

Home repairs and improvement

Top tips for businesses

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1 INTRODUCTION

- 1.1 In the 18 months from January 2009 to September 2010, Consumer Direct received over 146,000 complaints from consumers regarding home repairs and improvement work carried out on their homes. The Office of Fair Trading (OFT) commissioned TNS-BMRB to research the home repairs and improvements sector in more detail. The results of the research were published in June 2011.
- 1.2 As a result of the findings the OFT has worked with partner organisations, such as Trading Standards, Citizens Advice and TrustMark to develop tips for businesses and consumers with the aim of making projects run more smoothly between trader and consumer.
- 1.3 These top tips are for traders who deal with consumers. We have identified key areas where intervention and a change in behaviour may avoid disputes at a later stage in the project.

2 PLANNING AND RESEARCH STAGE

2.1 **Be clear about who is buying items, what is needed and by when.**

Before your customer starts any work on their home they will probably need to have done some background research on how they would like the finished design to look. Part of this research will involve the design and style of the finishing items. If your customer is purchasing the finishing items, for example for the second fix on the project, such as light fittings, be clear about the technical specification that is required and any additional fixing items that are required to complete the fitting. Advice on when the items are needed in advance will help the customer plan when they need to research and purchase items.

2.2 **If the customer is buying any of the items to be fitted, explain to them how this might affect any warranties or guarantees that come with the items.**

When you are buying the second fix or finishing items, explain to the customer how this will affect the guarantee or warranty for the product(s). The guarantee or warranty is passed to the person who is buying the product or whose name is on the purchase invoice. The customer may want all the items in their name so that all future guarantees and the obligation that comes with them belong to them and not the builder.

2.3 **Discuss any additional warranties or guarantees that you offer in the event of any future problems. It may just give you an edge over your competitors**

2.4 **Agree who is to be the lead contact for the local authority Building Control department or to sort out planning permission.**

Have a discussion and agree with the customer about who is dealing with the local authority Building Control department for the project inspections to make sure the work is meeting the required standards. If it is you, make sure that you pass on any paperwork and information about progress to the customer in good time. Be clear that there are additional costs for these permissions and inspections and say at what stage they will be needed. Remember, this is probably the first time that this

customer is going through the process so they are relying on you to explain.

2.5 It is good practice to inform neighbours if building work is taking place, especially if you need their permission for access.

Neighbours need to be notified before any works commence for a number of reasons. You may need access to their site for works and they may need to sign a party wall agreement.

3 SORTING OUT THE WORK AND PAPERWORK

3.1 Agree with your customer who is responsible for obtaining final architects' drawings and local authority planning permission and who is paying for this.

Depending on the scale of work you may require architect-approved drawings which will have to have been submitted to the local authority planning department. If the customer is at the early stages of plans, discuss any requirements you may have, such as technical drawings and make it clear who is expected to deal with the local planning department, as there are costs involved for both architects and planning department applications.

3.2 At this stage identify all necessary work including changes to utilities, such as power, water circuitry, drains, walls, driveways etc.

When quoting for the project make sure that all elements of the work have been checked and costed for, including any costs relating to changes in utility services. These can be high, depending on the degree of work required. Any delay from suppliers could have a massive impact on your timetable.

3.3 Break your quote down into component parts and provide this in writing, so the customer can see what is covered by each amount.

It is easier for the customer to go through your quote if it has been broken down into sections and itemised. An itemised quote allows your customer to check what elements they can drop if they have a limited budget. It makes the negotiating element easier for you both. Do include V.A.T.

3.4 Be prepared to give evidence of your competency certificates - your membership of a trade association could be a selling point.

If you are a member of any trade associations, make sure you tell your customer and explain what it means, as most customers have limited knowledge of trade associations and memberships. Also be prepared to provide certification details so that your customer can check that you are registered and qualified to carry out the work.

3.5 Don't forget to discuss the technical specifications with the customer and explain to them if what they want is not practical and affordable within their budget.

Your customer will have expectations of what they would like their end project to look like. Sometimes these can be unrealistic in terms of their budget. Discuss any technical information with your customer so they understand the limitations with the budget they have and the practicality with the existing set-up and layout of their home.

3.6 Have you considered showing other examples of similar work that you have done?

You could offer for the customer to view previous and similar completed projects and current projects in progress, to reassure them that the quality of your work is consistent and that you have good on-going relationships with your previous and current customers. This can be reassuring to customers, especially when parting with a large investment. Sometimes customers prefer speaking with previous customers in private [without your presence] so you could provide them with details to follow-up at a later stage.

3.7 Manage your customer's expectations on the impact of the works.

Do explain to them in advance if there will be any loss of services, when and for how long, so they can make arrangements during that period. Explain what you can do to minimise the impact, such as fitting a temporary work surface to enable the use of a kitchen. The loss of basic facilities can put a strain on everyone, so it's best to manage and be very clear on the impact up front.

