



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-074786-25

In the matter of: 4005, 15 LOWER JARVIS ST
TORONTO ON M5E0C4

Between: Matthieu Lepicier Tenants
Kiel Delmundo

And

Slobodan Oracev Landlord

Matthieu Lepicier and Kiel Delmundo (the 'Tenants') applied for an order determining that Slobodan Oracev (the 'Landlord') collected or retained money illegally.

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

The Landlord and the Tenants attended the hearing.

Determinations:

1. The Tenants allege that they paid an illegal charge to the Landlord, and that the Landlord owes the Tenants interest on the last month's rent deposit.
2. The tenancy commenced on March 15, 2023 and terminated on or about June 28, 2025.

Illegal charge collected

3. It was undisputed that the Tenants paid the Landlord a key deposit of \$200.00 at the commencement of the tenancy and that the keys were returned to the Landlord's real estate agent on or about June 28, 2025.
4. The Landlord testified that he did not return the key deposit because the door lock had been damaged and there was damage to the kitchen cabinets that required repair before the rental unit could be re-rented. While the Landlord provided testimony regarding these alleged damages, he did not submit any documentary or photographic evidence in support of those claims. The Landlord further testified that he intended to file a separate application with respect to the alleged damages.
5. The Tenants testified that they left the rental unit in good condition upon vacating and denied causing any damage, including damage to the door lock.

6. Based on the evidence before me, I find that the key deposit is governed by Section 17 of Ontario Regulation 516/06 under the *Residential Tenancies Act, 2006* (the “Act”), which permits a landlord to collect a refundable key deposit only in an amount that is no more than the reasonable cost of replacing keys.
7. I find that the \$200.00 key deposit was a lawful deposit under the Act. However, a key deposit may only be retained for purposes authorized by section 17 of *Ontario Regulation 516/06*, namely, to address the replacement costs of keys, remote entry devices, or access cards. A claim for compensation arising from alleged damage to the rental unit is a separate matter and cannot be satisfied by withholding a key deposit. While the collection of the key deposit did not contravene the Act, I find that the deposit must be returned to the Tenant in accordance with the Act.
8. The Landlord stated that he would return the key deposit to the Tenants on or before April 23, 2026.

Interest on rent deposit owing

9. The Tenants paid a last month's rent deposit in the amount of \$3,950.00 to the Landlord on March 3, 2023.
10. The Landlord testified that the rent was increased in March 2024. The Landlord further testified that he did not request that the Tenants pay any additional amount to top up the last month's rent deposit following the rent increase, either at the time of the increase or when the tenancy ended.
11. Subsections 106(6) and 106(7) state:

Interest

(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. 2006, c. 17, s. 106 (6).

Deduction applied to rent deposit

(7) The landlord may deduct from the amount payable under subsection (6) the amount, if any, by which the maximum amount of the rent deposit permitted under subsection (2) exceeds the amount of the rent deposit paid by the tenant and the deducted amount shall be deemed to form part of the rent deposit paid by the tenant.

12. The last month's rent deposit was applied to the rent owing for June 2025. As the Landlord did not request that the Tenants pay an additional amount to top up the deposit following the March 2024 rent increase, I find it reasonable to conclude that the Landlord applied the annual interest owing on the deposit to offset any shortfall resulting from the rent increase. Accordingly, I find that interest on the last month's rent deposit was paid to the Tenants up to June 30, 2025.

13. For the above reasons, I do not find that the Landlord illegally retained money collected from the Tenants or failed to pay interest on the last month's rent deposit as required by the Act. This portion of the application is dismissed.
14. The Tenants did not specifically request reimbursement of the application filing fee at the hearing. However, pursuant to the Act, the Board has the authority to order the reimbursement of the filing fee where a party is successful in whole or in part on an application.
15. In this case, the Tenants have been partially successful with respect to the return of the key deposit. The Landlord's obligation to return the deposit arises directly from the Act, and the Tenants were required to commence this application in order to obtain that relief. In these circumstances, I find it appropriate that the Landlord reimburse the Tenants for the filing fee.
16. At the hearing, the Landlord indicated that the amount owing to the Tenants could be paid by April 23, 2026, which I find to be reasonable. However, I have also considered that the issue of reimbursement of the filing fee was not raised or addressed at the hearing and the Landlord was not put on notice that costs would be ordered. In these circumstances, I find that the standard compliance period appropriately accounts for the absence of prior disclosure regarding the filing fee issue.

It is ordered that:

1. The total amount the Landlord shall pay the Tenants is \$248.00. This amount represents:
 - \$200.00 for the return of the key deposit.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenants the full amount owing by June 28, 2026.
3. If the Landlord does not pay the Tenants the full amount owing by June 28, 2026, the Landlord will owe interest. This will be simple interest calculated from June 29, 2026 at 4.00% annually on the balance outstanding.
4. The Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.

June 17, 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.