



**CIOB**

# The Cowboy Builder: A Public Perspective

Survey 2006



Research by: YouGov

Commissioned by: The Chartered Institute of Building

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You said that there were problems that required extra/remedial work; who fixed these problems?

Were there any extra costs/payments incurred as a result of extra/remedial work required?

What was the approximate cost of this extra/remedial work required?

At any time, did you make a complaint about the builder/tradesperson's work?

If yes, how did you complain?

Did you use any sources of advice or further information during the work or after the work was completed?

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The results of this survey were both surprising and encouraging for the homeowner and for the construction industry. The levels of satisfaction with building work expressed by the homeowners in this study were extremely high with 91% of respondents saying that they were either satisfied or extremely satisfied with the work.

This is not to say, however, that the problem of rogue traders, commonly known as 'cowboy builders', does not exist. The Office of Fair Trading receives over 100,000 complaints each year regarding this issue, but this does not count those who have not registered a complaint. While the industry should take pride in the fact that the majority of builders are professional and conscientious it should also be aware that there is still work to be done on preventing those who do not meet the required high standards from trading.

While the industry clearly has a key role to play in addressing the issue of cowboy builders, it is also vital that the consumer takes a share of the responsibility. This study has strongly suggested that those who make simple checks and follow consumer advice regarding choosing and working with a builder tend to have greater satisfaction with the completed work. It is essential that the public do not support rogue traders by any means, including the avoidance of VAT through cash-in-hand incentives.

It is now crucial to build on the progress seen here in raising awareness of best practice in the domestic building, repair and maintenance sector for both the builder and the consumer. Every effort should be made to highlight the availability of advice and information on these issues.

The survey was carried out independently by YouGov on behalf of the CIOB. It looked at homeowners who had building work carried out on their homes within the last three years and the experiences they had with their builder throughout the duration of the work. The sample for analysis consisted of 927 respondents.

The results showed that the majority of respondents (91%) were either satisfied or extremely satisfied with the work carried out on their home. It was notable that most respondents followed recommended procedures for choosing and working with a builder such as avoiding cold callers, getting a quote or estimate beforehand and having a warranty or guarantee in place for the work. The CIOB recommends that the industry continues working towards providing information and guidance for consumers with the aim of eliminating the cowboy builder.

The Office of Fair Trading receives over 100,000 complaints each year regarding work carried out by substandard builders or traders commonly known as 'cowboy builders'. This is a serious issue both for the consumer and for the image of the construction industry.

### Rogue traders and the law

There are a number of relevant pieces of legislation regarding domestic building work:

PRICES ACT 1974 and 1975

Provides power to regulate the price display of certain goods and provides protection and price information for consumers. It also promotes fair-trading.

PROPERTY MISDESCRIPTIONS ACT 1991

This Act prohibits false or misleading statements about property by estate agents or builders.

TRADE DESCRIPTIONS ACT 1968

Prohibits false claims for services, accommodation and facilities.

MISREPRESENTATION ACT 1967

Gives consumers redress for misrepresentation of contracts.

SUPPLY OF GOODS AND SERVICES ACT 1982

Details the rights of purchasers and the duties of suppliers of services.

UNFAIR CONTRACT TERMS ACT 1977

Makes unfair contract terms void.

Consumers also have the legal right to expect that a service will be carried out:

- **With reasonable care and skill** - a job should be done to a proper standard of workmanship
- **Within a reasonable time** - even if a definite completion date has not been agreed with the supplier of the service
- **At a reasonable charge** - if no price has been fixed in advance, although Trading Standards advises that the consumer should always ask a trader how much a particular job will cost.

### Background research

The Office of Fair Trading 'Trends in Consumer Complaints' report in 2004 found that 'home maintenance, repairs and improvements' was the area where most consumer complaints were recorded throughout 2004.

Lloyds TSB Insurance carried out a survey in 2005 which estimated that 24% of Britons had been victims of rogue tradesmen at a cost of almost £6m to repair the shoddy work carried out by them. The average spend for these repairs was £538 on top of the original bill. Almost half of those surveyed (49%) were not satisfied with the quality of workmanship they experienced. However, this survey did not focus specifically on builders; it also found that the majority of complaints related to plumbers.

Research carried out by the Federation of Master Builders in 2005 found that more than a third of homeowners pay builders in cash to get a cheaper job - and almost half say they do it by not paying VAT. They also found that one in ten homeowners who had done a cash deal said it had backfired: 72% of them had to get another builder to repair the work, 80% were not happy with the work and 36% said the work was never completed.

### **Purpose of this study**

This study aimed to examine the incidence of homeowners who had bad experiences with their builder and to identify any trends in the types of work, methods of employment and target groups where problems were most likely to occur.

It also aimed to gain information on the cost to the economy and the consumer of botched work, and to examine whether the availability of information and advice for consumers wishing to have work carried out on their home is currently sufficient.

The survey looked only at building, repair and maintenance work and did not cover tradesmen such as plumbers.

### The sample

The survey was carried out independently by YouGov on behalf of the CIOB.

There were 2,375 respondents, 927 of whom were the target group of homeowners who had paid to have building or repair work carried out on their home within the last three years. This made up our sample.

The sample was roughly evenly split in terms of the gender of respondents with 451 male respondents (48.6%) and 476 female respondents (51.3%)

