

Media Release

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Government of South Australia

Office of Consumer and
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Employee convicted of misleading consumers

An employee of a building and design company has pleaded guilty and been convicted and fined \$5000 for falsely representing to consumers that building work had been approved by the local Council and on one occasion he also required payment for building work even though he was not authorised to by law.

Richard John Porter of Redwood Park was an employee of LCJ Design and Construction Pty Ltd of Paradise, which has subsequently ceased trading. The building company was contracted to design and build verandahs, pergolas and decking for a variety of consumers in the north eastern suburbs. LCJ Design and Construction was also convicted of these offences and also for failing to provide consumers evidence that they held the required policy of indemnity insurance.

On a number of occasions Porter told consumers that the City of Tea Tree Gully had granted building development approval for the construction of the outdoor domestic building works, which was not the case. On another occasion he required payment of nearly \$3000 as a deposit for the domestic building work that was not of a kind authorised under the *Building Work Contractors Act 1995*.

The Acting Commissioner for Consumer Affairs, Euan Miller said that this case should be a warning to all traders about making false and misleading statements.

“Mr. Porter misled consumers about building development approval. His conduct breached section 58 (e) of the *Fair Trading Act 1987*. This case should highlight to other traders that there is a big chance they will be caught if they engage in misleading or deceptive conduct.”

Mr Miller was also concerned that Porter, and the company LCJ Design and Construction, took money from a consumer as a deposit that was greater than was allowed by the *Building Work Contractors Act*.

“The demand for this payment was not a kind authorised under the *Building Work Contractors Act 1995*.”

“Consumers need to remember that any home building work costing more than \$12 000, by law a builder can only ask for a deposit of \$1000, plus any other amount permitted by Regulation. Builders are also required to show them evidence that they have a policy of indemnity insurance as required in the Act”

Mr Miller said, “Builders and tradespeople need to understand that the licensing system is for consumer protection. It contains measures to reduce financial risk to consumers. Consumers are also protected under the *Fair Trading Act* from traders and their employees who engage in misleading and deceptive conduct.”

To report unlicensed building activity or substandard work contact OCBA on (08) 8204 9777 or 131 882 for country callers. To verify that a person or company is licensed visit the Licensing Public Register at www.ocba.sa.gov.au