



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-042800-25

In the matter of: 420 Church Street
Windsor ON N9A4S9

Between: Nandana Shaji Tenant

And

Arvinder Bindra Landlord

Nandana Shaji (the 'Tenant') applied for an order determining that Arvinder Bindra (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on February 5, 2026.

The Landlord and the Tenant attended the hearing. The Tenant's Legal Representative Talitha Viegas Borges also attended.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay to the Tenant \$623.00.
2. The Landlord collected a rent deposit but did not give the prospective Tenant vacant possession of the rental unit. Therefore, the Landlord must repay the rent deposit.
3. The Tenant testified that she viewed the rental unit, a bedroom at 420 Church Street in Windsor, and agreed with the Landlord that she would rent the unit starting March 1, 2025, at a cost of \$475 plus utilities. She testified that she was informed by the Landlord that she would need to provide a last month rent deposit of \$475.00 and a \$100.00 security deposit which she paid via E-transfer on February 19, 2025.
4. She testified that the Landlord told her that they could meet on February 28, 2025, to sign the lease, but prior to doing so she was required to transfer the Landlord \$475.00 for the first month's rent, or he would not meet with her to sign the lease. She testified that she offered to pay the Landlord after she signed the lease, or bring the funds to pay when the lease was signed but both of these options were declined by the Landlord.
5. The Tenant also testified that she requested a copy of the lease from the Landlord and was simply provided with a blank standard form lease.

6. The Landlord also indicated to the Tenant in a text message that if the Tenant did not send him the money in the morning, he would understand that she was no longer interested in the rental unit.
7. The Tenant allowed that while she had declined prior appointment to meet the Landlord and sign the lease, this was because she had classes at that time, and in any case the Landlord had always requested she pay the first month rent before signing.
8. The Landlord testified that he had offered to meet the Tenant several times to sign the lease, and she had declined. He testified that he had also offered to provide the Tenant with all of her money back and an additional \$200.00 if he did not show up to sign the lease agreement after she paid.
9. The Landlord testified that he had committed to the Tenant to provide the unit to her and had turned down interest from other potential Tenants. The Landlord testified that the Tenant never committed to assign the lease, and there was a lot of interest from potential Tenants. He testified that after February 27, 2025 he relisted the room for rent, but did not receive the same amount of interest because the semester was ending and he was not able to rent the unit until May 1, 2025. In support of this the Landlord relied on a screenshot of messenger conversations from various interested prospective Tenant's inquiring about the unit.

Analysis

10. I am satisfied that the Landlord collected a rent deposit but did not give the prospective Tenant vacant possession of the rental unit.
11. *Drewlo Holdings Inc. v. Maria Custidio*, Div. Ct. File No. 1760, endorsement issued on November 25, 2009, *Opara v. Cook*, 2008 CanLII 22923 (ON SCDC) confirms that a prospective Tenant cannot unilaterally cancel the lease agreement.
12. However, I am not satisfied that this is a case where the parties had a lease agreement which was unilaterally cancelled by the Tenant. Instead, while the Tenant had paid a deposit, the parties were in negotiations to sign the lease agreement, which broke down due to the conditions imposed by the Landlord. Therefore, I am not satisfied that the parties had reached a tenancy agreement which was unilaterally cancelled by the Tenant.
13. *Benedetto v. Dineen*, [2006] CarswellOnt 3233, (confirming TST-08299, dated August 18, 2005) confirms that If there is no tenancy agreement then the prospective Tenant can cancel the negotiations and seek return of the deposit.
14. Additionally, even if the parties had reached a lease agreement, I am not satisfied that it was the Tenant who unilaterally cancelled the agreement, as evidenced by the Landlord's text message wherein he indicates that if the Tenant does not pay him the first month's rent (prior to the 1st of the month) he will consider her no longer interested in the unit. This message suggests to me that it was the Landlord who elected to cancel the agreement between the parties, as the Tenant was unwilling to pay the illegal charge, discussed further below, to him.

15. Finally, even if it was the Tenant who unilaterally cancelled the lease agreement I am satisfied that it was reasonable for her to do so, as the Landlord had requested that the Tenant pay an illegal charge.

16. Section 105 and 106 of the Act states:

Security deposits, limitation

105 (1) The only security deposit that a landlord may collect is a rent deposit collected in accordance with section 106. 2006, c. 17, s. 105 (1).

Definition

(2) In this section and in section 106,

“security deposit” means money, property or a right paid or given by, or on behalf of, a tenant of a rental unit to a landlord or to anyone on the landlord’s behalf to be held by or for the account of the landlord as security for the performance of an obligation or the payment of a liability of the tenant or to be returned to the tenant upon the happening of a condition. 2006, c. 17, s. 105 (2).

Rent deposit may be required

106 (1) A landlord may require a tenant to pay a rent deposit with respect to a tenancy if the landlord does so on or before entering into the tenancy agreement. 2006, c. 17, s. 106 (1).

Amount of rent deposit

(2) The amount of a rent deposit shall not be more than the lesser of the amount of rent for one rent period and the amount of rent for one month. 2006, c. 17, s. 106 (2).

17. Therefore, as the tenancy had not yet begun the Landlord was not permitted to require the Tenant to pay an additional one months rent before the lease agreement was signed, and I am satisfied that it would be appropriate for the Tenant to cancel the prospective lease agreement rather than pay this illegal charge to the Landlord, especially as the while the parties may have reached an agreement that the Tenant would rent the unit, the lease had not been signed.

18. Therefore, I am satisfied that the Landlord collected a rent deposit but did not give the prospective Tenant vacant possession of the rental unit.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$623.00 This amount represents:
 - \$575.00 for the return of the deposit
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by February 24, 2026.

3. If the Landlord does not pay the Tenant the full amount owing by February 24, 2026, the Landlord will owe interest. This will be simple interest calculated from February 25, 2026 at 4.00% annually on the balance outstanding.
4. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

February 13, 2026
Date Issued

Reid Jackson
Member, Landlord and Tenant Board

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