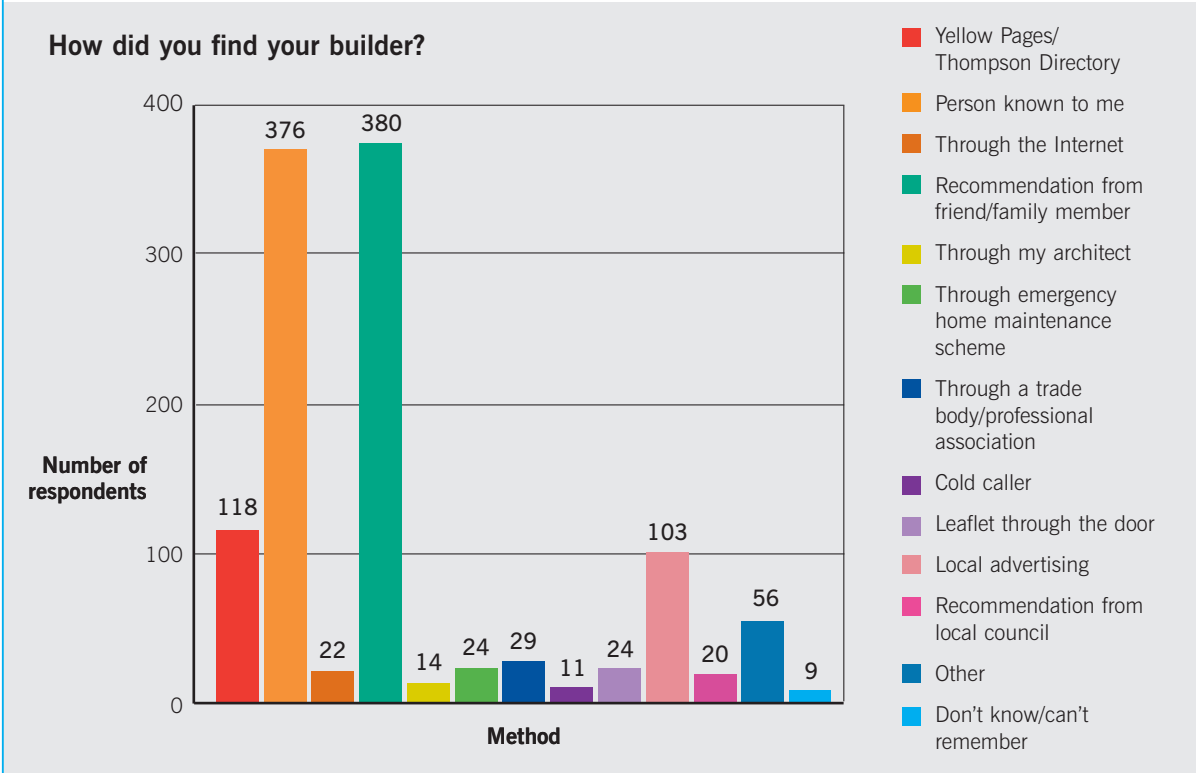
Age Range	Number of respondents	Percentage of respondents
18-29	82	8.8
30-50	375	40.5
Over 50	470	50.8

In terms of geography, the respondents were evenly split across England and Wales, with a minority responding from Scotland and Ulster.

Region	Number of respondents	Percentage of respondents
London	116	13%
Rest of South	255	28%
Midlands and Wales	216	23%
North	230	25%
Scotland	68	7%
Ulster	32	3%
Unsure	9	1%

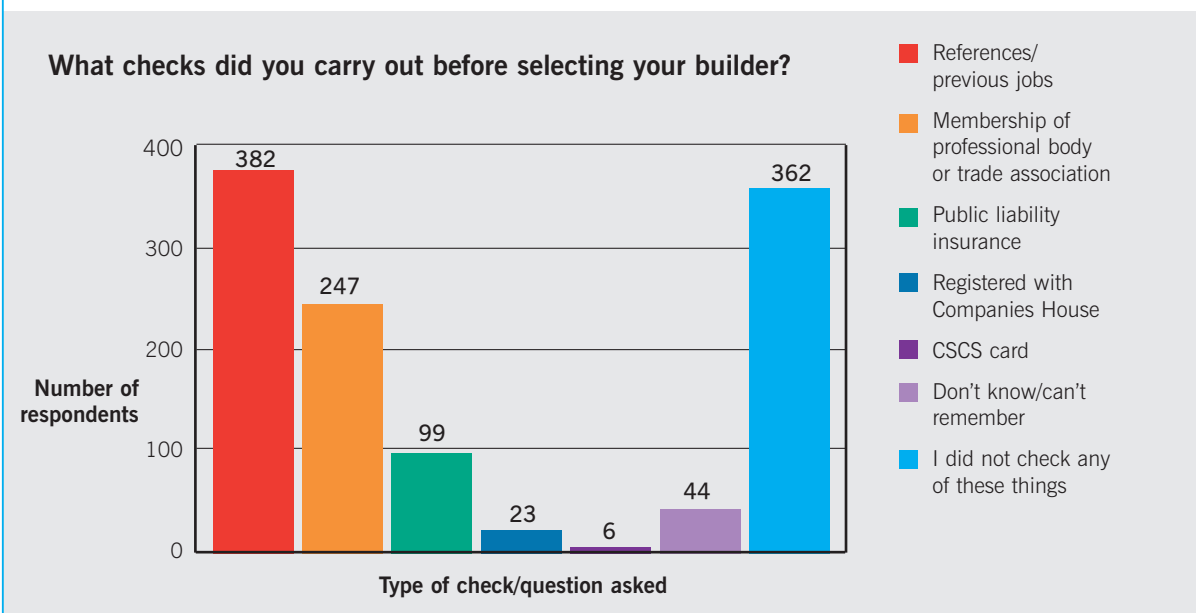
### How did you find your builder?

The majority of respondents found their builder/tradesperson through a personal recommendation or employed someone already known to them.



### What checks did you carry out before selecting your builder/tradesperson?

The majority of respondents asked for references before selecting a builder. A large group also checked that the builder was a member of a professional body. However, a significant number of respondents did not carry out any checks at all before selecting a builder or tradesperson. This may be due to the fact that the majority of respondents already knew their builder.

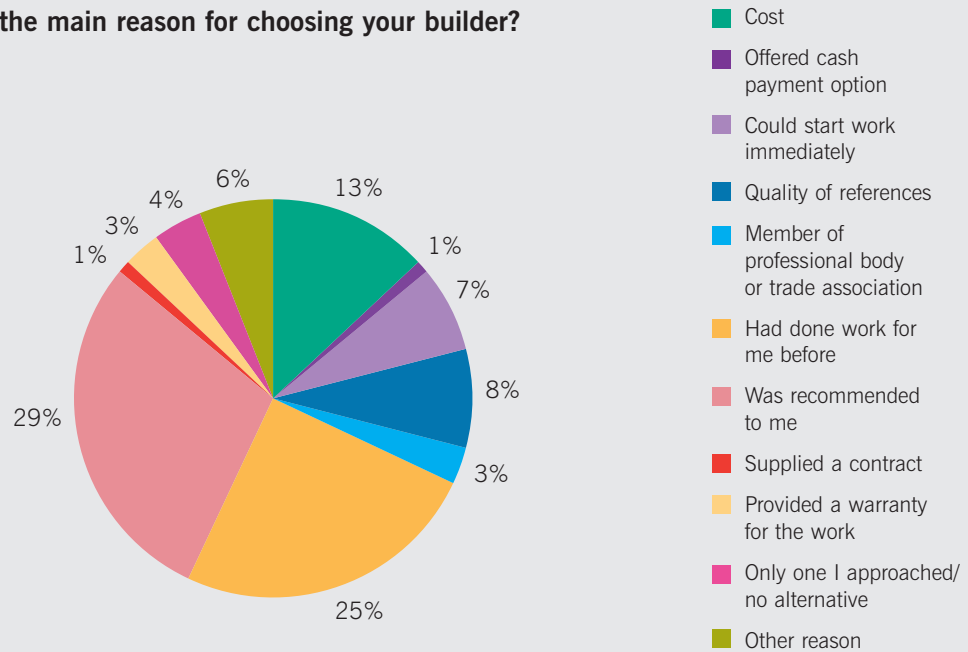




## What was the *main* reason for selecting your builder/tradesperson?

As expected from the results of question 1, the majority of respondents selected their builder primarily because they were recommended to them or had done work for them previously.

