**SUPREME COURT OF NOVA SCOTIA**
**Citation:** *Chen v. Rainbow International*, 2025 NSSC 396

**Date:** 20251210
**Docket:** *Hfx* No. 545219
**Registry:** Halifax



**Between:**

Qiao Jing (Jane) Chen

*Appellant*

v.

Rainbow International Restoration of Halifax

*Respondent*

**DECISION**

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| **Judge:** | The Honourable Justice Mona Lynch |
| **Heard:** | November 10, 2025, in Halifax, Nova Scotia |
| **Final Written:** | December 10, 2025 |
| **Counsel:** | Qiao Jing (Jane) Chen, Self Represented Appellant<br>Vince Neary, Agent for the Respondent |

**By the Court:**

## INTRODUCTION

[1] This is an appeal by Qiao Jing Chen from a decision of Adjudicator, Darrel Pink, of the Small Claims Court dated June 24, 2025 (*Rainbow Restorations v. Chen*, 2025 NSSM 28).

[2] The appellant, Ms. Chen, is a property owner and landlord who owns a rental property in Halifax. The respondent, Rainbow International Restoration of Halifax, is a business specializing in remediation. The respondent did work on the appellant's property for which the appellant refused to pay. The respondent started a proceeding in the Small Claims Court of Nova Scotia to recover $5,793.78, the amount of the invoice presented to the appellant that was not paid. Finding unjust enrichment, the Adjudicator awarded the respondent the amount of the invoice plus $322.40 in costs for a total of $6,116.18.

[3] The appellant appeals the Small Claims Court decision alleging errors in law in relation to the finding of unjust enrichment. For the reasons that follow, the appeal is allowed. I find that the Adjudicator erred in law in finding that there was no juristic reason for the enrichment.

## BACKGROUND

[4] As a result of Hurricane Fiona, in the fall of 2022, the appellant had four inches of water in the basement of a rental property she owns in Halifax. The appellant's insurance agent was made aware of the problem and contacted the respondent to provide assistance. The insurance agent was aware that the appellant had no intention to file a claim under her insurance. The insurance agent contacted the respondent without the authority or knowledge of the appellant.

[5] The respondent went to the property without speaking to the appellant, and did work to dry out the basement and remediate damage to doors, baseboards, walls, etc. When the respondent did contact the appellant, she was not happy and would not respond to the respondent's efforts to collect the amount they claimed for the work done.

[6] After efforts to seek the assistance of the insurance agent who had contacted the respondent were unsuccessful in having the invoice paid, the respondent started a claim in Small Claims Court and obtained a decision in their favour.

[7] The appellant appealed the decision of the Small Claims Court, and the appeal was heard on November 10, 2025.

## ISSUES

[8] The appellant appeals on the basis that the Small Claims Court Adjudicator made an error of law. While there are four grounds of appeal set out by the appellant in the Notice of Appeal, they can be narrowed to one ground of appeal:

1. Did the adjudicator err in law in applying the test for unjust enrichment?

## STANDARD OF REVIEW

[9] Section 32(1) of the *Small Claims Court Act*, 1989 R.S.N.S., c. 430 allows a party to appeal to the Supreme Court of Nova Scotia from an order or determination of an adjudicator on three grounds: (a) jurisdictional error; (b) error of law; or (c) failure to follow the requirements of natural justice. Here the appellant is alleging an error of law was made by the Adjudicator. I see no basis to find a jurisdictional error or a failure to follow the requirements of natural justice.

[10] Questions of law are generally assessed on a correctness standard, meaning that the adjudicator must be correct in his identification and application of the law (*Halifax Herald Limited v. Clarke*, 2019 NSCA 31, para. 37).

