



Order under Section 31 / 135 Residential Tenancies Act, 2006

File Number: LTB-T-001247-23

In the matter of: Main and Second F, 55 Azalea Gateway
Thornhill ON L3T7V3

Between: Renjie He
Bei Zhang
Xinhui Hu
Jun Huang
Tenant

And

Wei Zhang
Landlord

Renjie He, Bei Zhang, Xinhui Hu and Jun Huang (the 'Tenant') applied for an order determining that Wei Zhang (the 'Landlord'):

- collected or retained money illegally.
- altered the locking system on a door giving entry to the rental unit or residential complex without giving the Tenant replacement keys.
- substantially interfered with the reasonable enjoyment of the rental unit or residential complex by the Tenant or by a member of their household.

This application was heard by videoconference on December 18, 2025.

The Tenant's Legal Representative Cuiwen Hu, the 2nd named Tenant Xinhui Hu and the Landlord attended the hearing.

Procedural History:

1. This application appeared before the Board on May 3, 2023, and adjourned at the Landlord's request.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities.

2. On July 10, 2022, the Tenants paid the Landlord a \$2,500 payment described in writing as a “deposit for first and last month’s rent.” The landlord later demanded rent be paid in separate cheques from each co-tenant, rather than a single payment.
3. Xinhui Hu testified that a lease was signed on July 18, 2022, between four Tenants and the Landlord.
4. She testified that the monthly rent was supposed to be \$2,500.00 per month starting August 17, 2022. She paid \$2,500.00 deposit via e-transfer on July 10, 2022.
5. She stated that both parties agreed to a move-in of August 17 and 18, 2202.
6. Ms. Hu testified that she was withdrew \$2,500.00 cash the evening of August 18, 2022. She brough the cash, cheques, and key deposit when she met with the Landlord.
7. She testified that when she met with the Landlord, they refused to provide keys and refused entry. Additionally, the Landlord refused all forms of payment tendered. The Landlord insisted on four separate cheques but did not accept e-transfer, photos of cheques, a single cheque, or cash.
8. After this meeting, Ms. Hu testified that she sent an email on August 19, 2022, offering the Landlord cash, cheque, or e-transfer. The Landlord did not reply. She stated that the Landlord told the Tenants they breached the contract.
9. On August 18, 2022, the Tenants appeared at the rental unit to take possession and collect keys but were refused access by the Landlord because they did not provide the additional individual cheques. Lastly, Ms. Hu testified possession was never granted by the Landlord.
10. The Landlord Ms. Zhang cross-examined the Tenant on the evidence presented.
11. On cross-examination, Ms. Hu confirmed that the Tenants were ready, willing and able to provide full payment in one cheque or e-transfer, but the Landlord refused such payment.
12. The Landlord testified that the Tenants never paid rent for August 2022. She had advised the Tenants of the late payments on August 17 and 18, 2022.
13. Ms. Zhang asserted that she required individual cheques for her financial tracking. She stated that she felt the Tenants’ actions were an attempt to defraud her and that they never intended to pay rent.
14. During cross-examination the Landlord could not produce written communication from July–August 2022 requesting individual separate cheques and acknowledged receiving the initial \$2,500 payment without issue.
15. What I found particularly concerning was the inconsistency and ambiguity in the Landlord’s characterization of the initial \$2,500.00 payment. Throughout her testimony, the Landlord

alternated between describing the payment as a “deposit” and as a “hold.” These terms have distinct legal meanings and implications under the Residential Tenancies Act, 2006 (the *Act*). A **rent deposit**—which is permitted only for the last month’s rent—forms part of the tenancy agreement and triggers statutory protections and obligations, including the requirement under s. 107(1) to return the deposit if possession is not provided. In contrast, a “hold” or “holding deposit” is not a concept recognized under the *Act* and cannot be used to reserve a rental unit or impose conditions on a prospective tenant prior to the commencement of a tenancy. The Landlord’s shifting terminology raises concerns about whether she understood or complied with the statutory framework governing rent deposits, and it undermines the credibility of her assertion that the Tenants’ payment did not create tenancy rights. Her inconsistent explanations also conflict with the written description of the payment provided to the Tenants, which clearly identified the \$2,500.00 as a deposit for first and last month’s rent. This inconsistency further supports the finding that a valid tenancy agreement had been formed and that the Landlord was obligated to provide possession or return the deposit in accordance with the *Act*.