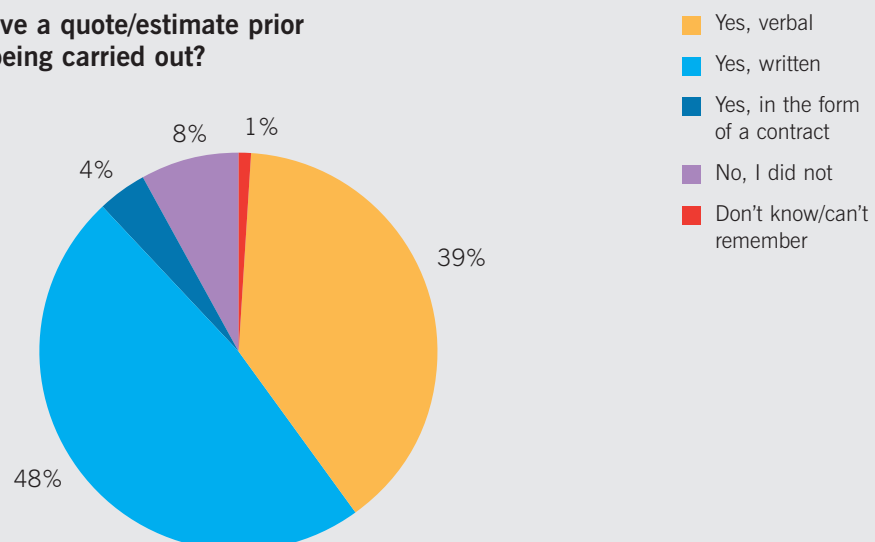
### What was the main reason for choosing your builder?



### Did you receive a quote/estimate from your builder/tradesperson prior to the work being undertaken?

91% of respondents had some form of quote or estimate from their builder prior to any work being undertaken.

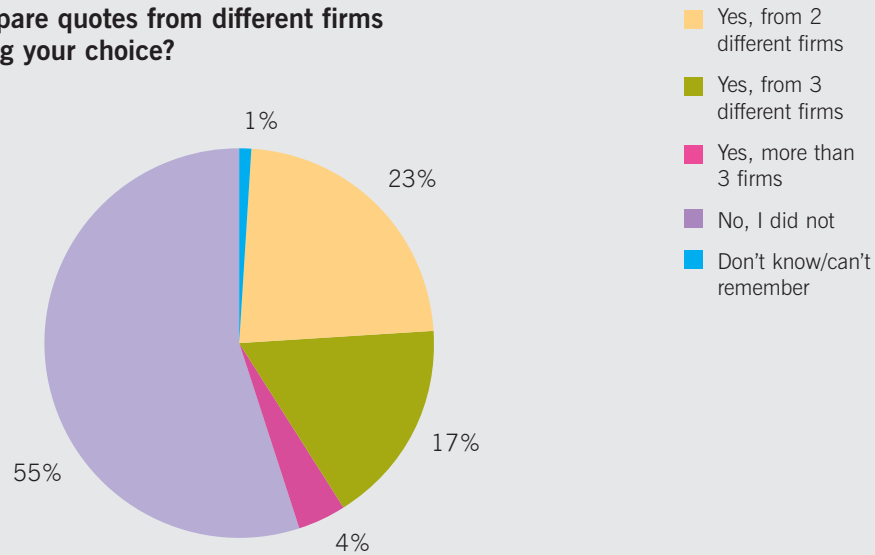
### Did you receive a quote/estimate prior to the work being carried out?



### Did you compare quotes/estimates from different firms before making your choice?

Of those who received a quote or estimate, the majority (55%) did not compare quotes from different firms before making a choice. Once again, this may be due to the fact that most respondents opted for someone they knew or who had been personally recommended to them.

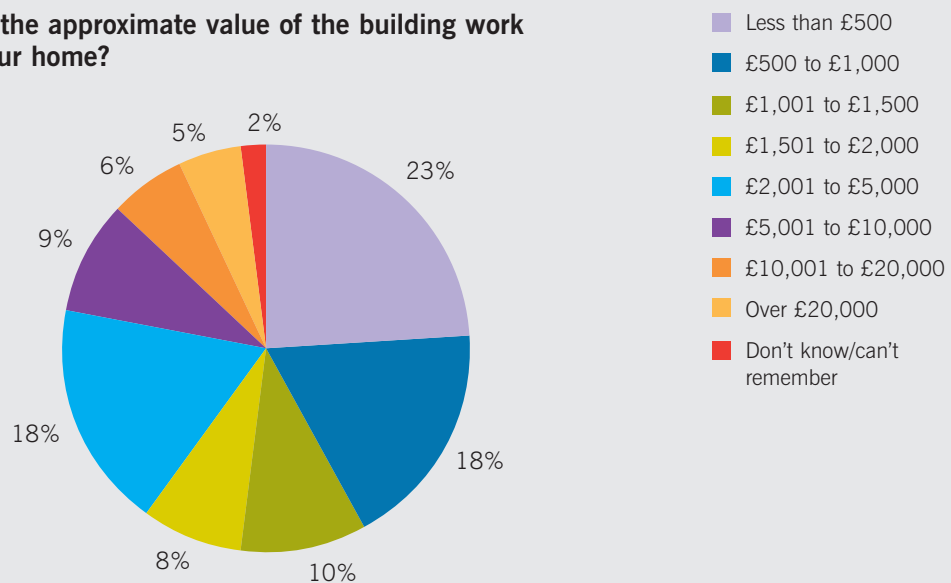
#### Did you compare quotes from different firms before making your choice?