[11] The jurisdiction of the Supreme Court in Small Claims Court appeals is well established. The court is confined to questions of law which must rest upon findings of fact as found by the Adjudicator. There is no authority to determine my own findings of fact from the evidence. Examples of reversible error on the part of the Adjudicator include such things as a misinterpretation of a statute, or if there is no evidence to support the conclusions reached, or the Adjudicator has clearly misapplied the evidence in material respects, or where the Adjudicator has failed to apply the appropriate legal principles to the proven facts, among others (*Brett Motors Leasing Ltd. v. Welsford*, (1999) 181 N.S.R. (2d) 76, para. 14). In considering whether the Adjudicator erred in law the judge in *Brett Motors* found that "it cannot be said that the learned adjudicator reached an unreasonable or untenable conclusion" (para. 16).

## ANALYSIS

[12] There is a three-part test to determine whether an unjust enrichment exists. The claimant must show: (a) that the defendant was enriched; (b) that the claimant suffered a corresponding deprivation; and (c) that the enrichment and corresponding deprivation occurred in the absence of a juristic reason (*B2B Bank v. Shane*, 2020 NSCA 5, para. 24).

[13] I see no error in the Adjudicator's finding that the appellant in this case was enriched, and the respondent suffered a corresponding deprivation. However, I do not agree that the there was an absence of a juristic reason.

[14] The Supreme Court of Canada described the doctrine of unjust enrichment as applying when a defendant receives a benefit from a plaintiff in circumstances where it would be "against all conscience" for him or her to retain that benefit (M*oore v. Sweet*, 2018 SCC 52, para. 35). The Supreme Court of Canada also described the first two elements of the cause of action in unjust enrichment as a straightforward economic approach, with moral and policy considerations coming into play at the juristic reason state of the analysis (*Moore,* para. 41).

[15] As indicated above, I cannot make my own findings of fact and I must rely on those made by the Adjudicator. Some of the findings made by the Adjudicator in his decision include:

(a) Without the appellant's authority, the insurance agent asked if the respondent could provide urgent assistance (para. 3).

(b) The insurance agent told the respondent that it was not an insurance claim and the respondent confirmed that he had not received a claim number or any authorization from an insurer (para. 4).

(c) The respondent arrived at the defendant's property on September 27, 2022. The respondent did not speak to the appellant. The respondent had no phone number for the appellant until around October 6, after the work was completed. Even then the respondent did not immediately contact the appellant and when they did, the appellant was unhappy with what had occurred and did not respond to the respondent's efforts to address the account (paras. 5, 6).

(d) The appellant did not attend her property when the respondent's workers were on site (para. 8).

(e) The respondent did not have a contract with the appellant. The respondent did the work on the apparent authority of the insurance agent. The insurance agent had no authority to open or manage a claim, and he had no authority to speak for or on behalf of the appellant (para. 13).

(f) The respondent knew he did not have a client, neither an insurance company nor a property owner. Yet he started and completed the work (para. 14).

(g) There is no contract. The parties are strangers (para 21).

[16] The Adjudicator's analysis of the absence of a juristic reason was:

> [20] The third requirement is that there be no juristic reason for the benefit or the loss. In *Price v. Leddicote*, 2023 NSSM 107, I analyzed in detail the meaning of 'a juristic reason' in an unjust enrichment claim. In the context of this case, the question is whether a relationship exists between the parties as a result of a contract or some other factor that would preclude the application of unjust enrichment, as some other legal relationship or obligation governs the relationship.
>
> [21] I have found there is no contract. The parties are strangers. There is nothing between them, i.e. a juristic reason, that precludes a court from determining the property owner must pay for the benefit of the Claimant's work.
>
> [22] The Claimant did nothing wrong. It followed normal business practices. Though it failed to consummate a contract, it did so in the aftermath of a natural disaster that severely impacted the entire region. It is well known that homes were destroyed. Properties were badly damaged. The Claimant responded to the emergency in a timely and professional manner, taking on the work as soon as possible. The results of its efforts were to present the Defendant with a dry basement that could then be restored to a livable apartment.
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> [23] On the other hand, the Defendant did nothing to address the post-Fiona situation she faced. It is as if she concluded if she did nothing, someone else would look after her. That was an unreasonable approach. She faced a major flood and did nothing and assumed no financial responsibility or her property. On the facts here, she should not get a free ride.

