

Factsheet



BUILDING ISSUES

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NEW GOVERNMENT PROPOSALS TO COMBAT COWBOY BUILDERS

INTRODUCTION

The Government and Office of Fair Trading (OFT) are showing increasing concern about cowboy builders. And unless cowboy activity can be curbed the industry could be regulated by law.

As far back as 1988 the previous Government established the Beat the Cowboy Working Party which made numerous recommendations although none were implemented. But because of an ever increasing level of complaints about rogue traders, the Department of the Environment, Transport and the Regions (DETR) has published a consultation document which will have a major impact on the future shape of the industry.

DETR'S PROPOSALS

The following proposals (and associated questions) made by DETR form the basis for discussion with the industry and others. They may be introduced as a package or as selected measures. They mirror similar ideas by OFT for raising the standards of consumer protection.

1. Local authorities could keep lists of 'approved builders'.

Should local authorities be encouraged to offer lists of approved builders based in their area and how rigorous should the checks be? Should they also be able to charge contractors for a place on the lists or consumers for access to them?

2. The Government's contractor database, Constructionline, shortly to be operated in partnership with the private sector could be opened up to the domestic consumer.

How can best use be made of Constructionline by domestic consumers as well as commercial clients? Could Constructionline be offered through local authorities to avoid duplication of effort?

3. The Construction Skills Certification Scheme (CSCS) could be developed so that it can be used by domestic consumers.

Is there scope for making CSCS, or a similar scheme, more accessible to domestic consumers? Should approved builders' lists and trade associations make CSCS affiliation of a defined proportion of employees a condition of membership of employing firms?

4. Builders and their Trade Associations could be 'Kitemarked.'

Can a construction industry 'Kitemark' covering repair and maintenance work be delivered via a trade association?

5. The Building Regulations could be extended to cover a wide range of repair and maintenance work; and the Building Act 1984 could be amended to make the Building Regulations cover quality of work and allow quality inspections by building control organisations.

Do Building Regulations have a role in improving quality in domestic repairs and maintenance? How might objective

measures of 'quality' be defined for this purpose?

6. Lenders and insurers could play a bigger role in raising standards in the repair and maintenance sector.

To what extent should insurers and lenders require repairs to be made only by reputable contractors? How would this be enforced?

7. ISO 9000 or other quality standards could be developed to make them more relevant to smaller builders.

Should the wider application of ISO 9000 in the building industry be encouraged and could it be made more relevant for smaller builder?

8. Insurance backed warranties should be enhanced to provide better protection for consumers.

Is there a need for new warranties to be developed and how can consumers be encouraged to pay for such protection?

9. ABTA style bonding schemes could be introduced to cover trader default.

Should the repair and maintenance sector establish a bonding scheme similar to that offered by ABTA to cover trader default?

10. Procedures for sorting out problems and resolving disputes need to be improved.

Is there scope for promoting the use of alternative dispute resolution and arbitration procedures in small scale domestic building contracts and trade association dispute resolution mechanisms?

FMB'S POSITION

FMB welcomes the new willingness by the Government to tackle this long running problem. We are pleased that the Government does not consider it practical to introduce compulsory registration of builders (or nationalisation) but Proposal 1 above could lead to this. The proposals offer excellent scope to develop an industry 'Kitemarking' Scheme for the benefit of members and consumers. But Proposals 1, 2 and 9 could create unnecessary external control.

FMB believes that a comprehensive 'Kitemarking' Scheme should be developed and include:

1. Certification based on quality management standards specifically developed to suit small and medium sized builders.
2. A Code of Practice with Mediation and Arbitration procedures.
3. 'Kitemarked' firms must be able to show they are technically competent and financially sound.
4. Insurance backed guarantees should be provided via, for example, the National Register of Warranted Builders (NRWB) a wholly owned subsidiary of FMB.
5. Use of a Fair Deal Contract (similar to FMB's Small Works Contract).

SUMMARY

FMB will respond positively to DETR and OFT We are pleased that the Government is willing to work with us to introduce credible consumer protection and improve the reputation of the industry.

FMB believes that any 'Kitemarking' Scheme must be comprehensive and cover workmanship and also areas such as sound financial management, provision of technical support and commitment to training and skill enhancement.

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