Analysis

16. I find that the parties entered into a tenancy agreement and the Landlord did not give the Tenant access to the rental unit on or about August 18, 2022. The Tenant presented uncontradicted evidence that she provided \$2,500.00 on July 10, 2022, and both parties signed the tenancy agreement.
17. The Tenants paid the \$2,500.00 deposit and signed the lease, they were ready to occupy the rental unit on August 17 and 18, 2022. I find a valid tenancy agreement existed.
18. I turn to section 108 of the ‘Act’ which states:

Posted-dated cheques, etc.

108 Neither a landlord nor a tenancy agreement shall require a tenant or prospective tenant to,

- (a) provide post-dated cheques or other negotiable instruments for payment of rent; or
- (b) permit automatic debiting of the tenant’s or prospective tenant’s account at a financial institution, automatic charging of a credit card or any other form of automatic payment for the payment of rent. 2006, c. 17, s. 108; 2009, c. 33, Sched. 21, s. 11 (3, 4).

19. The Landlord’s demands for separate cheques and a key deposit were inconsistent with s.108 RTA, which prohibits unreasonable conditions on payment. Again, considering that the Tenants were willing and able to pay as agreed.
20. I find that the Landlord unilaterally withheld possession of the rental unit.
21. Turning to the ‘Act’

- Section 2 defines tenant broadly, including a person who pays rent or a rent deposit under an agreement
- Section 107-108 regulates rent deposits prior to possession

22. I further find that the Landlord's acceptance of a rent deposit, combined with the execution of a binding written lease, constitutes sufficient formation of a tenancy to trigger the full protections of the *Residential Tenancies Act, 2006*, regardless of whether physical possession had yet been delivered. Under the Act, a "tenant" includes any person who pays rent or a rent deposit under a tenancy agreement, and the moment the Landlord accepted the \$2,500.00 deposit and signed the lease with the Tenants, the tenancy was created. The delivery of physical possession is not the event that forms the tenancy; rather, it is the agreement to rent combined with the exchange of the lawful last month's rent deposit that engages the statutory requirements and obligates the Landlord to provide vacant possession on the agreed-upon date.

23. In this case, the Landlord refused to grant possession unless the Tenants complied with her demand for individual cheques from each co-tenant. This demand constituted an unlawful condition under Section 108 of the 'Act', which expressly prohibits requiring post-dated cheques or imposing specific payment instruments as a condition of tenancy. The evidence established that the Tenants were ready, willing, and able to pay the full rent by lawful methods—cash, a single cheque, or e-transfer—but the Landlord nevertheless withheld possession solely because they did not comply with her prohibited requirement.

24. By conditioning possession on an unlawful payment method, the Landlord wrongfully refused possession of the rental unit. Section 107(1) of the 'Act' directly addresses this scenario and requires a landlord who has accepted a rent deposit but fails to provide possession to return that deposit to the tenant. As the Landlord accepted the \$2,500.00 rent deposit and then failed to provide vacant possession on the agreed move-in dates, she is obligated under s.107(1) to refund the full deposit to the Tenants.

25. 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.

26. The Tenant requested to withdraw their T2 application, and I consented to the request.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is **\$2,530.00**. This amount represents:
 - \$53.00 for the cost of filing the application.
 - \$2,500.00 amount of deposit given to the Landlord on July 10, 2022
2. The Landlord shall pay the Tenant the full amount owing by April 6, 2026.

3. If the Landlord does not pay the Tenant the full amount owing by April 6, 2026, the Landlord will owe interest. This will be simple interest calculated from April 7, 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.
5. The Tenant's T2 application having been withdrawn, the Board's file is closed.

March 26, 2026
Date Issued

Anthony Bruno
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.