

Wednesday, 27 September 2006

CONSUMERS WARNED AGAINST DODGY BUILDER

The Minister for Consumer Affairs, Jennifer Rankine, today warned consumers not to pay large amounts upfront for building work.

The warning follows concern from the Office of Business and Consumer Affairs that Steve Preston, an unregistered builder and bankrupt from Western Australia, may be operating in South Australia.

Preston has reportedly demanded large deposits and left many Western Australian consumers stranded with unfinished building projects and OCBA has information to suspect Preston is heading to South Australia.

“Steve Preston, an unregistered builder and bankrupt, has been a menace to consumers in the west. The Consumer Protection authority in Western Australia has received numerous complaints about Preston leaving consumers tens of thousands of dollars out of pocket,” Ms Rankine said.

Preston operates the business Preston Developments and is associated with a company named Building Enterprises Group Pty Ltd.

“Most builders ask for a deposit or some payment up front before commencing a building project, but in some cases consumers pay more up front than they need to,” the Minister said.

“The more you pay the less bargaining power you have, especially when delays occur.”

Preston is now facing prosecution from the WA Building Registration Board for contraventions to legislation in that state.

“South Australian licensing laws aim to protect consumers by ensuring that tradespeople are adequately qualified and meet specific criteria and are designed to protect consumers from builders like Preston. But consumers need to be well aware of their rights when building or renovating.”

For smaller jobs costing less than \$12 000, consumers are advised to only pay a relatively small deposit. 10-15% of the full value of the contract is a general guide. For jobs costing \$12 000 or more, by law a builder can only ask for upfront payments for the following 3 things:

- a maximum deposit of \$1000
- plus the cost of any payment to a third party, eg for soil tests or council fees
- to reimburse the cost of building indemnity insurance.

Consumers are urged to report any irregularity to OCBA on (08) 8204 9777 or 131 882 for country callers.