4 CONTRACTUAL DUTIES

- 4.1 **Limit your exposure to possible non-payment by being clear about the cost and agreeing when and how the customer will be paying. Staged payments may help protect you, but you should agree them in writing with the consumer. Explain if a cooling off period will apply.**

Have you thought about the contractual terms? RIBA and many other recognised bodies make available standard contracts for certain types of projects. Make sure a contract is drawn up before the start of a project between you and your customer to make sure you are covered.

- 4.2 If offering credit to your customer, remember to check that your consumer credit licence is still valid and up-to-date and allows the services that you are offering.

- 4.3 If you are providing credit don't forget to highlight details around any cooling off period and cancellation rights.

- 4.4 Consumers are entitled to receive cooling off rights and proper notices if the contract is agreed in their home. If you do not give the proper rights you may be taken to court and the contract will be unenforceable. For further advice on this contact your local trading standards department.

- 4.5 **Remember to explain your complaints procedures.**

At the contract stage explain what the complaints procedure is, so that the customer does not need to ask once a complaint arises and has the information in advance. If you do not have an official complaints procedure, you might consider supplying leaflets from organisations who can help, such as Citizens Advice, local authority Trading Standards or if you are a member of a trade body, their contact details, as they may assist in these matters.

- 4.6 **If the customer cancels at the last minute, you may have rights to reclaim costs you have already spent.**

If the customer cancels at the last minute, you may have rights to reclaim costs you have already spent, such as materials or parts specifically purchased for their project. If this happens speak with your local Trading Standards Service (TSS) or the Federation of Small

Businesses (FSB) or, if you are a member of a trade association, they too will be able to give you advice.

- 4.7 **Provide documentation to show key stages of the work, price, delivery dates, specifications and warranties along with paperwork to explain how the customer can request changes to planned works. Don't forget to state in your paperwork that any changes will incur additional costs.** Do provide documentation showing your planned schedule of work and you could break this down into key stages, with details of when you will need finishing and second fix items from your customer.
- 4.8 Other documentation you need to provide is a payment schedule, detailing the contract amount and when payments are due. These could be aligned to key stages of work or alternatively, can be split between a deposit payment which is paid up front and the remaining payment on completion.
- 4.9 A detailed specification of the work you will be carrying out will help protect you and your customer concerning exactly what you are delivering.
- 4.10 When significant changes need to be made to agreed works, try to have a framework in place, which your customer can follow to let you know what changes they would like to be made. If you have planned regular catch-up meetings, this could be a time to discuss the changes and any impact they will have on costs and timetable of works.
- 4.11 If you offer additional guarantees and warranties for your workmanship once the project has completed, let the customer know this when discussing the contract terms and have this in writing - this is a selling point and should be highlighted early on.
- 4.12 If the customer is asking for additional work to be done on top of what's agreed as the main contract, make sure that this is documented and that it comes as an additional cost and be clear when payment for this work is to be expected. You may want to invoice for the additional work separately to avoid the customer owing a large lump sum at the end of the project.

4.13 If you are using sub-contractors for certain parts of the work, do make the customer aware.

If you are using sub-contractors for certain elements of the work, make sure that they are aware of the house rules and whatever agreements you have in place with your customer. Some customers prefer to be told if a sub-contractor will be in their home and you may need to advise them of this beforehand. Make sure that your customer is clear about who they have to pay and who they need to deal with if they have any queries or problems.

4.14 Update your customer on any health and safety issues they need to be aware of.

It is against the law to break any health and safety regulations and you could be liable. Make sure that you have carried out all the necessary checks and informed the customer.

4.15 The links below could be helpful for further advice:

www.hse.gov.uk/falls/campaign/wahthebasics.pdf

www.hse.gov.uk/pubns/indg401.pdf

www.oft.gov.uk/OFTwork/consultations/guidance

www.direct.gov.uk/en/DI1/Directories/Localcouncils/index.htm

5 COMMENCING WORK

5.1 Discuss house and ground rules for example, no smoking, suitable working hours.

Speak with your customer about the impact of the work on their daily routines and they may also want to discuss with you their ground house rules, such as no smoking in the house and working hours.

5.2 Plan regular meetings to discuss the work.

Set-up regular, scheduled on-site meetings with your customer. Depending on the project these may need to be weekly, bi-weekly or even every other day (for a smaller job). Regular updates are helpful to discuss work that has been completed and work that will take place over the next few days or weeks. The meetings should be used as an opportunity to discuss any changes or additions requested by the customer, if a payment is due and by when it needs to be paid and if the customer is responsible for purchasing second fix items, the dates when these are required.

5.3 At the on-site meetings discuss with your client if there are any issues and resolve these as soon as possible, as it is easier to put things right while the work is being done than when the work has been completed.

5.4 If delays are likely to take place to the planned works schedule and impact on the end delivery of key stages of work, discuss this with the customer at the regular on-site meetings and explain the reasons for this. It could be due to items arriving later than promised or receiving damaged items.

5.5 Assign a main point of contact for the project so you can discuss changes to the work and get a quick response.

There could be a number of different people involved in a project, such as a couple and their older children or parents. Clarify who is your main and single point of contact for the project, especially when you may need a quick response or decision to be made. This could be because a pipe has burst that wasn't originally shown on the drawings or you may need to know where to site sockets if not shown on the specification or plans provided by the customer.

