

The beginning of the end for rogue contractors?



As a contentious construction lawyer I am regularly contacted by homeowners (both existing and prospective) in connection with domestic construction projects that have gone awry.

Homeowners will have several hundreds of thousands of pounds entrusting major works to their home to a contractor only to find that the works are defective to a greater or lesser degree and the contractor has gone to ground or, even worse, has been dissolved.

Consequently, they are left with no option but to spend further significant sums of money in making good these defects and with little opportunity to recover those costs.

Rogue contractors are not just a blight on those who engage them but also on the very many excellent, responsible and diligent contractors out there (those that, as a contentious lawyer, I rarely hear about in my professional capacity).

A bill with sentiments worth encouraging

It is therefore interesting to note that currently before Parliament is the Domestic Building Works (Consumer Protection) Bill.

As a Private Members' bill the chances of it making the statute books is uncertain and it may well not receive the necessary Parliamentary time to be passed.

However, even if it does not become law the sentiments behind the Bill should be encouraged by the industry as a whole. The Bill itself comprises just two paragraphs. If passed, the Bill's purpose is to enable further legislation



to be passed which will introduce the detail behind it's sentiment.

What the Bill envisages is the following:

- A system of licensing for contractors who are engaged on domestic (homeowner) construction projects (as opposed to those engaged by property developers or on commercial property projects)
- Penalties for contractors who carry out such work without a licence; and
- A self-contained dispute resolution scheme to enable disputes to be resolved more swiftly and at lesser cost than traditional methods of dispute resolution such as court proceedings.

The benefits of a licensing scheme

If the Bill is passed (or indeed if a voluntary scheme of similar intent is bought into by the industry) then it could have a number of benefits:

- It would help to remove rogue contractors from the industry;
- This in turn would improve the overall standards in the industry and consumer confidence in the industry; and
- Higher standards and increased consumer confidence will lead to responsible contractors being able to justifiably charge a higher price for the work they carry out (on the basis that consumers will be more willing to pay for quality)

So while the Bill may not ultimately secure the necessary parliamentary time to become law, the sentiment of it should certainly be encouraged by not only those in the industry but also those who engage the industry.

It will be interesting to see whether the construction sector resolves to regulate itself in the absence of legislative intervention this time round.

How we can help

From developers, investors and contractors to high net worth individuals, our construction lawyers offer clients a wealth of expertise, ensuring construction contracts are well drafted and watertight, and disputes skillfully handled.

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