



**Order under Section 135
Residential Tenancies Act, 2006**

File Numbers: LTB-T-076431-25
LTB-T-077480-25

In the matter of: 2212, 35 WATERGARDEN DR
MISSISSAUGA ON L5R0G8

Between: Shazia Siddiqui Tenant

And

Mitman Financial and Investment Inc. Landlord

Shazia Siddiqui (the 'Tenant') applied for an order determining that Mitman Financial and Investment Inc. (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on March 25, 2026.

The Landlord and the Tenant attended the hearing.

Determinations:

1. On March 25, 2026, the parties agreed to bring forward file number LTB-T-077480-25, which is another T1 application filed by the Tenant, to be heard together with LTB-T-076431-25.
2. The T1 application in LTB-T-076431-25 alleges that the Landlord collected or retained an illegal charge, and application LTB-T-077480-25 seeks payment of interest accrued on the rent deposit collected by the Landlord. The Tenant's request for payment of interest is duplicated in both applications, and it was appropriate to hear the files together.

T1 Applications

3. 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 \$689.57 on or before May 22, 2026.

Illegal Charge Collected

4. The Tenant testified that they moved into the rental unit on May 1, 2021, and signed a written tenancy agreement. The tenancy agreement sets out a monthly rent of \$1,800.00 and requires the Tenant to pay \$250.00 each for two separate deposit amounts totaling \$500.00.

5. One of the \$250.00 deposits is for keys/FOBs, and the other \$250.00 deposit was attributable to other items described as, "Internet modem, wear and tear, cleaning or damage". The tenancy agreement provides that both are refundable deposits "upon the completion of the lease".
6. The Tenant testified that they returned the keys and fulfilled their obligations in relation to returning the modem which they confirmed in an e-mail to the Landlord.
7. The Tenant's evidence is that the Landlord had agreed to return the deposit and then began advising that it was "not his priority". The Tenant also gave evidence that the Landlord sent an e-transfer of \$250.00 which was not deposited and eventually expired. The Tenant submitted an e-mail showing the expiry of the e-transfer.
8. The Landlord testified that they sent an e-transfer of \$250.00 to the Tenant which was not deposited back into the Landlord's bank account after it expired. The Landlord provided a copy of their bank statement for September 2025 showing the \$250 being sent to the Tenant.
9. The Landlord's position is that after the e-transfer expired they did not receive it back in their account so the Tenant must have received it. The Landlord further testified that the Tenant changed the locks to the rental unit, and the Landlord had to pay \$300.00 to change the locks which should be offset against any amounts owed to the Tenant.

Analysis

10. The Landlord did not dispute collecting a \$500.00 deposit from the Tenant at the beginning of the tenancy.
11. Section 105(1) of the Act provides that the only security deposit permitted is a rent deposit collected in accordance with s.106.
12. Section 105(2) defines a security deposit as:

money, property or a right paid or given by, or on behalf of, a tenant of a rental unit to a landlord or to anyone on the landlord's behalf to be held by or for the account of the landlord as security for the performance of an obligation or the payment of a liability of the tenant or to be returned to the tenant upon the happening of a condition.
13. Pursuant to section 106(2) of the Act, the amount of a rent deposit shall not be more than the amount of rent for one month.
14. Further, subsection 134(1)(a) says:

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;

15. "Unless otherwise prescribed" is a reference to section 17 of Ontario Regulation 516/06 which lists exemptions from section 134. Section 17 3. of the regulation sets out the following exemption from section 134(1) and (3)

