



## Response to Request for Information

Reference      FOI 000475  
Date            30 September 2016

### ***Fraudulent Behaviour – Construction/Electrical Firms***

#### **Request:**

I am writing to you in order to make a request for information under the Freedom of Information Act.

I should like to request the following information relating to payment terms with your suppliers; and of complaints you have received and prosecutions you have sought over construction firms and electrical firms carrying out fraudulent behaviour.

For questions 1 and 2, I have listed the possible responses after the question for you to select. For questions 3, 4 and 5, I am seeking your responses for each of the four years listed, as is shown in the boxes below each answer.

I should prefer to receive your responses in electronic format at this email address, however, I am happy to receive them by post if that is more convenient (details by signature furthest below).

#### **Payment**

1. For construction and building maintenance contracts established since 1 January 2016, have you, or will you be putting in place monitoring and reporting whether your main contractors/suppliers are paying their sub-contractors/suppliers within 30 days?
  - a. We are already monitoring and reporting that payment takes place within 30 days routinely?
  - b. We will be monitoring and reporting that payment takes place within 30 days routinely? [We will be monitoring and reporting that payment takes place within 30 days routinely](#)
  - c. We don't and will not be monitoring and reporting that payment takes place within 30 days?
  - d. If you don't know, please provide information on what policy you do pursue?
  
2. For construction and building maintenance contracts established since 1 January 2016, have you built in a contractual requirement for your suppliers to pay the suppliers directly below them in the supply chain within 30 days (or are you taking steps to apply this)?

- a. We have built in a contractual requirement for payment to flow through the supply chain within 30 days routinely?
- b. We are taking steps to apply a contractual requirement for payment to flow through the supply chain within 30 days routinely? [We are taking steps to apply a contractual requirement for payment to flow through the supply chain within 30 days routinely.](#)
- c. We have not and will not be building in a contractual requirement for payment to flow through the supply chain within 30 days?
- d. If you don't know, please provide information on what policy you do pursue?

### **Rogue trader complaints and prosecutions**

3. How many complaints did the local authority receive (including the local Trading Standards division) from a) businesses and b) householders for fraudulent practices by construction and building maintenance firms, for each of the following years? (Please include any referrals for business and householder complaints that you may have received from third parties such as from Citizens Advice)

	Businesses	Householders
2013		
2014		
2015		
2016		

[The Trading Standards Service figures in relation to complaints are shown at the end of this document. However, we can confirm that following careful consideration, we are unable to determine if the complaints were made by businesses or consumers unless we read every single record and therefore the Council regrets to inform you that it has decided not to disclose this information.](#)

[Information you have requested has been withheld from disclosure. The exemption engaged is Section 12 of the Freedom of Information Act 2000 \(FOI\).](#)

[Section 12 of the FOI exempts Public Authorities from providing information where the estimated cost of compliance exceeds the appropriate limit. Any estimate must be undertaken in accordance with the limits set in fees regulations made under Section 12 \(5\) of the FOI.](#)

[These Fees Regulations \(SI 2004/3244 Freedom of Information and Data Protection \(Appropriate Limit and Fees\) Regulations\) allow for a refusal where the cost of compliance, for local authorities such as the Council, would exceed £450. As a guide, staff time to identify and extract this information is charged at a rate of £25 per hour.](#)

In summary, we cannot easily gather this information via a report as it is not held centrally. In order to determine the information you have requested, we would need to manually interrogate 1800 records at 2 minutes per record. This would be a manual exercise and as such we believe the aggregated time it would take to collate the information would be in excess of 18 hours (equivalent to a notional cost of £450).

4. How many complaints did the local authority receive from a) businesses and b) householders for fraudulent practices by electrical firms, for each of the following years? (Please include any referrals for business and householder complaints that you may have received from third parties such as from Citizens Advice)

	Businesses	Householders
2013		
2014		
2015		
2016		

As above.

5. How many:  
a) construction and building maintenance firms and  
b) electrical firms were prosecuted following requests by the local authority for fraudulent practices for each of the following years?

	Construction and building maintenance firms	Electrical firms
2013	<b>2</b>	<b>0</b>
2014	<b>0</b>	<b>0</b>
2015	<b>1</b>	<b>0</b>
2016	<b>0 to date</b>	<b>0</b>

It is important to remember that most complaints in relation to home improvement matters are of a civil matter and so are capable of resolution by consumers. Not all building complaints are about rogue traders in fact only a small percentage are. Additionally where a consumer feels misled they can and do seek recourse through the civil courts. Finally these figures do not report any instances where investigations were carried out but prosecutions were not commenced.

We term 'fraudulent' behaviour to align with the list of complaints Citizens Advice recommends that business and householders should contact Trading Standards over, meaning allegations of: being misled about a product or service; being sold an

unsafe or dangerous product or service; a supplier not carrying out work properly; being sold a fake or counterfeit item; or being pressured into buying something.  
<https://www.citizensadvice.org.uk/consumer/get-more-help/report-to-trading-standards/>.

<u>FOI REQUEST</u>				
OFT Code	2016	2015	2014	2013
AB - Home Maintenance and Improvements	199	245	251	276
AC - Glazing Products and Installations	33	29	41	50
AA - New House Construction	1	1	3	3
AB01 - Roofing	25	33	48	37
AB02 - Decorator Service	5	7	5	1
AB05 - Electrical Services and Installations	8	14	12	9
AB99 - Other General Building Work	51	35	52	52
AB06 - Tarmac and Paving	18	16	9	13
AB10 - Fitted Kitchens	22	31	29	23
AC01 - Double Glazing	24	21	26	33
AC02 - Conservatories	4	5	9	14
AC03 - Glazing Services	3	2	5	1
TOTAL	393	439	490	512
TOTAL BUILDING	385	425	478	503
TOTAL ELECTRICAL	8	14	12	9