



# Civil Resolution Tribunal

Date Issued: April 5, 2023

File: SC-2022-005858

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Gailans Holdings Inc. v. Molnar*, 2023 BCCRT 286

BETWEEN:

GAILANS HOLDINGS INC.

**APPLICANT**

AND:

MONIKA MOLNAR

**RESPONDENT**

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## REASONS FOR DECISION

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Tribunal Member:

Megan Stewart

## INTRODUCTION

1. This dispute is about payment for house cleaning and cat-sitting services.
2. The applicant, Gailans Holdings Inc. (GHI), hired the respondent, Monika Molnar, to provide bi-weekly house cleaning services and a one-time cat-sitting service. GHI says it paid Mrs. Molnar \$641.25 in advance for 1 house clean and the cat-sitting, but

then cancelled the services. GHI says Mrs. Molnar agreed to refund the advance payment within 3 weeks but she has not yet paid. GHI requests an order for reimbursement of \$641.25.

3. Mrs. Molnar admits she owes GHI \$641.25 for 1 house clean and the cat-sitting, but says she needed time to pay.
4. GHI is represented by an employee or principal, Katia Gailans. Mrs. Molnar is self-represented.

## **JURISDICTION AND PROCEDURE**

5. These are the Civil Resolution Tribunal's (CRT) formal written reasons. 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.
6. 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. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice.
7. 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.
8. 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.

## **ISSUE**

9. The issue in this dispute is whether Mrs. Molnar must reimburse GHI \$641.25 for house cleaning and cat-sitting services.

## **EVIDENCE AND ANALYSIS**

10. In a civil proceeding like this one, the applicant GHI must prove its claims on a balance of probabilities (meaning “more likely than not”). I have read all the parties’ submissions and evidence but refer only to the evidence and argument that I find relevant to provide context for my decision. I note Mrs. Molnar did not submit any documentary evidence despite having the opportunity to do so.
11. Facebook messages between Mrs. Molnar and GHI’s representative Mrs. Gailans show Mrs. Gailans contacted Mrs. Molnar about providing house cleaning services on May 31, 2022. They arranged to meet at Mrs. Gailans’ house on June 2, 2022 for a walk through. Mrs. Molnar says after the walk through, she and Mrs. Gailans agreed a flat rate of \$325 plus 5% (\$16.25) for GST, for a total of \$341.25. Mrs. Molnar’s invoices are made out to “Gailans Holdings” which I find means GHI.
12. Mrs. Molnar and her employees began cleaning Mrs. Gailans’ house on June 11, 2022. On July 23, 2022, Mrs. Gailans e-transferred Mrs. Molnar \$982.50, including \$682.50 for house cleaning on that day and on August 6, 2022, and \$300 for cat-sitting. Mrs. Gailans says she had asked Mrs. Molnar if she would feed her cat between July 30 and August 10, 2022 while she and her family were on vacation, and Mrs. Molnar had agreed. Mrs. Gailans also says she paid Mrs. Molnar for the August 6, 2022 house clean in advance because she thought she might forget to do so while she was away. None of this is disputed.
13. On July 27, 2022, Mrs. Gailans messaged Mrs. Molnar about the house cleaning rate. She said she thought each clean should cost \$270 plus GST based on Mrs. Molnar’s Facebook ad rate of \$30 an hour. Mrs. Molnar responded they had agreed to a flat rate of \$325 plus GST because of Mrs. Gailans’ house size. Mrs. Gailans said she

understood about the flat rate but needed to think about how she wanted to proceed going forward. She asked Mrs. Molnar to refund the \$341.25 advance payment for August 6, 2022 as well as the \$300 cat-sitting payment, as GHI no longer needed those services. Mrs. Molnar agreed to a \$641.25 refund. It is undisputed Mrs. Molnar did not provide GHI with any services after July 23, 2022.

14. In late July and August 2022, Mrs. Molnar repeatedly asked for time to pay, which Mrs. Gailans originally agreed to but later declined when Mrs. Molnar did not pay as agreed. Mrs. Gailans then filed the CRT application in GHI's name.
15. As noted above, Mrs. Molnar admits she owes GHI \$641.25. She says she always intended to pay the money back, but she needed a flexible payment arrangement which Mrs. Gailans did not want.
16. Based on the evidence and Mrs. Molnar's admission, I find Mrs. Molnar owes GHI \$641.25. An inability to pay does not mean GHI is not entitled to an order for a proven debt claim. I order Mrs. Molnar to reimburse GHI \$641.25.
17. The *Court Order Interest Act* (COIA) applies to the CRT. GHI is entitled to pre-judgment interest on the \$641.25 from September 8, 2022, the date of the amended Dispute Notice, to the date of this decision. This equals \$10.86.
18. Under section 49 of the CRTA and CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. I find GHI is entitled to reimbursement of \$125 in CRT fees.
19. GHI also claims a dispute-related expense of \$81.25 for reimbursement of GST amounts it paid on the house cleaning services. I find the requested \$81.25 is not a dispute-related expense but rather a substantive new claim that was not raised until submissions.
20. Normally, the CRT does not consider claims raised only in submissions because it can be procedurally unfair to the respondent. However, Mrs. Molnar responded to

GHI's new claim in her own submissions, so I find there is no prejudice to her in considering it below.

21. GHI claims reimbursement for the GST it paid because it says Mrs. Molnar was not "GST registered." Mrs. Molnar does not deny she did not have a GST number. Rather, she says she did not apply for one because the business was a "trial" for her and her partner, and they decided to close it after 4 months as it "wasn't working financially". Based on this, I find it more likely than not that Mrs. Molnar failed to remit the GST she charged GHI to the CRA.
22. However, there is no evidence before me that Mrs. Molnar was not required to remit GST even if she did not do so. I find any issues relating to whether Mrs. Molnar had to remit GST are between the CRA and her. In these circumstances, I find it unproven GHI suffered any loss as a result of paying GST for the house cleaning services it received. Given that, I dismiss GHI's claim for GST reimbursement.

## **ORDERS**

23. Within 21 days of the date of this order, I order Mrs. Molnar to pay GHI a total of \$777.11, broken down as follows:
  - a. \$641.25 in debt as reimbursement for house cleaning and cat-sitting payments,
  - b. \$10.86 in pre-judgment interest under the COIA, and
  - c. \$125 in CRT fees.
24. GHI is entitled to post-judgment interest, as applicable.
25. I dismiss GHI's remaining claims.

26. Under section 58.1 of the CRTA, a validated copy of the CRT's order can be enforced through the Provincial Court of British Columbia. Once filed, a CRT order has the same force and effect as an order of the Provincial Court of British Columbia.

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Megan Stewart, Tribunal Member