



Order under Section 135 Residential Tenancies Act, 2006

Citation: Rakulan v Kassabbachi, 2026 ONLTB 46804

Date: 2026-06-18

File Number: LTB-T-003487-26

In the matter of: 160 DELMAR DR
HAMILTON ON L9C1J9

Between: Rhagavy Rakulan Tenant

And

Yassir Kassabbachi Landlords
Luanluan Huang

Rhagavy Rakulan (the 'Tenant') applied for an order determining that Yassir Kassabbachi and Luanluan Huang (the 'Landlords') collected or retained money illegally.

This application was heard by videoconference on May 12, 2026.

The Landlord Luanluan Huang 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 Landlords must pay to the Tenant the sum of \$797.00.
2. The Tenant applied to the Board, pursuant to section 135(1) of The *Residential Tenancies Act, 2006* (the 'Act'), alleging that the Landlords have illegally collected and retained money in contravention of the Act as follows:
 - a) The Landlords did not return a key deposit of \$100.00; and
 - b) The Landlords did not apply or return the Tenant's last months rent deposit;

Key Deposit

3. It is agreed that at the time of entering into the tenancy agreement the Tenant paid a key deposit in the amount of \$100.00 to the Landlords.

4. The Tenant states that she vacated the rental unit on July 30, 2025 and returned the key to the Landlords' realtor on July 31, 2025.
5. The Landlords do not dispute that the Tenant returned the keys to the rental unit. The Landlord Luanluan Huang testified the Landlords did not return the key deposit, as she believes that the Tenant copied the keys and may have provided them to another individual, as such out of an abundance of caution the Landlords changed the locks to the rental unit incurring a cost, which they applied the key deposit to.

Analysis

6. Section 134(1) of the Act states:

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;

...

7. Section 17 of *Ontario Regulation 516/06* (the 'Regulation') provides a list of exemptions to Rule 134(1) which includes a refundable key deposit as follows:

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

8. It is clear from the Regulation that the payment of a key deposit is refundable and is limited to the direct replacement costs.
9. It is undisputed that the keys were returned to the Landlords and the deposit was not refunded to the Tenant.
10. The issue regarding any potential expenses incurred by the Landlords to replace the locking mechanism of the rental unit because they believe the Tenant may have provided a copy of the key to another individual is not determinative of the issue at hand being the collection and retention of a key deposit. If the Landlords wish to pursue the Tenant for any alleged damages or out-of-pocket expenses associated with the replacement of a locking mechanism for the rental unit, they are free to do so under a Landlords' application.
11. The Tenant is entitled to the return of the \$100.00 payment to the Landlords for a key deposit.

Rent deposit not applied to last month of tenancy

12. The parties agree that at the time of entering into the tenancy agreement the Tenant provided the Landlords a last months rent deposit in the amount of \$649.00.
13. The parties further agree that the Tenant reached out to the Landlords requesting to terminate the tenancy as she felt unsafe in the neighbourhood. The parties agreed that the Tenant would be responsible for rent until a new tenant moved into the rental unit.
14. It is further agreed that the Tenant paid rent for July, 2025.
15. The Tenant testified that on July 27, 2025 she received a text message from the Landlords' realtor indicating that they had found a prospective Tenant who was willing to move into the rental unit effective August 1, 2025, if the Tenant was able move out by July 31, 2025.
16. The Tenant stated that she agreed and vacated the rental unit on July 30, 2025.
17. In a text exchange between the Tenant and Landlords, the Landlords confirmed that the Tenant would be vacating by July 31, 2025.
18. The Landlords state that although a new tenant signed a tenancy agreement on July 27, 2025 the tenancy was not set to commence until September 10, 2025, and that the Tenant should be responsible for August's rent, and applied the Tenant's last months rent deposit to August.
19. The Landlords confirm that the Tenant was in communication with their realtor during this process, but suggest that the Landlords should not be responsible for the realtor communicating incorrectly that the new tenancy was beginning August 1, 2025.

Analysis

20. The Landlords' realtor acted as the Landlords' agent with respect to the securing of a new tenancy and the end of the Tenant's tenancy in the rental unit.
21. It is undisputed that the parties had previously agreed to terminate the tenancy and that the Tenant would be responsible for rent until a new tenant moved into the rental unit.
22. The Landlords' realtor on July 27, 2025 represented to the Tenant that there was a prospective tenant for the rental unit who could move in effective August 1, 2025, provided the Tenant vacated the rental unit by July 31, 2025, to which the Tenant agreed.
23. The end of tenancy was further confirmed by the Landlords via a text exchanged with the Tenant.
24. In the circumstances the Tenants responsibility to pay rent ended on the agreed upon end of tenancy date July 31, 2025.
25. The Tenant had previously paid rent for the month of July, 2025. The Landlords did not use the Tenant's rent deposit to pay for the last rental period of the tenancy and did not return the deposit to the Tenant. This is prohibited by the Act.

It is ordered that:

1. The total amount the Landlords shall pay the Tenant is \$797.00. This amount represents:
 - \$100.00 for the illegal charge collected.
 - \$649.00 for the last month's rent deposit.
 - \$48.00 for the cost of filing the application.
2. The Landlords shall pay the Tenant the full amount owing by June 29, 2026.
3. If the Landlords does not pay the Tenant the full amount owing by June 29, 2026, the Landlords will owe interest. This will be simple interest calculated from June 30, 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.

June 18, 2026
Date Issued

Sean Ramage
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.