



# Civil Resolution Tribunal

Date Issued: February 12, 2026

File: SC-2024-008001

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Chaudhry v. Budget Furniture Land Ltd.*, 2026 BCCRT 255

BETWEEN:

MUHAMMAD MUBASHIR CHAUDHRY

**APPLICANT**

AND:

BUDGET FURNITURE LAND LTD.

**RESPONDENT**

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## REASONS FOR DECISION

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Tribunal Member:

David Jiang

## INTRODUCTION

1. The applicant, Muhammad Mubashir Chaudhry, purchased a couch from the respondent, Budget Furniture Land Ltd. (Budget). Mr. Chaudhry says that Budget breached the parties' contract by delivering both the couch and a substitute couch late and in the wrong colour. Ultimately, he did not accept either couch. He claims \$2,600 as a refund, \$1,000 for damages arising from late delivery, \$1,000 for

inflation of a replacement couch, and \$400 for emotional distress. His claims total \$5,000.

2. Budget denies liability. It says Mr. Chaudhry agreed to the delays and refused delivery based on unfounded claims.
3. A family member represents Mr. Chaudhry. An employee or principal represents Budget.
4. For the reasons that follow, I find Mr. Chaudhry has partially proven his claims.

## **JURISDICTION AND PROCEDURE**

5. The Civil Resolution Tribunal (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. These are the CRT's formal written reasons.
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. Section 39 of the CRTA says the CRT has discretion to decide the hearing's format, including by writing, telephone, videoconferencing, email, or a combination of these. The parties in this dispute each question the other's credibility (truthfulness) about what occurred. In *Downing v. Strata Plan VR2356*, 2023 BCCA 100, the court recognized that oral hearings are not necessarily required where credibility is in issue. It depends on what questions turn on credibility, the importance of those questions, and the extent to which cross-examination may assist in answering those questions. Here, the parties provided their recollections. Mr. Chaudhry provided contractual documents, photos, and text messages. No party requested an oral hearing, and I find it unlikely that cross-examination would reveal any

inconsistencies in any party's evidence. So, I decided to hear this dispute through written submissions.

## **ISSUE**

8. The issue in this dispute is whether Budget breached the parties' contract and what remedies, if any, are appropriate.

## **BACKGROUND, EVIDENCE AND ANALYSIS**

9. In a civil proceeding like this one, the applicant Mr. Chaudhry must prove his claims on a balance of probabilities. 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. Budget did not provide documentary evidence though it had the opportunity to do so.
10. I begin with the chronology. On August 28, 2022, Mr. Chaudhry purchased a Turkish sectional from Budget for \$4,550. He paid Budget a \$550 deposit at the time, and an additional deposit of \$1,050, for a total of \$1,600. An invoice documented the purchase and deposits. The invoice also said that the estimated delivery date was within 4 to 5 months, which would mean between December 28, 2022 to January 28, 2023.
11. Budget says that one month later its supplier advised that the couch was discontinued, and both parties agreed to replace the couch with a new item from a different supplier. I find this is inaccurate and contradicted by the parties' text messages discussed directly below.
12. On May 3, 2023, Budget verbally advised Mr. Chaudhry the couch had arrived but in the wrong colour. Budget proposed substituting the Turkish couch with a different one from China. I note the invoice did not state the couch's colour, but that parties' conduct shows they treated it as a key term.

13. Mr. Chaudhry's family member texted Budget on May 6, 2023. They complained that the couch had not arrived by January 2023 as promised. They refused the substitution and asked for Budget to provide the correct couch within 6 to 8 weeks. Budget said that providing the new couch would take 10 to 12 weeks and Mr. Chaudhry would have to pay more because "it cost more than before".
14. I find that by this point Budget had breached the parties' contract by delivering the couch late and in the wrong colour, but also by failing to provide the correct couch at the agreed-upon price.
15. Later in May 2023, Mr. Chaudhry returned to Budget's store and decided to instead purchase the Chinese couch for \$2,600. The invoice provided an estimated delivery date of 2 to 3 months, which would be July to August 2023.
16. August 2023 passed without the couch's delivery. Mr. Chaudhry's family member texted Budget about the couch in January and early April 2024. The couch finally arrived in mid-April 2024. Budget requested payment before delivery. Mr. Chaudhry paid the balance of \$1,000 as shown in a credit card statement. Combined with the deposit funds, he paid Budget \$2,600.
17. Budget delivered the couch, but Mr. Chaudhry refused delivery as it was the wrong colour. Budget says that Mr. Chaudhry declined because it "did not meet their expectations in terms of design". As before, the invoice did not state the couch's colour. However, Budget's April 2024 text messages show that it accepted that the couch was the wrong colour. Consistent with this, it offered Mr. Chaudhry a local substitution or a refund. Given this, I find Budget breached the contract by delivering the second couch late and in the wrong colour.
18. In July 2024, Mr. Chaudhry texted that they wanted a full refund plus 33% annual interest. Budget offered a full refund plus 4% annual interest or for Mr. Chaudhry to select something else from the store. Ultimately the parties could not come to an agreement.