### What was the approximate value of the building work done on your home on this most recent occasion?

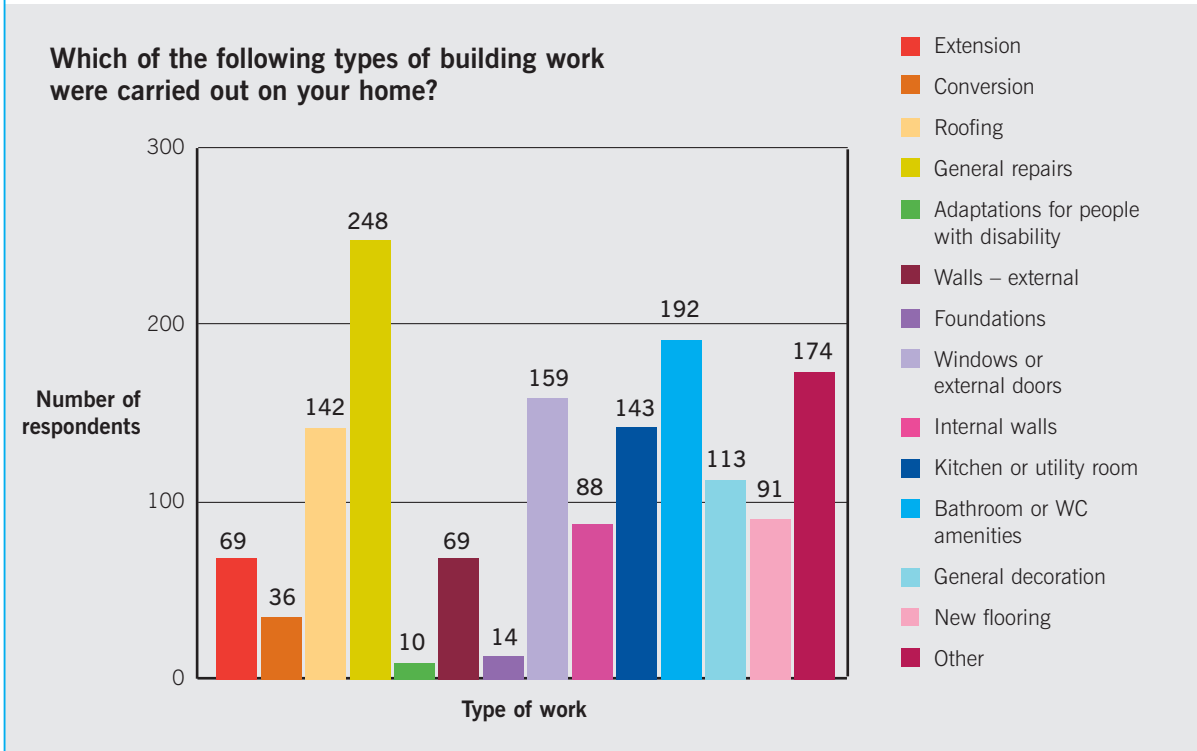
There was a wide variation in cost of the work being carried out, although the majority (42%) was under £1,000

#### What was the approximate value of the building work done in your home?



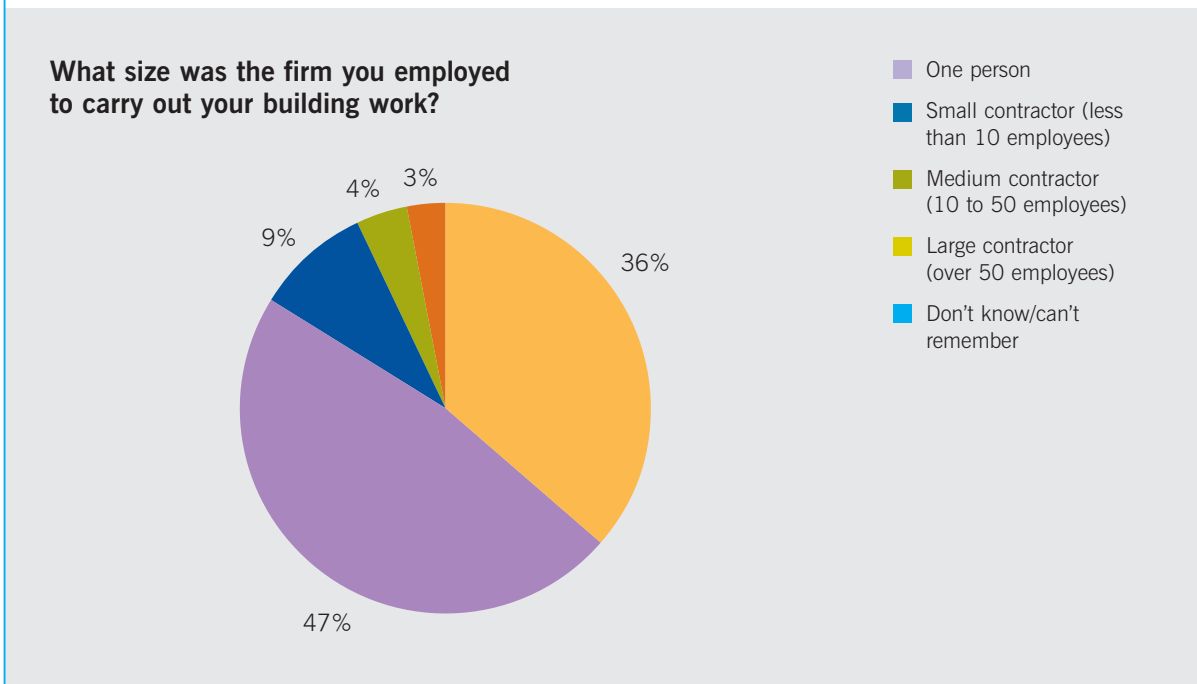
**Which of the following types of building work were carried out on your home?**  
*(Respondents were asked to tick all that apply)*

There was a variety of different types of work being carried out on people's homes, with general repairs being the most common.



**What size was the firm you employed to carry out the building work on your home?**

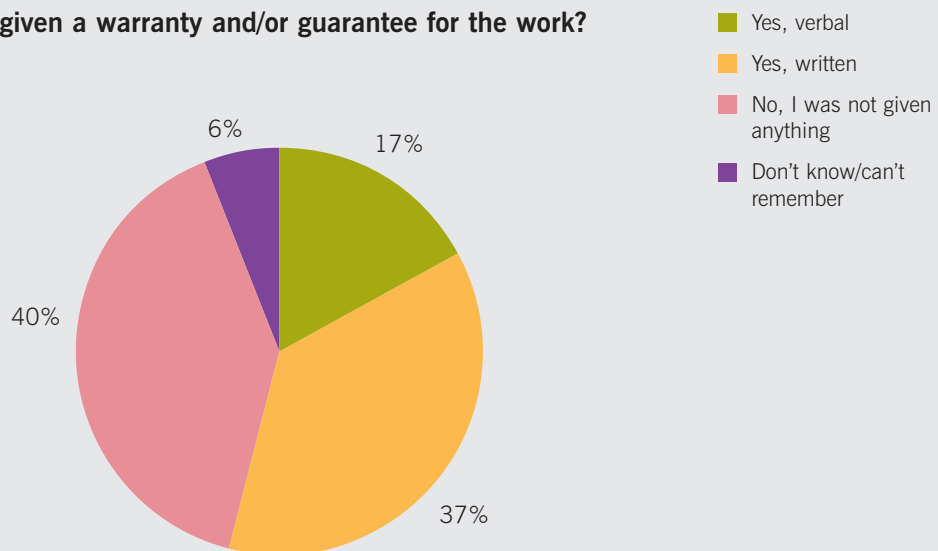
The majority of respondents (83%) employed small firms of either one or less than 10 employees.



## Were you given a warranty and/or guarantee for the work carried out on your home?

The majority of respondents (54%) had some form of warranty and/or guarantee for the work carried out.