5.6 Don't forget to let the customer know, if there may be delays at certain stages of the project work.

Delays can happen to a project especially when a number of factors can determine the outcome. Parts can arrive late or broken, people can be off ill and so on. If there has been a problem and delays are likely to have impacted the end date, notify the customer so that they are aware and can take this into account or take action if parts have arrived late or broken, especially if it impacts other aspects of work, such as booking other traders for work.

6 DURING WORK

- 6.1 Discuss who will be responsible for items and ensuring that they arrive for the stated delivery date. Remember to advise your customer when you need certain rooms cleared or when areas are going to be out of bounds.**

Make it clear on your planned work schedule when parts or items are required from the customer. Agree who will be available for collection or delivery. You could also inform the customer where you will store items.

- 6.2 Keep all manufacturers' details, instructions and guarantees for parts and items fitted. Let the customer know what they need to do if there is a problem with the items supplied. Will you fix them or, if they bought them do they need to go back to the supplier?**

Do keep all manuals, receipts and instructions for fitting parts and items, along with any extended guarantee information, for items such as kitchen appliances and smoke alarms and pass these on to the customer once the project has been completed.

- 6.3 If the customer makes additional requests, get this in writing and provide a written quote for the additional work. Obtain details of the changes to specifications and explain impact on timings. Get a signature from the customer to go ahead at that price.**

The regular catch-up meetings are crucial to a good relationship between both parties, especially if the customer is asking for lots of additional work to be done. If this is the case make sure that the changes are documented and changes have been made to the original specification and adjustments made to the end date as a result. Make sure that the customer signs for the additions along with the extra costs that the work will incur. If you have any problems relating to the additional work you can always contact your local Trading Standards, Federation of Small Businesses or if you are a member, your trade association for advice.

7 FINISHING WORK

- 7.1 Make it clear to the customer when and how final payments must be made. Submit an itemised invoice and don't forget to include all the appropriate guarantees and warranties.**

Now that the project has been completed and at your last catch-up meeting with the customer, make clear the outstanding payment and how this should be made. Provide a final itemised invoice for the remainder and hand over any documentation such as; guarantees, warranties, certifications from competent persons for electrical or gas work, certification from Building Control. Discuss with your customer if you have agreed a retention period for the work and when you will return to check if anything further needs to be done, along with any further snagging.

- 7.2 The customer should end up with the agreed work after spending no more than the agreed price.**

At the end of the project, the customer should end up with the agreed specification that was outlined at the start of the project and should have spent what was the agreed contract price and no more for that actual work. Of course in reality there may have been extra work asked for by the customer and therefore the specification probably changed and the price, but the original specification should have been delivered at the price originally quoted.

- 7.3 Respond quickly to any queries or complaints. Go back to inspect the work and resolve the issue. Stay calm.**

To maintain a healthy relationship, respond to queries or complaints quickly. You may need the customer for future references with prospective clients. If the customer has reported an issue, go back to inspect the work. Problems usually arise once the home is being used and problems only become apparent at this stage. Even if you are dealing with an irate customer, try to remain calm and professional at all times.

8 TIDYING UP/SNAGGING ISSUES

- 8.1 **Be aware of your legal responsibilities under consumer protection legislation. Make sure that you have carried out the job satisfactorily. If items have been damaged or broken during installation, agree with the customer what costs you are responsible for.**

By law you have certain responsibilities under consumer protection legislation. Make sure you are aware of what you need to do. You should make sure that the work has been completed safely and to a satisfactory standard. Any items that have been damaged or broken during installation should be discussed with the customer and you should agree what refund or compensation will be given or if the work can be redone correctly.

- 8.2 **Remember that a customer is entitled to withhold a reasonable amount of money to ensure problems are put right.**

For further advice on this issue contact Trading Standards or the Federation of Small Businesses.

- 8.3 **If you are a member of an approved trader scheme or an industry trade association, check the correct dispute handling process that you should follow. You should visit the property to make any assessment of the claim and disputed work to allow you to communicate clearly and properly with the customer.**

If the customer is unhappy with an element of the work and wishes to formalise a complaint, through your trade association, Trading Standards or the Federation of Small Businesses, offer to meet the customer to resolve the situation and propose some solutions to avoid a claim. Put in writing what you can offer and be clear.

9 POST-COMPLETION

9.1 **Make sure you have left all the appropriate documentation.**

When you do your final handover, make sure that you have left the customer with all the relevant documentation. This could be guarantees, warranties, certifications from Building Control and certifications for gas and electrical work.

9.2 **You are responsible and liable for post completion work in respect of repairs. There is a useful link on the OFT website which explains your obligations under the Supply of Goods and Services Act 1982.**

There is a period of time after you have completed your work that covers the customer if there are any faults with the work and you will need to go back and correct them. If you need further advice on this area the OFT website has some useful information under the Supply of Goods and Services Act 1982.

www.offt.gov.uk/business-advice/treating-customers-fairly/sogahome/