



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-050403-25

In the matter of: 128 Grovewood Common, Apt 308
Oakville ON L6H0X3

Between: Ho Fai Nelson Chan Tenants
Sau Shan Chan

And

Vinay Gupta Landlords
Pooja Gupta

Ho Fai Nelson Chan and Sau Shan Chan (the 'Tenant') applied for an order determining that Vinay Gupta and Pooja Gupta (the 'Landlord') collected or retained money illegally. (T1 application)

This T1 application was heard by videoconference on January 27, 2026.

The Tenants and one of the Landlords, Pooja Gupta, attended the hearing. The second Landlord, Vinay Gupta, had signed into the videoconference but had to leave due to work obligations, just before this hearing commenced at 3:24 pm.

Determinations:

1. As explained below, the Tenants proved the allegations contained in the T1 application on a balance of probabilities. Therefore, the Landlords must pay back the Tenants the \$300.00 key deposit, plus the T1 filing fee of \$48.00.
2. The parties agreed that the Landlords took a \$300.00 key deposit from the Tenants at the start of the tenancy. The parties also agreed the Tenants moved out of the rental unit on May 31, 2025, and returned the rental unit keys to the Landlords.
3. The Tenants testified that the key deposit was not returned to them once they gave vacant possession of the rental unit back to the Landlords.
4. The Landlords submitted they did try to e-transfer \$187.00 of the \$300.00 deposit to the Tenants on June 10, 2025. Ms. Gupta stated they withheld \$113.00, which they paid to a cleaner because the Tenants had left the rental unit in a state that needed cleaning. Ms. Gupta referred to the Landlords' bank statement, led as exhibit LL#1, to evidence the e-transfer of \$187.00 to the Tenants, and \$113.00 to the cleaner they had hired.

5. The Tenants submitted that they requested the full \$300.00 deposit back but was only offered a part of that amount. They stated the Landlords refused to refund the full amount so they allowed the e-transfer to expire and decided to wait for the LTB hearing. They did not want to make it appear that a partial payment was somehow accepted as resolution of their request for a full refund. Exhibit TT#1 was referenced by the Tenants, which is a copy of their bank statements and e-message from the financial institution that the \$187.00 transfer “expired” and not taken into their account.

Analysis

6. The relevant statutes and regulations are summarized below.
7. Security deposits, or damage deposits by another name, are prohibited by the *Residential Tenancies Act, 2006* (the ‘Act’). I refer to section 105 of the Act which sets this out clearly and also to section 234(d) of the Act which defines the collection of a security deposit as an offence, and section 234(g) which states the failure to return a rent deposit is an offence.
8. However, with regard to any key deposit in a tenancy, reference is made to section 134 of the Act which sets out key and similar deposits are also generally prohibited, but there are exceptions. Such an exception is found in subsection 17(3) of *Ontario Regulation 516/06* (the “Regulations”), which supports the premise that refundable deposits for keys are allowed in tenancies but are to be refunded upon the return of the keys in question.
9. Another element of this subsection 17(3) of the Regulations, which was not raised as a pertinent claim of this particular T1 application, is that such deposits shall “*not [be] greater than the expected direct replacement costs*”.
10. I find that the Landlords’ retention of the \$300.00 key deposit, even with their attempt to pay only a part of that deposit back, breaches the Regulations and Act, which set out that the deposit is to be refunded upon return of the keys.
11. The Landlords cannot simply reallocate or re-purpose the key deposit for whatever they themselves deem required or valid. If the Landlords have any claim respecting the rental unit post-tenancy, such as the need for cleaning an unduly dirty unit, or for the repair of undue damage, or for unpaid rents/compensation, the Landlords maintain their rights to file with the LTB an appropriate application up to one year after the end of the tenancy – this would result in a merits hearing and order to issue from that hearing on the claim(s).
12. As the Tenants were successful with their T1 application, they are entitled to a reimbursement of the T1 filing fee by the Landlords. (reference: LTB Interpretation Guideline no. 3)

It is ordered that:

1. The total amount the Landlords shall pay the Tenants is \$348.00. This amount represents:
 - \$300.00 for the unlawful retention of the key deposit charge collected.
 - \$48.00 for the cost of filing the T1 application.

2. The Landlords shall pay the Tenants the full amount owing by March 7, 2026.
3. If the Landlords do not pay the Tenants the full amount of \$348.00 owing by March 7, 2026, the Landlords will owe interest. This will be simple interest calculated from March 8, 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.

February 24, 2026

Date Issued

Alex Brkic

Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
Toronto ON M7A 2G6

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