



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-064743-25

In the matter of: 1378 EVERTON ST
PICKERING ON L1V 2T8

Between: Naveen Kumar Tenant

and

Abines Rajendran Landlord

Naveen Kumar (the 'Tenant') applied for an order determining that Abines Rajendran (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on January 26, 2026.

The Landlord and the Tenant attended the 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 Tenant \$580.15.

Request to amend - Interest on Last Month's Deposit

2. The Tenant requested to amend the application to include interest owing on the last month's rent deposit of \$3,250.00 collected at the commencement of the lease August 1, 2024. The Tenant filed his amendment on the hearing date at 11:45 a.m. The Tenant served the Landlord with the amended application one day in advance of the hearing.
3. The Landlord objected to the amendment stating that he had not had the opportunity to review what was served by the Tenant. I asked the Landlord whether he paid interest on the last month's deposit, and he indicated that he had not.
4. While the Landlord objected to the amendment, he did not dispute the amount of the deposit, the date the deposit was collected, or the fact that he did not pay interest on the deposit for the duration of the tenancy. I find that the Landlord understood the issue and the nature of the Tenant's request and was present at the hearing to respond. I am satisfied that the request to amend the application to include interest on the last month's deposit does not prejudice the Landlord. Therefore, I grant the amendment.

5. Subsection 106(6) of the *Residential Tenancies Act, 2006* (the 'Act') provides:

(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. 2006, c. 17, s. 106 (6).

6. Based on the undisputed evidence before me, I find that the Landlord collected a rent deposit of \$3,250.00 on August 1, 2024, and paid no interest on the deposit for the duration of the tenancy. It is undisputed that the Tenant vacated the rental unit on August 4, 2025. Therefore, the Landlord shall pay interest on the last month's deposit from August 1, 2024 to August 4, 2025, in the amount of \$82.15.

Key deposit and N12 compensation

7. It is undisputed that the Landlord collected a key deposit of \$200.00 at the commencement of the tenancy being August 1, 2024. The Tenant testified that he requested the return of his key deposit on August 5, 2025; however, it was not returned by the Landlord. I asked the Tenant whether the keys were returned to the Landlord. He stated that the Landlord did not ask for the keys back because the Landlord had changed the locks on August 4, 2024, the date that the Tenant vacated.

8. The Tenant also testified that the Landlord served an N12 notice dated April 12, 2025, and with a termination date of July 31, 2025. The parties had a 1 year term which was to end on August 1, 2025. The rent under the tenancy agreement is \$3,250.00. The Tenant did not dispute the N12 notice and received \$3,000.00 as compensation on August 4, 2025. This was less than the rent, equal to one month's rent as is required by s.48.1 of the Act. According to the Tenant, the Landlord indicated that the full compensation was not paid because he had an email transfer limit and could not transfer the remaining \$250.00. The Tenant submits that the \$250.00 remains outstanding.

9. The Landlord testified that the Tenant did not return the keys to him. He confirmed during his examination that his brother changed the locks on the same day that the Tenants vacated the unit. Further, the Landlord confirmed that an N12 notice was served and that he only paid the Tenant \$3,000.00 as the one month compensation required by the Act.

10. The Landlord provided several reasons for not returning the key deposit and for not paying the remaining \$250.00 for the one month's compensation after serving the N12 notice. The Landlord stated that the Tenant vacated on August 4, 2025, which was four days after the termination date of July 31, 2025, and no rent was paid during that time. The Landlord also claims the Tenant damaged the property, failed to pay utility bills, and subleased the property. The Landlord stated that he has filed an L10 application against the Tenant for those issues.

11. Any claims the Landlord may have regarding damage, rent owing, unpaid utilities, or unlawful subletting can be addressed in the Landlord's L10 application and are not before me in his proceedings. A Landlord is not permitted to withhold money they are required to pay to the Tenant on the ground that the Landlord believes the Tenant should be required to pay money for alleged damages.

12. With respect to the Landlord's undisputed failure to return the Tenant's key deposit, subsection 134(1)(a) and (1.1) of the Act provides:

134 (1) Unless otherwise prescribed, no landlord shall, directly or indirectly, with respect to any rental unit,

(a) 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...

(1.1) No landlord shall, directly or indirectly, with respect to any rental unit, collect or require or attempt to collect or require from a former tenant of the rental unit any amount of money purporting to be rent in respect of,

(a) any period after the tenancy has terminated and the tenant has vacated the rental unit; or

(b) any period after the tenant's interest in the tenancy has terminated and the tenant has vacated the rental unit. 2017, c. 13, s. 24 (2).

13. Section 17 of O.Reg. 516/06 under the Act contains the following exemption to s.134 (1) of the Act: Payment of a **refundable** key, remote entry device or card deposit, not greater than the expected direct replacement costs.
14. In this case, the Landlord testified that he changed the locks on the same date the Tenant vacated, being August 4, 2025. Therefore, the Landlord had no reason to collect the Tenant's keys. The Landlord should have returned the key deposit to the Tenant on August 4, 2025. The Act does not permit a Landlord to retain a key deposit as a penalty against the Tenant.
15. With respect to the compensation owing to the Tenant as a result of the N12 Notice, section 48.1 of the Act requires the Landlord to compensate a tenant in an amount equal to one month's rent or offer the tenant another rental unit acceptable to the Tenant if the landlord gives the tenant a notice of termination of the tenancy under section 48. In this case, it is undisputed that the Landlord failed to compensate the Tenant an amount equal to one month's rent and is therefore in contravention of section 48.1 of the Act.
16. Based on the evidence before me, I find that the Tenant is entitled to his key deposit of \$200.00, and \$250.00 for remaining balance owed for the N12 compensation.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$580.15. This amount represents:
- \$200.00 for the key deposit;
 - \$250.00 for N12 compensation;
 - \$82.15 for the interest on the last month's rent deposit; and
 - \$48.00 for the cost of filing the application.

2. The Landlord shall pay the Tenant the full amount owing by March 21, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by March 21, 2026, the Landlord will owe interest. This will be simple interest calculated from March 22, 2026 at 4.00% annually on the balance outstanding.

March 11, 2026

Date Issued

Adeela Alvez

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.