***Did Budget breach the parties' contract?***

19. I will first consider the law of fundamental breach. A fundamental breach goes to the very root of the contract and substantially deprives the innocent party of the whole benefit of the contract. A fundamental breach is essentially a repudiation of the contract, or refusal to perform it. See *Parker Cove Properties Limited Partnership v. Gerow*, 2024 BCCA 316 at paragraph 27.
20. Budget fundamentally breached the contract initially by failing to provide the Turkish couch on time or in the right colour. Even if Mr. Chaudhry waived these breaches, I find that Budget fundamentally breached the contract when it provided the replacement in the wrong colour and approximately 7 months late. I say this because I find the couch's colour was an important feature, as noted by Mr. Chaudhry, and the couch was late for a substantial period of time. This was not a situation where the replacement couch arrived slightly late with a minor scratch.
21. This leaves the question of damages. Typically, damages for breach of contract are meant to put the injured party in the position they would have been in had the contract been performed. See *Water's Edge Resort v. Canada (Attorney General)*, 2015 BCCA 319 at paragraph 39. These are called expectation damages. In contrast, reliance damages are meant to put the injured party in the position they would have been in had they not entered into the contract at all. See *C.M. Callow Inc. v. Zollinger*, 2020 SCC 45 at paragraph 108.
22. Ultimately, Budget never provided Mr. Chaudhry with a couch of the correct colour, so I find the requested refund is appropriate as a form of reliance damages. I order Budget to refund Mr. Chaudhry \$2,600 for this reason.
23. Mr. Chaudhry also claims \$1,000 as damages for late delivery. He says he intended to use the couch in a pre-wedding event on May 9, 2024, at his house. However, because the couch arrived late, he had to relocate the event to a restaurant.

24. An applicant is not compensated for losses that were not reasonably foreseeable when the contract was made. See *Al Boom Wooden Pallets Factory v. Jazz Forest Products (2004) Ltd.*, 2016 BCCA 268 at paragraphs 62 to 63 and 77 to 78.
25. The text messages indicate that Mr. Chaudhry advised Budget that they would use the couch for “parties, wedding events, etc.”. However, I find it unproven that he told Budget he specifically needed the couch for the May 9, 2024 pre-wedding event. Further, I am not satisfied that it was reasonably necessary for Mr. Chaudry to relocate his pre-wedding event because he lacked a couch. I find the event could likely still proceed. Given these findings, I find the \$1,000 claim for moving venue locations was not reasonably foreseeable and dismiss it.
26. Mr. Chaudry also claims \$400 for emotional distress. Damages for disappointment, mental distress, inconvenience, and upset have been allowed in “peace of mind” contract cases, such as involving a lost or spoiled holiday or a cancelled party due to renovation delays. In such cases, a major portion of the contract is to provide pleasure, relaxation, or peace of mind. See, for example, the non-binding decision of *Savard v. Mirzaei*, 2025 BCCRT 279 at paragraph 23, citing *Jarvis v. Swan Tours Ltd.*, [1973] Q.B. 233 (C.A.) and *Kelan Homes Ltd. v. Smith*, 1991 Can LII 397 (BCSC).
27. Here, I find it unproven that the parties entered into a peace of mind contract. This was not a contract for a vacation, nor was it a situation like that in *Kelan Homes Ltd.*, where an incomplete house extension was required for the plaintiff to host a birthday party with 75 guests. I have found Mr. Chaudhry could still host events even without the couch.
28. Further, in *Lau v. Royal Bank of Canada*, 2017 BCCA 253, the BC Court of Appeal said that a claim for mental distress damages does not necessarily require a recognized psychiatric illness established by expert medical evidence. However, it does require some evidence of mental distress that goes beyond ordinary emotional upset, anxiety, or agitation. I find there is no evidence of such mental distress in this dispute.

29. For those reasons, I dismiss the claim for mental distress as well.
30. Finally, Mr. Chaudhry also claims \$1,000 to cover the increased cost of purchasing a sofa from a different vendor. He says he purchased a sofa on July 16, 2024, for \$3,600, what was similar to the one offered by Budget for \$2,600.
31. The CRT typically orders pre-judgment interest under the *Court Order Interest Act*. I find this essentially compensates parties like Mr. Chaudhry for inflation and the loss of use of his money. Additionally, the couch Mr. Chaudhry ultimately bought was different from the one the parties had initially contracted for. So, I find that this likely impacted the price Mr. Chaudhry paid another retailer.
32. The *Court Order Interest Act* applies to the CRT. Mr. Chaudhry is entitled to pre-judgment interest on the sum of \$2,600, calculated from the underlying deposit and payment dates of August 28, 2022 and August 29, 2024. This equals \$275.38.
33. 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 Mr. Chaudhry is entitled to reimbursement of \$175 in CRT fees.

## **ORDERS**

34. Within 30 days of the date of this decision, I order Budget to pay Mr. Chaudhry a total of \$3,050.38 broken down as follows:
  - a. \$2,600 as a refund,
  - b. \$275.38 in pre-judgment interest under the *Court Order Interest Act*, and
  - c. \$175 in CRT fees.
35. Mr. Chaudhry is entitled to post-judgment interest, as applicable.

36. I dismiss Mr. Chaudhry's remaining claims.

37. 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.

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David Jiang, Tribunal Member