



Civil Resolution Tribunal

Date Issued: September 27, 2022

File: SC-2022-002181

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Liu v. Li*, 2022 BCCRT 1062

BETWEEN:

HAONAN LIU

APPLICANT

AND:

JIPENG LI

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Chad McCarthy

INTRODUCTION

1. This dispute is about a personal debt. The applicant, Haonan Liu, says he loaned the respondent, Jipeng Li, \$3,610, and that Mr. Li only repaid \$500. So, Mr. Liu claims a total of \$3,160 including interest.

2. Mr. Li says Mr. Liu paid him \$3,610 in exchange for Mr. Li paying Mr. Liu's tuition fees. The parties agree that Mr. Li never provided the tuition fee payment for Mr. Liu because Mr. Li lost the money in a fraudulent tuition fee transaction. Mr. Li admits that "out of friendship" he planned to repay the whole \$3,610, and that he actually repaid Mr. Liu \$500 in December 2019, but then stopped paying when he discovered that Mr. Liu was "preparing to sue" him. Mr. Li says the parties disputed the transaction in October 2019, and because Mr. Liu did not file his request for CRT dispute resolution until more than 2 years later, Mr. Liu's claims are out of time.
3. The parties are each self-represented in this dispute. For the reasons set out below, I dismiss Mr. Liu's claim because it is out of time.

JURISDICTION AND PROCEDURE

4. These are the formal 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). Section 2 of the CRTA states that 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 the dispute's parties that will likely continue after the CRT process has ended.
5. Section 39 of the CRTA says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. Although the parties' submissions each call into question the credibility of the other party to some extent, I find I can properly assess and weigh the written evidence and submissions before me, and that an oral hearing is not necessary in the interests of justice. In the decision *Yas v. Pope*, 2018 BCSC 282, the court recognized that oral hearings are not always needed where credibility is in issue. Keeping in mind that the CRT's mandate includes proportional and speedy dispute resolution, I find I can fairly hear this dispute through written submissions.

6. Section 42 of the CRTA says 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.
7. Where permitted by section 118 of the CRTA, in resolving this dispute the CRT may order a party to do or stop doing something, pay money or make an order that includes any terms or conditions the CRT considers appropriate.
8. Mr. Liu submitted late evidence, namely 2 screenshots of text messages. I find the evidence is relevant, Mr. Li did not object to it, and Mr. Li had an opportunity to comment on it although he chose not to. I allow the late evidence because I find it is fair to do so.

ISSUES

9. The issues in this dispute are:
 - a. Is Mr. Liu out of time under the *Limitation Act* (LA) to bring this dispute?
 - b. If not, did Mr. Li break the parties' agreement, and does he owe Mr. Liu \$3,160 or another amount?

EVIDENCE AND ANALYSIS

10. In a civil proceeding like this one, as the applicant Mr. Liu must prove his claim on a balance of probabilities, meaning "more likely than not." I have read the parties' submissions and evidence, but refer only to the evidence and arguments I find relevant to provide context for my decision.
11. Mr. Liu originally claimed \$3,710, but later clarified in his submissions that he only transferred \$3,610 to Mr. Li. As noted, the parties agree that Mr. Li repaid \$500.

12. The following facts are undisputed. Mr. Liu transferred \$3,610 to Mr. Li in multiple transactions from June 21, 2019 to June 24, 2019. Mr. Li agreed to pay Mr. Liu's tuition fees with that money. The parties agree that Mr. Li paid the money to a different person who claimed to pay tuition fees at a discount. The parties say that different person was operating a "scam" and took the money without providing any tuition fee payments. So, Mr. Li lost the money. I find that Mr. Li paid Mr. Liu \$500 in December 2019, because that is what Mr. Liu says and Mr. Li does not dispute that date.

Is Mr. Liu's Claim Out of Time Under the LA?

13. Both parties provided submissions on whether Mr. Liu applied for CRT dispute resolution within the applicable limitation period. For the following reasons, I find Mr. Liu's claim is outside the limitation period, and his claim is out of time.

14. A limitation period is a time period in which a person may bring a claim. When the limitation period expires, the right to bring the claim ends, even if the claim would have been successful.

