



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

File Number: LTB-T-077538-25

In the matter of: B, 15 GREEN STREET EAST
FENELON FALLS ONTARIO K0M1N0

Between: Tammy Thompson Letham Tenants
Christopher Thompson

And

Thomas Marshall Landlord

Tammy Thompson Letham and Christopher Thompson (the 'Tenants') applied for an order determining that Thomas Marshall (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on March 24, 2026.

Only the Tenant, Tammy Thompson Letham, on behalf of both Tenants attended the hearing.

As of 10:09 a.m., the Landlord was not present or represented at the hearing although properly served with notice of this hearing by the LTB. There was no record of a request to adjourn the hearing. As a result, the hearing proceeded with only the Tenants' evidence.

Determinations:

Unlawful Rent Increase

1. The Tenants alleged that the Landlord imposed an illegal rent increase.
2. The Tenant testified that she moved into the rental unit on November 1, 2024 and vacated on April 26, 2026. She further testified that there were changes in ownership of the rental property during her tenancy, including a change in or about March 2025 when a third and final Landlord assumed control.
3. The Tenant testified that following the change in ownership, she signed a new tenancy agreement with the incoming Landlord in March 2025. The Tenant testified that under the prior arrangement her rent had been \$1,600.00 per month, and that the rent under the new agreement increased to \$2,000.00 per month. She further testified that the Landlord advised the increase was related to hydro charges and that the arrangement would be temporary until a separate hydro meter was installed, after which rent would return to

\$1,600.00 per month and the Tenant would become responsible for hydro costs. The Tenant testified that this arrangement did not ultimately occur.

4. The Tenant testified that she paid rent of \$2,000.00 per month from May 2025 to July 2025. In August 2025, she paid \$1,850.00 based on an agreement with the Landlord relating to a temporary hydro-related adjustment. From September 2025 onward, she paid \$1,600.00 per month after being advised that the increased rent was unlawful.
5. Based on the evidence before me, I find that the Tenant has not established, on a balance of probabilities, that the Landlord imposed an illegal rent increase contrary to the Act.
6. The evidence before me establishes that following the change in ownership, the Tenant entered into a new written tenancy agreement with the incoming Landlord in March 2025. The rent payable under that agreement was set at \$2,000.00 per month. There was no evidence before me of a subsequent notice of rent increase within an ongoing tenancy or of a unilateral increase imposed by the Landlord beyond the terms of the agreement.
7. While the Tenant testified that she was told the increase was temporary and related to hydro costs, I find that these representations, even if made, relate to a collateral or future arrangement concerning utilities and do not establish that the rent charged under the tenancy agreement was unlawful under the Act.
8. The Tenant's evidence indicates that she paid the agreed rent of \$2,000.00 for a period of time, followed by a reduced payment in August 2025 pursuant to a separate arrangement, and thereafter resumed paying \$1,600.00. However, these payment variations do not, on their own, establish that the Landlord unlawfully increased the rent.
9. In the absence of evidence demonstrating that the Landlord increased rent contrary to the Act or charged rent in excess of the amount agreed to in the operative tenancy agreement, I am not satisfied that the Tenant has proven an illegal rent increase and in my view, the Landlord did not collect rent in excess of the amount allowed by the Act.
10. Accordingly, this portion of the Tenant's application is dismissed.

Illegal Charge

11. The Tenant testified that she paid first month's rent and a last month's rent deposit at the commencement of the tenancy. She further testified that following a subsequent change in ownership, the third and current Landlord requested an additional payment described as a "damage deposit." Text messages entered into evidence confirm that the Landlord requested the "damage deposit," and the evidence further confirms that a payment in the amount of \$2,000.00 was made on April 1, 2025.
12. The Tenant testified that she later requested that this "damage deposit" be applied to the March 2026 rental period, as she intended to vacate at the end of April 2026 and understood that her last month's rent deposit would be applied to April 2026 rent. The Landlord refused.

13. Based on the uncontested evidence before me, I find that the Landlord collected an unlawful security deposit contrary to the Act.
14. Subsection 134(1) of the Act prohibits a landlord from requiring or collecting any security deposit other than a rent deposit permitted under section 106 (last month's rent) and a refundable key deposit limited to actual replacement cost.
15. I accept the Tenant's evidence that a last month's rent deposit had already been paid at the outset of the tenancy. The subsequent \$2,000.00 payment was requested and collected as a "damage deposit," which is not authorized under the Act.
16. I find that the \$2,000.00 payment constitutes an illegal security deposit within the meaning of subsection 134(1) of the Act, and that the Landlord collected a charge that is not permitted under the Act.
17. Accordingly, the Tenants are entitled to return of the unlawful deposit.

It is ordered that:

1. The total amount the Landlord shall pay the Tenants is \$2,053.00. This amount represents:
 - \$2,000.00 for the illegal charge collected.
 - \$53.00 for the cost of filing the application.
2. The portion of the application alleging an illegal rent increase is dismissed.
3. The Landlord shall pay the Tenants the full amount owing by June 29, 2026.
4. If the Landlord does not pay the Tenants the full amount owing by June 29, 2026, the Landlord will owe interest. This will be simple interest calculated from June 30, 2026, at 4.00% annually on the balance outstanding.
5. The Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.

June 18, 2026
Date Issued

Christina Philp
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.