



# Civil Resolution Tribunal

Date Issued: January 13, 2022

File: SC-2021-005252

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Northern Metallic Lubricants Ltd. v. Damila Contracting Ltd.*,  
2022 BCCRT 44

B E T W E E N :

NORTHERN METALIC LUBRICANTS LTD.

**APPLICANT**

A N D :

DAMILA CONTRACTING LTD.

**RESPONDENT**

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## REASONS FOR DECISION

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Tribunal Member:

Shelley Lopez, Vice Chair

## **INTRODUCTION**

1. The applicant, Northern Metallic Lubricants Ltd. (Northern), says the respondent business, Damila Contracting Ltd. (Damila), has failed to pay 4 outstanding invoices. Northern claims \$2,479.13 for those invoices plus contractual interest. Northern is represented by an employee.
2. In the Dispute Response filed at the outset of this proceeding, Damila's representative Mandy LeBlanc, a part owner, said she was unaware her ex-husband "is running the equipment". Ms. LeBlanc wrote that she is "looking to dissolve the company" and that she was unaware her ex-husband had purchased fuel and lubricants from Northern. As discussed further below, Damila then chose not to participate further in this dispute.

## **JURISDICTION AND PROCEDURE**

3. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). The CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness, and recognize any relationships between parties to a dispute that will likely continue after the dispute resolution process has ended.
4. CRTA section 39 says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. Bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find I can fairly hear this dispute based on the submitted evidence and through written submissions.
5. Under CRTA section 42, the CRT may accept as evidence information that it considers relevant, necessary, and appropriate, whether or not the information

would be admissible in a court of law. The CRT may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.

6. Where permitted CRTA section 118, in resolving this dispute the CRT may: order a party to do or stop doing something, order a party to pay money, or order any other terms or conditions the CRT considers appropriate.

## **ISSUE**

7. The issue is whether Damila owes Northern the claimed \$2,479.13 for 4 outstanding invoices, plus contractual interest.

## **EVIDENCE AND ANALYSIS**

8. In a civil claim like this one, as the applicant Northern has the burden of proving its claims, on a balance of probabilities (meaning “more likely than not”). I have only referenced below what I find is necessary to give context to my decision. As noted, Damila, the named corporate respondent, chose not to submit any evidence or written submissions following its initial Dispute Response filing, despite having the opportunity to do so.
9. The background facts are not disputed. Damila ordered fuel on 4 occasions from Northern, between January 15 and March 18, 2020. The invoices are all signed as goods received, and Ms. LeBlanc does not dispute the fuel was delivered and no issue about quality was raised. The 4 invoices totalling \$2,115.18 are:
  - a. January 15, 2020 for \$593.87,
  - b. January 23, 2020 for \$439.33,
  - c. February 6, 2020 for \$358.49, and
  - d. March 18, 2020 for \$723.49.

10. I note Damila is a legal entity that is separate and distinct from its officers and owners. I acknowledge Ms. LeBlanc's comments that she was unaware her ex-husband was operating Damila's equipment and ordering fuel and that she plans to dissolve the corporation. However, there is no evidence before me that dissolution has occurred. There is also no evidence before me that Damila has entered into bankruptcy. So, I find Damila is liable for the proven \$2,115.18 debt, consistent with the above invoices. To the extent Ms. LeBlanc has a dispute with her ex-husband about Damila's operation, that is not before me in this CRT dispute.
11. I turn to the interest claim. There is no written contract in evidence before me, though I acknowledge Northern says its terms are net 30 (meaning the invoice is due within 30 days of the invoice date). Northern appears to rely on statements in its invoices that 24% annual interest applies to overdue accounts for its contractual interest claim.
12. Here, Northern submitted 9 monthly "finance charges" invoices, dated between March 31, 2020 and November 30, 2020. These invoices total \$763.95. Yet, Northern says in addition to the \$2,115.18 it claims a total of \$363.95 in "interest charges". Northern does not explain the discrepancy between the \$363.95 and \$763.95 figures.
13. Northern's right to charge contractual interest can only arise from the parties' mutual agreement that contractual interest would apply: *N.B.C. Mechanical Inc. v. A.H. Lundberg Equipment Ltd.*, 1999 BCCA 775. In other words, Northern cannot unilaterally impose interest in an invoice. I find insufficient evidence that Damila ever agreed to interest before the invoices were issued.
14. So, in the absence of a contractual agreement about interest, the *Court Order Interest Act* (COIA) applies. Here, the invoices were due 30 days after the invoice date. Applying this due date to each of the 4 invoices and calculated to the date of this decision, the total pre-judgment interest on the \$2,115.18 equals \$27.11 (\$8.47 + \$6.08 + \$4.67 + \$7.89).

15. Under section 49 of the CRTA and the CRT's rules, a successful party is generally entitled to reimbursement of their CRT fees and reasonable dispute-related expenses. As Northern was successful, I allow its claim for reimbursement of \$150 in paid CRT fees. No dispute-related expenses were claimed.

## **ORDERS**

16. Within 30 days of this decision, I order Damila to pay Northern a total of \$2,292.29, broken down as follows:

- a. \$2,115.18 in debt,
- b. \$27.11 in pre-judgment COIA interest, and
- c. \$150 for CRT fees.

17. Northern is entitled to post-judgment interest, as applicable.

18. Under CRTA section 48, the CRT will not provide the parties with the Order giving final effect to this decision until the time for making a notice of objection under section 56.1(2) has expired and no notice of objection has been made. The time for filing a notice of objection is 28 days after the party receives notice of the CRT's final decision.

19. Under CRTA section 58.1, the Provincial Court of British Columbia can enforce a validated copy of the CRT's order. A CRT order can only be enforced if it is an approved consent resolution order, or if no objection has been made and the time for filing a notice of objection has passed. Once filed, a CRT order has the same force and effect as a Provincial Court of British Columbia order.

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Shelley Lopez, Vice Chair