



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-096995-25

In the matter of: 1001, 32 TROLLEY CRES
TORONTO ON M5A0E8

Between: David Saunders Tenant
Kayla Saunders

And

Rangel Mendes Landlord

David Saunders and Kayla Saunders (the 'Tenant') applied for an order determining that Rangel Mendes (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on April 1, 2026.

The Landlord 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.

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 \$578.15.

Interest on rent deposit owing

2. The Landlord failed to pay the Tenant interest on the last month's rent deposit, as required by the *Residential Tenancies Act, 2006* (the 'Act').
3. The Tenant David Saunders testified that they moved into the rental unit on December 29, 2018, and signed alone year lease at that time. The Tenant paid a last month rent deposit of \$2395.00 on December 29, 2018.
4. The Landlord confirmed that he never paid interest on the last month rent deposit. Therefore, I am satisfied that the Tenant's are entitled to this interest.

The Rent Differential

5. The Tenant's also sought a differential of \$115.00 on the basis that the rent was reduced during the tenancy and therefore when the last months rent was applied to the final month there were funds remaining which should be returned to them.
6. The Tenant testified that the tenancy became month to month after the initial lease until the parties signed a new lease with a reduced rent March 1, 2021. The Tenant testified that this was during the COVID-19 pandemic, and they had reached out to renegotiate the rent at a lower rate after comparing the unit to market rent.
7. The Tenant testified that they vacated October 31, 2025, at the time they vacated they were paying \$2280.00 in rent. The Landlord agreed with this amount.
8. Therefore, the Tenant seeks the differential of \$115.00 for the last month rent.
9. The Landlord testified that he never increased the rent for the first three years of the tenancy, and he actually lowered the rent for the Tenant's by \$300.00 during the tenancy, and even with subsequent rent increases the Tenant's ended the tenancy paying \$115.00 less than when the tenancy began.
10. The Landlord testified that the Tenants were not entitled to the differential because the Tenant's ended up paying much less and the contract was for that amount. The Landlord also alleged that there were damages to the unit when the Tenant's vacated which he was prepared to overlook until the Tenant's filed the T1 Application.
11. The Landlord also encouraged me to take into account the relationship between the parties and the fact that the rent had been lowered.
12. Ultimately, I am satisfied that the Tenant's are entitled to the differential sought. The last month rent deposit can only be applied to the last month of the tenancy which is October 2025. The rent for October 2025 was only \$2280.00 while the last month rent deposit held by the Landlord was \$2395.00. Therefore, the Tenant's are entitled to \$115.00 representing the difference.
13. I am not satisfied that the fact that the Landlord did not raise the rent during the first three years of the tenancy, and subsequently lowered the rent, or the allegations of damages to the rent unit entitles the Landlord to retain this differential.

The Illegal Charge

14. The Tenant also testified that they paid a \$150.00 key deposit on December 29, 2018, for two sets of keys and the garage key. The Tenant's testified that the keys were never lost or replaced, and the deposit was never returned.
15. The Landlord confirmed that the key deposit was not returned after the Tenant's vacated.
16. Therefore, I am satisfied that the Landlord illegal retained these funds and they shall be ordered returned to the Tenant.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$578.15. This amount represents:

- \$265.15 for interest on the last month's rent deposit.
 - \$115.00 for the rent differential
 - \$115.00 for the Illegal Charge
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by May 17, 2026.
 3. If the Landlord does not pay the Tenant the full amount owing by May 17, 2026, the Landlord will owe interest. This will be simple interest calculated from May 18, 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.

May 6, 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.