



OmbudsPEI report highlights procedural errors, fair solution in rental increase upheld by IRAC.

CHARLOTTETOWN, PEI – The Island’s Ombudsperson’s office has issued a new report detailing its investigation into complaints about the Island Regulatory and Appeals Commission.

IRAC allowed a corporate landlord to increase rent by 12% for 23 units of a Charlottetown apartment building. This was at a time when the maximum permissible increase was 0%. The tenants complained to OmbudsPEI that IRAC did not follow a procedurally fair process when allowing the increase.

OmbudsPEI investigated and discovered that IRAC made significant procedural errors when hearing the appeal. These included incomplete disclosure of critical evidence, not reasonably testing the accuracy of the landlord’s claims and providing insufficient explanation for how IRAC approved the greater-than-allowable rent increase. The evidence submitted by the landlord did not include proof of most of its claimed expenditures. The tenants argued that many of those expenditures had, in fact, never occurred, did not apply to their building or were unsubstantiated.

OmbudsPEI identified these flaws, leading IRAC to apologize, disclose missing documents, and commit to a review process that could result in a change to its decision.

Matthew Chapman, Ombudsperson for PEI, “Welcomes IRAC’s commitment to fairness, both to the impacted tenants as well as to their new landlord, who was uninvolved in the original IRAC hearing.” Chapman explained that the new landlord only purchased the building after the IRAC hearing process concluded.

Chapman said that lawmakers recognize that every organization can make mistakes. “Because of this, they were careful to give IRAC the ability to correct its own decisions,” Chapman said, referring to Section 12 of the *Island Regulatory and Appeals Commission Act*.

“IRAC has, surprisingly to me, never used that mechanism to rescind or vary one of its decisions. It has committed, through its resolution with OmbudsPEI, to demonstrate its accountability to Islanders by assessing whether it should do so now,” said Chapman.

Chapman explained that Islanders will have to wait to see what decision IRAC makes after it considers submissions from the tenants and their former and current landlords. “I encourage everyone, especially lawmakers, to pay close attention to what happens next,” he concluded.

A copy of the report is available to the public on our website at www.ombudspei.ca/cases-and-reports/.

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About OmbudsPEI

As an independent office of the Legislature, OmbudsPEI investigates complaints of unfair treatment by government agencies and post-secondary institutions and provides general oversight of administrative processes under the *Ombudsperson Act*. The Ombudsperson has a broad mandate to investigate complaints about unfair treatment, process or decisions by public sector agencies such as government ministries, agencies, boards and commissions, post-secondary institutions, municipalities and Health PEI.

OmbudsPEI promotes fairness, transparency and accountability in the public sector to enhance good governance and public confidence in government. Our work improves public services for all Islanders.

If any Islander believes they have experienced unfairness in their interactions with a provincial agency or post-secondary institution, they can contact OmbudsPEI to explore options for making a complaint. Our services are free and confidential.

Matthew Chapman also serves as PEI's Public Interest Disclosure Commissioner pursuant to his appointment under the *Public Interest Disclosure and Whistleblower Protection Act*. Public servants can report wrongdoing by making a protected disclosure or complaint about a reprisal to the office.

For more information about OmbudsPEI, visit ombudspei.ca.