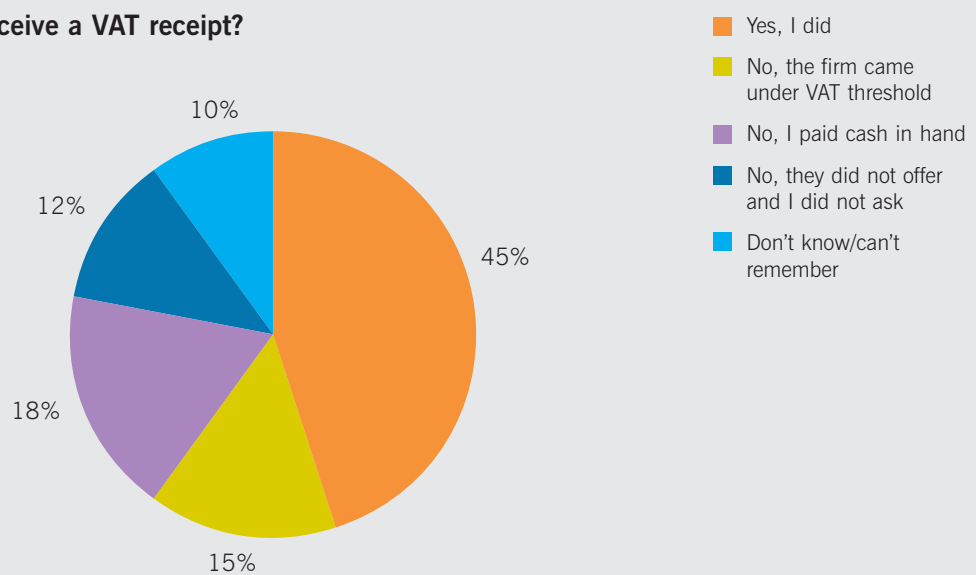
### Were you given a warranty and/or guarantee for the work?



## Did you receive a VAT receipt for the work carried out on your home?

The majority of respondents (60%) either paid VAT on their work or were not required to as the firm came under the VAT threshold. However, a significant number (18%) were not paying VAT due to paying for the work cash in hand.

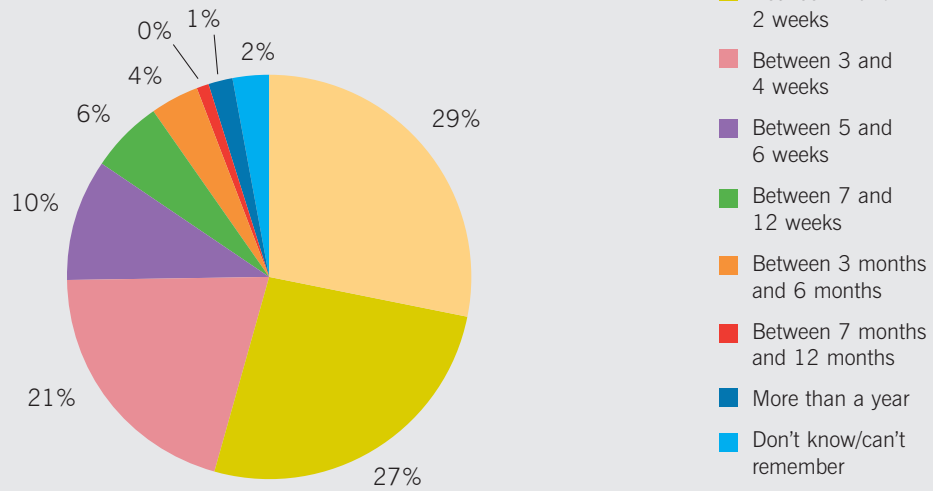
### Did you receive a VAT receipt?



### After the work was commissioned, how long did it take for the builder/tradesperson to start work?

Over half of respondents (56%) said that the work was started within two weeks of it being commissioned.

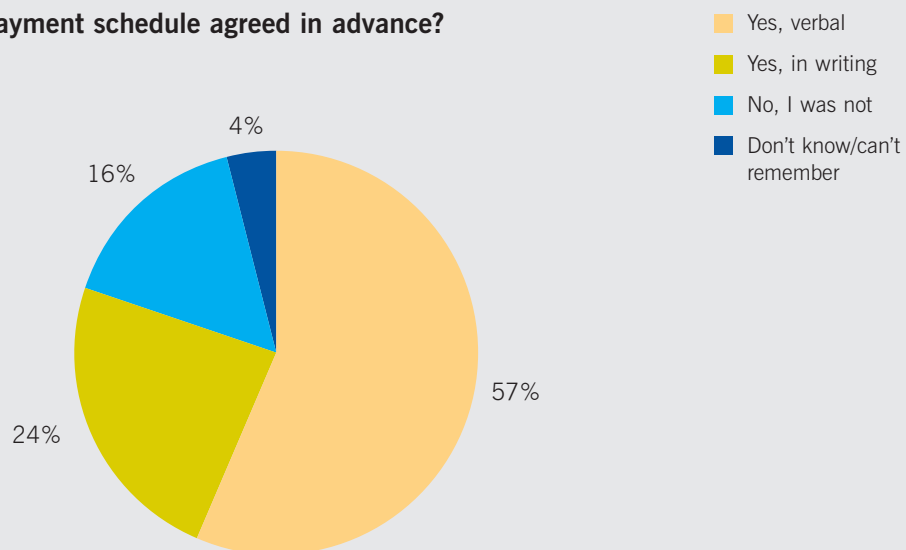
#### After the work was commissioned, how long did it take for the builder to start work?



### Was the payment schedule agreed with the builder/tradesperson in advance?

The majority of respondents (81%) had agreed the payment schedule in advance.

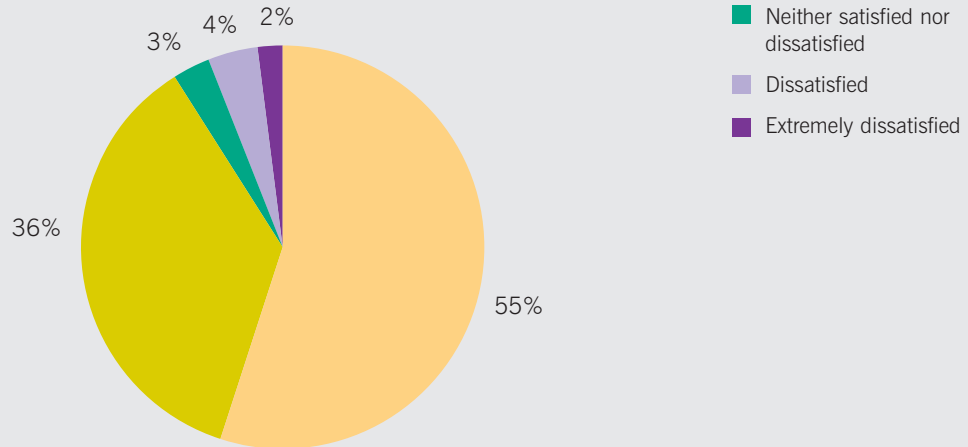
#### Was the payment schedule agreed in advance?



