



Civil Resolution Tribunal

Original Decision Issued: June 17, 2024

Amended Decision Issued: June 20, 2024

File: SC-2023-007731

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Money Money Payday Loans Ltd. v. Rumeo*, 2024 BCCRT 555

BETWEEN:

MONEY MONEY PAYDAY LOANS LTD.

APPLICANT

AND:

JESSE FILIP RUMEO

RESPONDENT

AMENDED REASONS FOR DECISION

Tribunal Member:

Amanda Binnie

INTRODUCTION

1. This dispute is about a payday loan. The applicant, Money Money Payday Loans Ltd. (Money), says the respondent, Jesse Filip Rumeo, failed to repay a \$850 loan as

agreed in a payment plan. Money claims \$997.50, which is the \$850 principal amount, \$127.50 for borrowing charges, and a \$20 non-sufficient funds (NSF) fee. Money also claims 30% annual contractual interest on the principal.

2. In their Dispute Response, the respondent gives “no opinion” on Money’s claims, but says they are in the process of a consumer proposal or bankruptcy. The respondent did not participate further in this dispute. They did not file any evidence or submissions, despite being given repeated opportunities to do so by CRT staff.
3. Money is represented by an employee or principal. The respondent is self-represented.

JURISDICTION AND PROCEDURE

4. 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). 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.
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. 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.
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 court.
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.

ISSUES

8. The issue in this dispute is how much, if any, does the respondent owe Money under the payday loan.

EVIDENCE AND ANALYSIS

9. In a civil proceeding like this one, the applicant, Money, must prove its claims on a balance of probabilities. As noted above, the respondent did not file any evidence or submissions, other than what is in the Dispute Response. I have read all of Money's submissions and evidence, but refer only to the evidence and argument that I find relevant to provide context for my decision.
10. Money provided a payday loan agreement showing Money gave the respondent \$850 as a payday loan on June 16, 2023. The agreement shows the respondent was to repay Money a total of \$977.50, which included the \$850 principal and the \$127.50 borrowing cost. This borrowing cost was 15% of the principal amount, as permitted under the *Payday Loans Regulations*.
11. Under the agreement, the respondent was to repay Money in payments of \$342.13 on June 30, 2023 and July 14, 2023, with a final payment of \$293.24 on July 31, 2023. It is undisputed the respondent has not repaid any of these amounts. So, I find these amounts remain outstanding, which the respondent does not dispute.
12. Money says that when it attempted to withdraw the first payment of \$342.13 from the respondent's account, it was returned as "account closed". The respondent does not dispute this. Based on the default of payment provision in the agreement, I find Money is entitled to a \$20 NSF fee.
13. Based on the terms of the agreement, I find the respondent owes \$977.50, plus the \$20 NSF fee. So, I order the respondent to pay Money \$997.50.
14. I turn now to the interest claim. Money claims 30% annually on the outstanding debt. Under the agreement, the respondent agreed to 2.5% per month. The agreement

does not include an equivalent annual rate. Section 4 of the federal *Interest Act* says that when an interest rate is expressed for periods of less than a year, and the contract does not state the equivalent annual percentage rate, the maximum allowable interest rate is 5%. I find this applies here, where the loan agreement does not say an annualized rate. So, I find Money is only entitled to contractual interest of 5% per year.

15. I find Money is entitled to 5% on the principal, as follows:

- a. On the first \$342.13 from June 30, 2023 to the date of this decision, which is \$16.59,
- b. On the second \$342.13 from July 14, 2023 to the date of this decision, which is \$15.93,
- c. On the final amount of \$293.14 from July 31, 2023 to the date of this decision, which is \$15.14.

16. So, I find the respondent must pay Money \$47.66 in contractual interest.

17. As noted above, the respondent says they are in the process of filing for either bankruptcy or a consumer proposal. Under sections 69 through 69.3 of the *Bankruptcy and Insolvency Act*, the bankruptcy or filing of a notice of intention or proposal by an insolvent person results in a stay of proceedings against that person and their property. However, the respondent provided no evidence that they have actually filed either a notice of intention or proposal, or is bankrupt. If the respondent is simply unable to pay, that does not mean Money is not entitled to an order for a proven debt claim. So, I find respondent remains responsible for their contractual obligations.

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 Money is entitled to reimbursement of \$125 in CRT fees. Neither party claims any dispute-related expenses.

ORDERS

19. Within 30 days of the date of this order, I order the respondent to pay Money a total of \$1,170.16, broken down as follows:
 - a. \$997.50 in debt,¹
 - b. \$47.66 in contractual interest, and
 - c. \$125 in CRT fees.
20. Money is entitled to post-judgment interest, under the *Court Order Interest Act*, as applicable.
21. This is a validated decision and order. 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.

Amanda Binnie, Tribunal Member

¹ Amended under section 64(a) of the CRTA to correct a clerical error.