15. The LA applies to the CRT. The LA says that a debt claim must be started within 2 years of when it was "discovered". Under LA section 8, a claim is "discovered" on the first day when the person knew or reasonably ought to have known all of the following:

- a. That injury, loss, or damage had occurred,
- b. That the injury, loss, or damage was caused by or contributed to by an act or omission,
- c. That the act or omission was performed by the person against whom the claim is made, and
- d. That a court (or CRT) proceeding would be appropriate for seeking a remedy.

16. Here, the limitation period stopped running when Mr. Liu applied for CRT dispute resolution on March 26, 2022. Subject to any extensions discussed below, this means

that if Mr. Liu “discovered” his claim before March 26, 2020, his claim is out of time. The parties disagree about the date on which Mr. Liu discovered his claim.

17. In a June 25, 2019 text message, Mr. Li told Mr. Liu he lost the \$3,610. Mr. Li says he originally planned to repay Mr. Liu in July 2019, but delayed based on advice he received about liability for the fraudulent tuition fee transaction. Mr. Liu says Mr. Li agreed to repay him in September 2019, which I find is supported by submitted text messages. The parties agree that Mr. Li did not repay Mr. Liu in September 2019 as agreed, but as noted, Mr. Li paid Mr. Liu \$500 toward the debt in December 2019.
18. Section 24 of the LA says that the limitation period is extended if liability is acknowledged in writing or by partial payment. A written acknowledgement must be signed by hand or by electronic signature within the meaning of the *Electronic Transactions Act*, but signatures are not required for partial payments. I find that Mr. Li's \$500 partial payment in December 2019 was an acknowledgement, so under section 24(1) the claim is considered to have been discovered no earlier than December 2019. However, that was before March 26, 2020, so that discovery date does not mean Mr. Liu's claim was filed in time.
19. Mr. Liu says that Mr. Li agreed to repay him by July 2020, so he did not discover his claim until Mr. Li missed the alleged July 2020 deadline, which means the claim was in time under the LA. Although Mr. Liu mentioned in a June 20, 2020 text message that the parties had previously agreed to a July 2020 repayment deadline, I find Mr. Li did not acknowledge that alleged deadline. I find none of the evidence before me shows the parties had an agreement that Mr. Li would repay Mr. Liu in July 2020. So, there being no proven agreement about a July 2020 repayment, I find Mr. Liu did not discover his claim in July 2020 based on a breach of a repayment agreement.
20. I considered whether the money owed by Mr. Li was a demand loan, meaning a loan where the borrower must repay it upon the lender's demand. Under LA section 14, a claim for a demand loan is discovered on the first day there is a failure to perform the repayment obligation after a demand for performance has been made.

21. Here, given Mr. Liu's June 20, 2020 text message about an alleged repayment agreement and the lack of other evidence about a July 2020 repayment obligation, I find the evidence does not support that the money owing was a demand loan. However, even if it was a demand loan, as further explained below I find that Mr. Liu demanded the money and Mr. Li failed to repay it no later than January 1, 2020.
22. Mr. Li says that he found out Mr. Liu was preparing to "sue" him in late 2019, so he made it clear to Mr. Liu that he would stop paying the debt. I find that in submitted January 1, 2020 text messages to Mr. Li's acquaintance, YZ, Mr. Liu said that Mr. Li had broken his repayment promise, Mr. Liu was going to sue Mr. Li, and Mr. Li knew this. I find this supports a finding that Mr. Liu knew that Mr. Li had broken their agreements and failed to repay the transferred money as requested, and that a court or tribunal proceeding was an appropriate means of seeking a remedy. So, I find Mr. Liu "discovered" his claim no later than January 1, 2020. That date is before March 26, 2020.
23. Overall, I find there is no evidence that Mr. Li acknowledged the debt after January 1, 2020, either in a signed, written document as required under LA section 24(6), or by making another partial payment under LA section 24(7). I also find the evidence does not show that Mr. Li first failed to repay the debt as demanded any later than January 1, 2020.
24. For the above reasons, I find that Mr. Liu discovered his claim, and that Mr. Li last acknowledged it, before March 26, 2020. So, I find the claim is out of time under the LA. Accordingly, I dismiss Mr. Liu's claim.

CRT Fees and Expenses

25. Under section 49 of the CRTA, and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. Here, I see no reason not to follow that general rule. Mr. Liu was unsuccessful in this dispute, but Mr. Li paid no CRT fees, and neither party claimed CRT dispute-related expenses. So, I order no reimbursements.

ORDER

26. I dismiss Mr. Liu's claim, and this dispute.

Chad McCarthy, Tribunal Member