### How satisfied were you with the way the work was carried out?

The levels of satisfaction reported by respondents were extremely high with 91% saying that they were either satisfied or extremely satisfied with the way that the work was carried out.

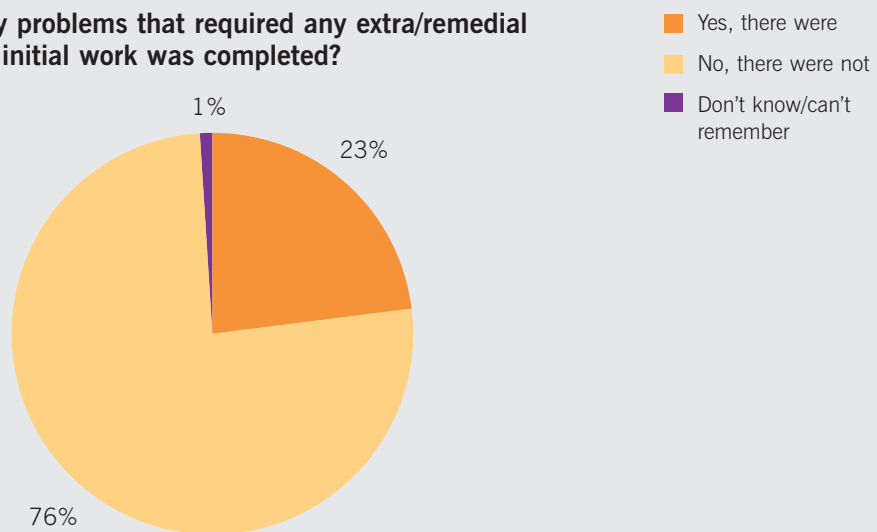
#### How satisfied were you with the way that the work was carried out?



### Were there any problems that required extra/remedial work after the initial work was completed?

Less than a quarter of the sample (23%) reported experiencing any problems requiring extra or remedial work.

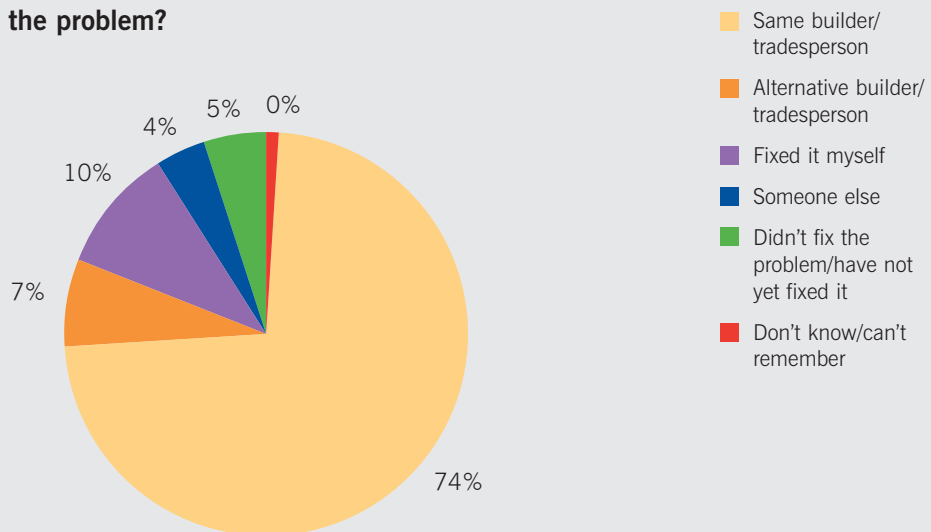
#### Were there any problems that required any extra/remedial work after the initial work was completed?



### You said that there were problems that required extra/remedial work; who fixed these problems?

Of those respondents who reported having a problem with the work carried out, almost three quarters (74%) had it fixed by the same builder/tradesperson that had carried out the initial work.

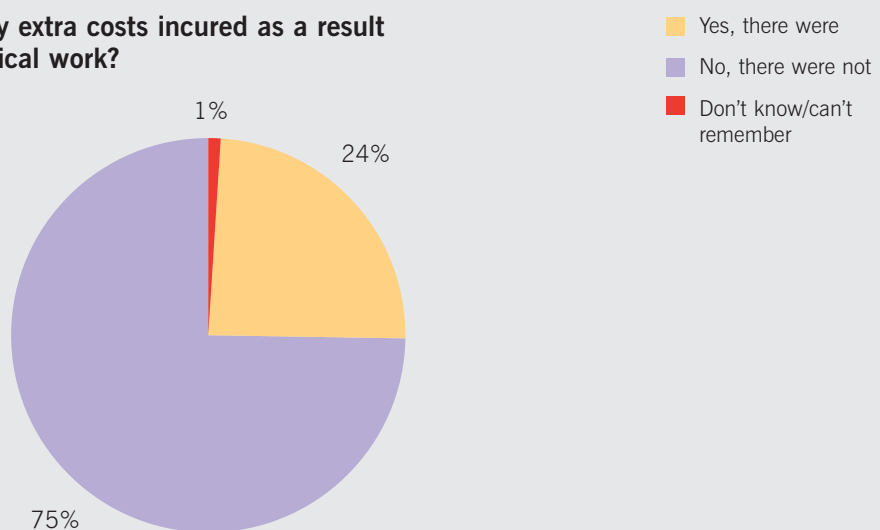
#### Who fixed the problem?



### Were there any extra costs/payments incurred as a result of extra/remedial work required?

Less than a quarter of respondents (24%) who had experienced problems incurred extra costs as a result of further or remedial work.

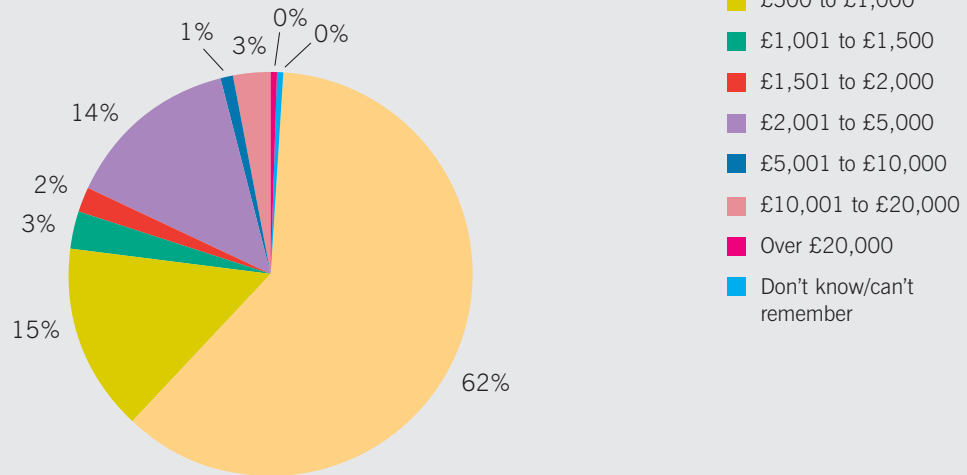
#### Were there any extra costs incurred as a result of extra/remedial work?



