



Order under Section 135 Residential Tenancies Act, 2006

Citation: BRUCE v 977450 ONTARIO INC, 2026 ONLTB 34002

Date: 2026-04-27

File Number: LTB-T-093152-25

In the matter of: 12, 964 EGLINTON AVE E
EAST YORK ON M4G2L7

Between: MAY ROBLE BRUCE Tenant
WILLIAM BRUCE

And

977450 ONTARIO INC Landlord

MAY ROBLE BRUCE and WILLIAM BRUCE (the 'Tenant') applied for an order determining that 977450 ONTARIO INC (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on April 14, 2026.

The Landlord's agent, David Chang, and the Tenant attended the hearing.

When the capitalized word "Landlord" is used in this order, it refers to all persons or companies identified as a Landlord at the top of the order. When the capitalized word "Tenant" is used in this order, it refers to all persons identified as a Tenant at the top of the order.

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 \$1,998.00.
2. The parties agreed that on April 15, 2025, they entered into a written tenancy agreement. A copy of the lease agreement was submitted into evidence.
3. The parties agreed that the tenancy was to commence on May 1, 2025. The Landlord offered the Tenants an early move-in option in exchange for an additional payment of \$200.00. The Tenants accepted this offer and, on April 15, 2025, paid the total sum of \$1,950.00, consisting of a \$1,750.00 rent deposit and the \$200.00 early move-in fee.

4. The Tenant (WB) testified that on April 16, 2025, he attended at the rental unit to obtain a key. During this meeting, he raised a concern regarding the kitchen lighting. The Landlord became upset and, in response, offered to “tear up” the lease.
5. Later on April 16, 2025, the Tenants contacted the Landlord by telephone to confirm the proposed termination of the tenancy agreement. The Landlord advised that the parties would meet on April 17, 2025, at 10:00 a.m. at the rental unit to finalize the cancellation. This conversation was recorded and submitted into evidence. Although the parties did not clearly state during that conversation that the parties were agreeing to terminate the tenancy and go their separate ways, I think it would be reasonable for the Tenants to expect that all payments made in respect of the tenancy including the \$200.00 would be returned. Alternatively, the Landlord’s position on the application and the way they characterized the payment would render it an illegal charge under s. 134.
6. Subsequently, the Landlord advised by email that he was unable to attend the scheduled meeting on April 17, 2025, due to a scheduling conflict.
7. On April 17, 2025, the Tenants sent a written communication confirming acceptance of the Landlord’s offer to terminate the tenancy agreement. On the same date, the Tenant’s husband returned the key to the Landlord. A copy of the April 17, 2025, email communication was submitted into evidence.
8. Following the cancellation, the Tenants made repeated efforts to arrange for the return of the funds paid. The Landlord scheduled multiple meetings but cancelled on at least two occasions and has not returned the funds.
9. The Tenant BW testified, and the Landlord did not dispute that the Tenant did not move into, occupy, or otherwise take possession of the rental unit at any time.
10. The Tenants returned the keys on April 17, 2025, confirming relinquishment of any access or possessory interest in the unit.
11. Despite the mutual termination of the tenancy, the Landlord has failed to return the sum of \$1,950.00. This amount includes a rent deposit and an additional fee.

Landlord testimony

12. During the hearing, the Landlord testified that he is not out any money, and he was able to rent the unit for May 1, 2025. Also, during the hearing, the Landlord offered a portion of the money back to the Tenant in the amount of approximately \$1,400.00 believing he is entitled to a portion of the deposit due to certain administration fees, such as vetting tenants, credit checks etc.
13. The retention of these funds is contrary to the *Residential Tenancies Act, 2006* (the “Act”), including s. 134(1), which prohibits a landlord from collecting or retaining amounts that are not permitted under the Act.
14. I find that the parties entered into an agreement to terminate the tenancy in accordance with section 37(3) of the Act effective April 17, 2025. The question before me is whether the Act entitles the Landlord to charge or retain a fee for agreeing to terminate the tenancy.

15. Subsection 134(1) of the Act says that unless otherwise provided, a landlord shall not, directly, or indirectly collect certain listed charges from a tenant in addition to rent. It 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 or prospective 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;

16. The exemptions from s. 134(1) are set out in section 17 of Ontario Regulation 516/06:

17. The following payments are exempt from section 134 of the Act:

1. Payment for additional keys, remote entry devices or cards requested by the tenant, not greater than the direct costs.

2. Payment for replacement keys, remote entry devices, or cards, not greater than the direct replacement costs, unless the replacement keys, remote entry devices or cards are required because the landlord, on the landlord's initiative, changed the locks.

3. Payment of a refundable key, remote entry device, or card deposit, not greater than the expected direct replacement costs.

4. Payment of NSF charges charged by a financial institution to the landlord.

5. Payment of an administration charge, not greater than \$20, for an NSF cheque.

6. Payment by a tenant, former tenant, subtenant, or former subtenant in settlement of a court action or potential court action or an application or potential application to the Board.

7. Payment to a landlord or tenant of a mobile home park or land lease community at the commencement of a tenancy as consideration for the rental of a particular site.

8. Payment of a charge not exceeding \$250 for transferring, at the request of the tenant,

i. between rental units to which subsection 6 (1) or (3) of this Regulation applies, if the rental units are located in the same residential complex, or

ii. between rental units in a residential complex that is described in paragraph 1, 2, 3 or 4 of subsection 7 (1) of the Act.

9. Payment of an amount to reimburse the landlord for property taxes paid by the landlord with respect to a mobile home or a land lease home owned by the tenant

17. The list of exemptions does not include a charge for entering into an agreement to terminate the tenancy.
18. In addition, based on the documentary evidence before me, there was no evidence that the deduction of any money from the Tenant's deposit was in exchange of settling any potential court action. This was not a situation that involved the collection of reasonable out-of-pocket expenses incurred in relation to the LL's consent to assign a lease (s. 95(7))
19. -And given that the rental unit was rerented effective May 1st, s. 134(1.1) also applies at least with respect to any rent collected/retained for the period after April 30th.
20. Therefore, I find that the Landlord breached section 134 of Act by retaining \$1,950.00 deposit for breaking the lease.
21. As the Tenant has been successful in her application, the Tenant is entitled to a reimbursement of the application filing fee.
22. This order contains all of the reasons for my decision within it. No further reasons shall be issued.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$1,998.00.
2. The Landlord shall pay the Tenant the full amount owing by May 8, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by May 8, 2026, the Landlord will owe interest. This will be simple interest calculated from May 9, 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.

April 27, 2026
Date Issued

Teresa Hunt
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.