The Adjudicator goes on to find that the respondent was entitled to be paid for the reasonable costs of remediation which he found was the amount claimed.

[17] The first stage of the juristic reason analysis requires the claimant to demonstrate that the retention of the benefit by the defendant cannot be justified under any of the established categories of juristic reason – contract, disposition of law, donative intent, and other valid common law, equitable or statutory obligations (*Moore v. Sweet*, 2018 SCC 52, para. 57). If the claimant is successful in showing that the retention cannot be justified on any of the established categories of juristic reason, there is a *prima facie* case which the defendant must rebut by showing there is some residual reason to deny recovery and to show that the benefit should be retained. At this stage the court is to consider the parties' reasonable expectations and public policy (*Moore v. Sweet*, 2018 SCC 52, para. 58).

[18] The Adjudicator erred in law in his analysis of juristic reason. While he turned his mind to the first stage of the framework on juristic reason and found that none of the established categories would deny recovery, he did not turn his mind to the second stage of the juristic reason analysis, a residual reason to deny recovery.

[19] The appellant did not authorize work to be done at her property by the respondent. She was not provided the opportunity to decide whether she wanted the work to be done at all, to be done by the respondent, or to be done by another remediation business. This was not an "incontrovertible benefit" as described in *Peel (Regional Municipality) v. Ontario,* [1992] 3 S.C.R. 762 as the Appellant may have declined the benefit if she was given a choice.

[20] The Adjudicator found that the appellant should not benefit. But why not? She did not authorize the respondent to do any work for her and her reasonable expectation would be that work would not be done on her property without her authorization. The respondent, on the other hand, knew he was not authorized to do the work and he took the risk of not getting paid by completing work he was not authorized to do. The reasonable expectations of the parties lead to the conclusion that there is a juristic reason for the appellant to keep the benefit. Contrary to the Adjudicator's view, it would not be against all conscience for her to retain the benefit of unauthorized work done on her property nor is it a case where justice would not permit the appellant to retain the benefit.

[21] The Adjudicator seemed to base his findings of absence of juristic reason on his disapproval of the actions of the appellant. He found she was not acting as a "prudent landlord" (para. 8). He described her actions as "an unreasonable approach" and "she should not get a free ride" (para. 23). He seems to have ignored

that the respondent entered on the appellant's property and did work without any authority then sent her a bill for that unauthorized work.

[22] In *Gidney v. Shank*, 1995 CanLII 16347 (MBCA), the court was dealing with unauthorized repairs. In that case a canoe had been stolen and sold to the claimant, who did repairs on it. The police recovered the canoe and returned it to its owner. The claimant sought compensation. On appeal of the judgment granting the claimant compensation for the repairs, the court found the absence of any relationship between the parties meant that the owner of the canoe had no knowledge and he neither consented nor acquiesced to the betterment of his canoe (para. 18). The court notes that unjust enrichment is found when it would be inequitable for the defendant to retain the benefit because he knew, or should have known, of the claimant's efforts and either consented or acquiesced to what was being done. In the *Gidney* case they find nothing to bind the conscience of the property owner (para. 16).

[23] I find the same here, the reasonable expectations of the parties and public policy provide the juristic reason for the appellant to retain the benefit of the work done on her property. The appellant did not know, consent to, or acquiesce to the work done on her property. There is nothing to suggest that the appellant should have known that the work was being done while it was being done. The Adjudicator erred in finding that there was an absence of a juristic reason.

## CONCLUSION

[24] The appeal is allowed. I was not provided with proof of any costs incurred by the appellant. I would award any filing fee and any fees for service of the appeal on the respondent.

[25] If the parties want to be heard on costs, the party seeking costs shall file their brief within two weeks of the date of this decision and the other party will have one week to respond.

Lynch, J.