### What was the approximate cost of this extra/remedial work required?

Of those who did incur extra costs, the majority (62%) spent less than £500 on remedial work.

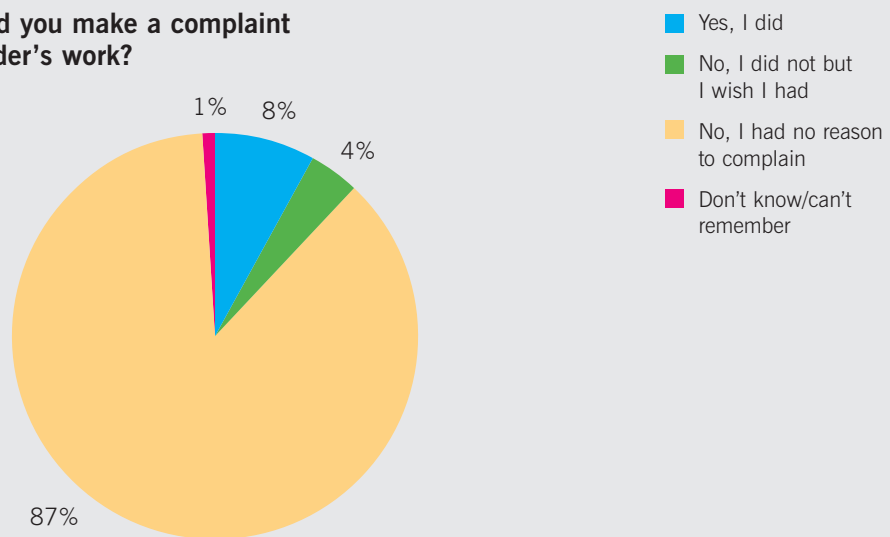
#### What was the approximate cost of this work?



### At any time, did you make a complaint about the builder/tradesperson's work?

Most of the respondents (87%) felt that they had no reason to complain about the work done on their home.

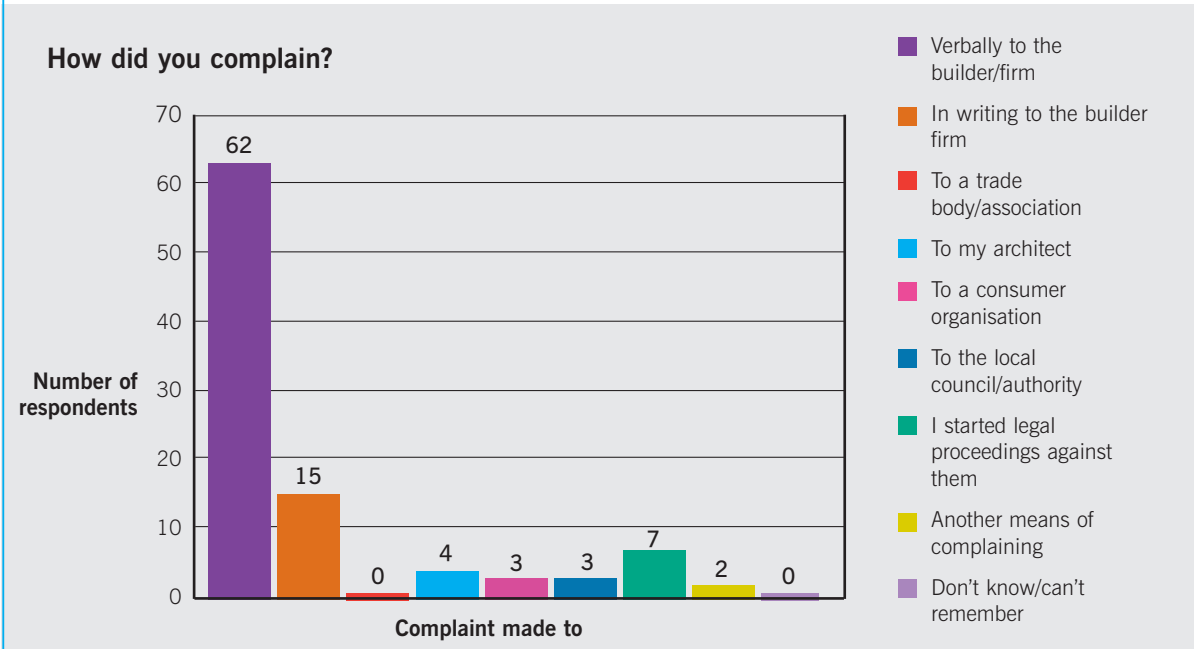
#### At any time did you make a complaint about the builder's work?





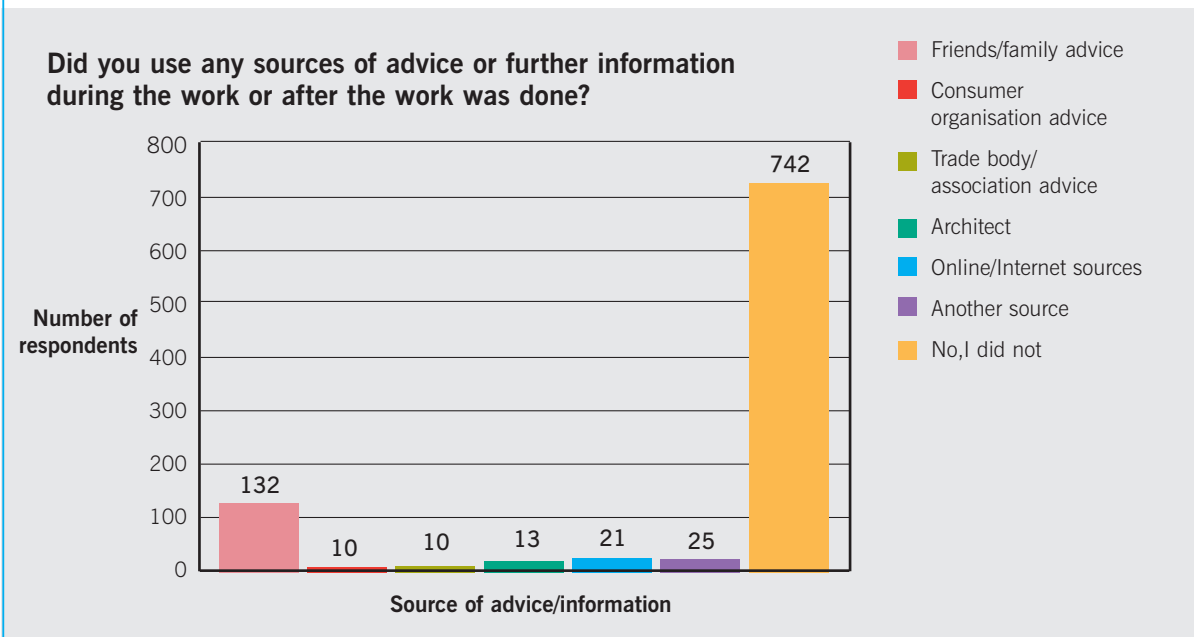
**If yes, how did you complain? (Respondents were asked to tick all that apply)**