17. The following payments are exempt from subsections 134 (1) and (3) of the Act:

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

16. The Act permits the Landlord to collect a refundable key deposit however, the issue in this matter is the continued retention of the deposits.
17. Section 135 of the Act enables a tenant to apply for an order determining that the Landlord illegally collected or retained money.
18. In *Dollimore v. Azuria Group Inc.*, [2001] O.J. No. 4408, the Court supported the proposition that there is a distinction between collecting and retaining. For example, the last month's rent deposit is collected for the purpose of applying it at a later date, the last month of the tenancy, so the illegal retention starts on the date the landlord fails to apply the deposit to the rent.
19. When considering Dollimore in this case, the illegal charges alleged are a key deposit and "damage deposit", refundable at the end of the tenancy. While the Landlord may have been entitled to collect the key deposit, both deposits were intended to be applied to a future obligation so, the issue in this matter relates to the Landlord retaining the deposits at the end of the tenancy.
20. In relation to the key deposit, the Landlord did not file an application seeking the cost of changing the locks and did not submit an invoice for the cost. I am also not satisfied that the Tenant changed the locks since the Landlord's evidence was actually that they were concerned about receiving two sets of keys back from the Tenant, but not that the locks were actually changed by the Tenant.
21. The keys for the rental unit were returned to the Landlord at the end of the tenancy and therefore, the Landlord is illegally retaining the Tenant's key deposit of \$250.00.
22. Further, the Landlord was not entitled to collect a damage deposit at the commencement of the tenancy and failed to return the deposit at the end of the tenancy, thereby illegally retaining the deposit. Accordingly, I find that the Tenant is entitled to the return of the \$250.00 "damage deposit".
23. The parties were invited to provide post-hearing submissions in relation to the \$250.00 e-transfer that was sent by the Landlord which would offset a portion of the Tenant's monetary claims. The Tenant's position is that the e-transfer expired and was not deposited whereas the Landlord's evidence is that the e-transfer was never deposited back into their account so the Tenant must have received the e-transfer.

24. Both parties filed post hearing submissions; the Tenant filed a copy of an e-mail showing the e-transfer had expired and funds were not deposited. The Tenant also filed a letter dated March 26, 2026, from a "banking center leader" at CIBC, confirming that between September 1, 2025, up to March 1, 2026, the Tenant did not receive any e-transfers in the amount of \$250.00 from the Landlord.
25. The Landlord submitted a copy of their bank statement for October 2025 showing that no deposits were received in their account that represent a refund of the e-transfer. The Landlord's bank statements for September and October 2025 show that an e-transfer was sent to the Tenant, and no refund was deposited back into the Landlord's account.
26. I prefer the Tenant's evidence over that of the Landlord in relation to the e-transfer of \$250.00. The Tenant has proven, on a balance of probabilities, that they did not receive the e-transfer. The Landlord's evidence shows that the e-transfer was sent and while I accept that the Landlord may not have received a refund of the e-transfer, this does not serve to discharge the Landlord's obligation to return the deposits illegally retained.
27. Accordingly, based on the evidence before me, I find that the Landlord illegally retained the Tenant's deposits totaling \$500.00, and no portion of those deposits were returned to the Tenant.

Interest on Rent Deposit Owing

28. The Tenant also seeks an order for the payment of interest due on the rent deposit. The Tenant's evidence is that they paid a \$1,800.00 rent deposit to the Landlord and no interest was paid as required.
29. The Landlord's position is that interest was not an agreed upon term of the tenancy agreement and therefore, should not be ordered.
30. Section 106(6) of the Act requires a landlord to pay interest on a rent deposit collected:

(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. [Emphasis added]
31. The Tenant requests \$141.60 in unpaid interest owed on the rent deposit. When calculating the interest owed, the total amount of interest accrued between May 1, 2021, and August 31, 2025, on a rent deposit of \$1,800.00, is \$141.57.
32. 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'). Therefore, the Landlord shall pay to the Tenant \$141.57 for interest owed.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$689.57. This amount represents:
 - \$500.00 for the illegal charge collected.
 - \$141.57 for interest on the last month's rent deposit.

- \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by May 22, 2026.
 3. If the Landlord does not pay the Tenant the full amount owing by May 22, 2026, the Landlord will owe interest. This will be simple interest calculated from May 23, 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 11, 2026
Date Issued

Kyle McGraw
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.