period which was the last month of the tenancy.
12. Whether the three month deposit collected at the time the second tenancy was signed is lawful or not lawful is not the issue before me and is irrelevant because the extra deposit was applied to May and June 2024 rent period.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$317.30. This amount represents:
 - \$200.00 for the illegal charge collected.
 - \$69.30 for interest on the last month's rent deposit.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by January 27, 2026.

3. If the Landlord does not pay the Tenant the full amount owing by January 27, 2026, the Landlord will owe interest. This will be simple interest calculated from January 28, 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 19, 2026
Date Issued

Sandra Macchione
Vice Chair, 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.