Of those who did make a complaint, the majority complained directly to the builder or firm who had carried out the work. In most cases, this was done verbally.



**Did you use any sources of advice or further information during the work or after the work was completed? (Respondents were asked to tick all that apply)**

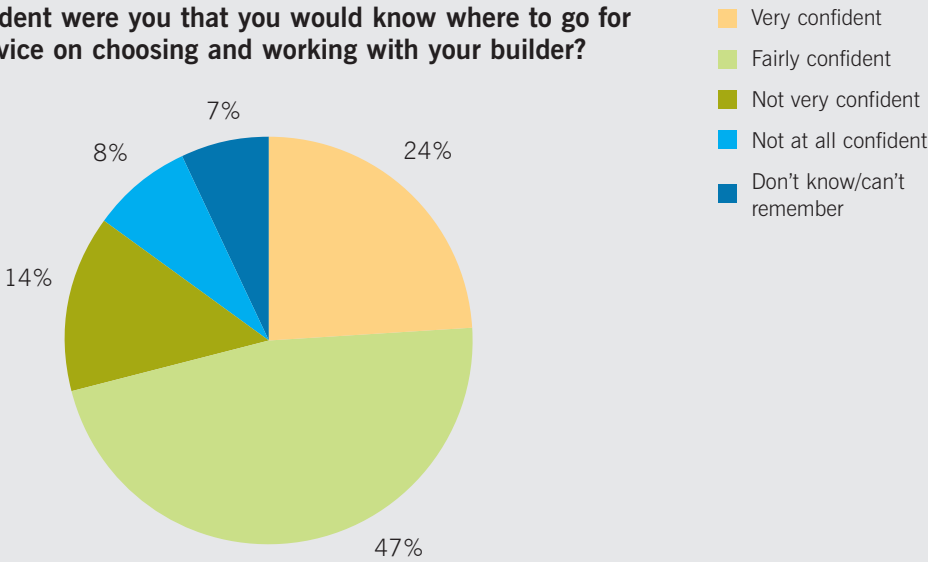
Most respondents did not use any further sources of information or advice; however those who did were more likely to get advice from friends or family.



**How confident were you that you would know where to go for further advice or information regarding choosing and working with your builder?**

The majority of respondents (71%) were confident or very confident that they would have known where to go if they required further advice. However, 22% did not feel confident that they would have known where to seek advice on choosing and working with their builder.

**How confident were you that you would know where to go for further advice on choosing and working with your builder?**



The results showed that the vast majority of respondents were very happy with the way that their building work had been carried out. It was also the case that most of the respondents had followed recommended procedures for choosing and working with their builder, for example getting a quote beforehand, having a warranty or guarantee for the work and avoiding choosing their builder from cold callers or from leaflets put through their door.

The results also suggest that in the minority of cases where problems did occur with the work, these were resolved by the original tradesperson with no extra costs incurred to the homeowner.

Although the incidence of non-payment of VAT was low, it is possible to see some correlation between those that did not pay VAT and lower levels of satisfaction with the work done. 7% of those who had paid cash in hand for their building work reported dissatisfaction with the work, compared to only 3% of those that either had paid VAT or did not need to as their building firm came under the VAT threshold.

Another notable finding was that those respondents who said they had felt confident or very confident about finding further sources of advice or information regarding their builder reported lower levels of dissatisfaction with the work done than those who did not feel very confident (3% compared to 14%). However, as the groups in these cases were small, caution should be exercised in applying these particular findings to the wider population.

There was also some correlation between the levels of satisfaction experienced by respondents and the types of checks that they carried out. Only 4% of those who had checked their builder's references reported being either dissatisfied or extremely dissatisfied, whereas 8% of those who did not carry out any checks reported dissatisfaction.

It is encouraging that the majority of respondents felt confident about seeking out further sources of advice or information regarding choosing and working with their builder. However, more could be done to highlight the availability of advice and information sources for the benefit of the 22% of the sample that did not feel confident that they could find these.

Increased awareness of best practice in choosing and working with a builder or tradesperson appears to be a benefit both to the homeowner and to the industry and this should be continued with the aim of completely eliminating the cowboy builder. Bodies such as Consumer Direct, Trading Standards, Trustmark and Citizen's Advice have a clear role to play in this area.

The CIOB recommends that consumers seek guidance for each stage of their building project to ensure that they are getting the best service possible. Information sources such as the CIOB's 'You and Your Builder Guide' ([www.ciob.org.uk/advice/choosebuilder](http://www.ciob.org.uk/advice/choosebuilder)) provide a step by step guide to choosing and working with a builder throughout the project. This information is also available from organisations such as Consumer Direct.

The CIOB also recommends the use of a written contract such as the JCT or small works contract. These are available from most professional bodies, including the CIOB ([www.constructionbooksdirect.com](http://www.constructionbooksdirect.com)) and will cover the full scope of the work, the responsibilities of each party, all financial considerations, insurance and procedures in case of disputes.

## 8

## RESOURCES

[www.adviceguide.org.uk](http://www.adviceguide.org.uk)- Citizens Advice Bureau online consumer advice service

[www.builders.org.uk](http://www.builders.org.uk) - National Federation of Builders

[www.ciob.org](http://www.ciob.org) - CIOB website which provides a guide to choosing and working with your builder

[www.consumerdirect.gov.uk](http://www.consumerdirect.gov.uk) - Consumer Direct

[www.fmb.org.uk](http://www.fmb.org.uk) - Federation of Master Builders

[www.houseprofessionals.com](http://www.houseprofessionals.com) - helps the consumer to find professional tradesmen

[www.of.gov.uk](http://www.of.gov.uk) - Office of Fair Trading

[www.trustmark.org.uk](http://www.trustmark.org.uk) - Trustmark website

[www.which.co.uk](http://www.which.co.uk) - Which? Consumer advice service



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