Home Repairs and Improvements:
A Research Report by TNS-BMRB

June 2011
This report was prepared for the Office of Fair Trading by TNS-BMRB. The views expressed are those of the authors and do not necessarily reflect the views of the Office of Fair Trading. All verbatim quotations used in this report reflect respondents' views and are illustrative of the findings of this research.
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1 EXECUTIVE SUMMARY

1.1 UK consumers spend around £27 billion every year on home
improvements, maintenance and repairs. This market covers a wide
range of internal and external services such as plumbing, kitchens
and bathrooms, decorating, roofing and guttering and is important, not
only to individuals looking to improve or maintain their property but
also in terms of preserving the country’s building stock.

1.2 The evidence on consumer complaints and consumer detriment in
this sector seems to point to significant challenges in terms of
consumer protection. In the year to March 2011, Consumer Direct
received 70,000 complaints from consumers about general home
improvements, maintenance and repairs, and an additional 15,000
specifically about the (window and conservatory) glazing sector.

1.3 In autumn 2010, the Office of Fair Trading (OFT) commissioned TNS-
BMRB to conduct a multi-faceted research project that, building on
the existing knowledge and experience about the sector, aimed to
provide the OFT, Trading Standards Services (TSS) and other
stakeholders (including in the business and consumer communities)
with a better understanding of the home repairs and improvement
market, helping them identify areas of special interest from a
consumer protection perspective.

1.4 The study comprised work of both a quantitative and qualitative
nature. Quantitative research provided an overview of the
engagement and experiences of consumers and businesses in the
home repairs and improvements market. It also provided an indication
of the prevalence of different behaviours and their impact on market
outcomes. Qualitative work focused on obtaining more detailed
insights into why consumers and businesses act in the way they do,
looking at key points during the transaction (such as finding a
supplier, agreeing work to be done, managing the project and post-
work) and the implications of their behaviour.
1.5 The research focused on the services that tradespeople carry out for consumers in their home and did not include work that consumers carry out themselves (DIY) or work that originated from unprompted business offers.\(^1\) It builds on existing intelligence from complaints and has benefited from the input of the OFT and its key partners, including TSS, the Department for Business, Innovation and Skills (BIS) and a range of consumer and business organisations.

1.6 A high-level summary of the headline findings from the research and areas that, on the basis of these findings, might merit further consideration by the consumer protection community and other relevant stakeholders is provided below. The main body of the report provides further detail on both issues.

\(^1\) In light of OFT’s recent education campaign on cold calling in this area (a relatively small area given the size of the market but with the potential to cause significant consumer harm), OFT wanted to instead focus on how the rest of the market was working in practice.
KEY FINDINGS

The home improvements and repairs market

1.7 It is estimated that at least 148,000 businesses are operating in this market. It largely consists of traders reported to have between one and ten employees, most of which work with subcontractors.

1.8 The majority of traders reported that they worked in a number of different sub-sectors, the average number being six.

1.9 Just over half of home owners surveyed with sole or joint responsibility for decision-making on home improvements, maintenance and repairs had initiated home improvement work in the last two years or maintenance and repair work in the last 12 months.

1.10 Sixty per cent of home improvement work cost £1,000 or more. Sixty-seven per cent of maintenance and repairs cost less than £500.

Planning and decision-making

1.11 The survey indicated that consumers mainly use traders they have used before or that have been recommended to them. This suggests a consumer preference (also reflected in the qualitative work) for using traders on the basis of previous experience or recommendations. Younger, less experienced consumers or those who had recently moved to an area were more likely to use other sources to find a trader, such as internet searches, online directories, local newspapers or magazines.

1.12 One in four consumers undertaking home improvement work and one in ten undertaking maintenance and repair work said they had obtained three or more quotes prior to commissioning work. Those undertaking more costly projects (especially those over £5,000) were also more likely to have requested three or more quotes.

1.13 Qualitative research suggested that consumers undertaking home improvement work tended to invest relatively little time in choosing a trader and far more time in the planning of the product (for example, their ‘dream’ kitchen or bathroom).
1.14 The general consumer fear of 'rogue traders' can impact on the behaviour of consumers, making them feel vulnerable once they have employed the services of a trader and potentially hindering a proactive management of the project (for instance, reluctance to raise any queries or concerns about work for fear of the trader abandoning the project).

**Documentation and Payments**

1.15 Eight in ten businesses operating in the market reported that they routinely provided written quotations and specifications to consumers. Other documents (for example, contracts and guidance on complaints procedures) were provided less frequently.

1.16 In the qualitative research, both traders and consumers indicated that clear written documentation, to be provided at the beginning of the project, covering timing, payment schedule and nature of the work could reduce the risk of problems or disputes. However, businesses expressed some reluctance to confirm when work would be completed in writing, due to a perceived loss of flexibility in taking on new jobs.

1.17 Seven in ten businesses reported that work was paid for on completion of the project. Staged payments were sometimes agreed. Full payment in advance was very rarely employed, according to both traders and consumers surveyed.

**Problems and consumer satisfaction**

1.18 Two in ten consumers initiating home improvements and one in ten consumers initiating maintenance and repairs reported having experienced a problem with the work. Problems mainly related to delays, poor quality of work, and use of substandard materials.

1.19 While problems might be expected to lead to consumer dissatisfaction, it should be noted that six in ten of those reporting problems still considered themselves to be completely or very satisfied with the work. Only three per cent of all consumers surveyed that had undertaken home repairs and improvements work reported being dissatisfied with the outcome. Nine in ten of consumers surveyed said they were completely or very satisfied with the work.
1.20 Qualitative research suggests there are at least two reasons for the difference between incidence of problems and reported satisfaction levels: a) even when problems occur, prompt and effective resolution can result in overall satisfaction with the outcomes, and b) given sometimes low consumer expectations, satisfaction levels can be achieved even in the presence of below-standards work and service.

1.21 Eighteen per cent of consumers surveyed who reported experiencing a problem said that it resulted in financial detriment. A third reported that the problem could not be easily assessed in money terms.

1.22 In addition, the qualitative research highlighted that consumers readily recalled the non-financial impact associated with problems in this market, including stress and emotional distress.

1.23 Consumers surveyed were more likely to report that they had experienced problems with the work if they paid a deposit or undertook higher cost work. They were less likely to report experiencing problem if they were in the oldest age category (55 plus), or had used the trader before.

1.24 Seventeen per cent of consumers surveyed who reported experiencing a problem raised a complaint directly with the business. Just three per cent contacted a third party (such as a consumer body) about the issue.

1.25 Qualitative research revealed that consumers sometimes lacked confidence or knowledge as to how to raise issues effectively, and this resulted in complaints to traders or contact with consumer bodies being made too late or not at all.

1.26 Consumers interviewed in the qualitative research who had contacted Consumer Direct found the information it provided helpful in outlining options they could take.

**Experience and resolution of problems**

1.27 Seven in ten (71 per cent) traders said that their customers had raised a problem about their work in the last 12 months, with the most common areas of problems being; higher than expected cost due to additions to the agreed price (38 per cent), delays in completion of the
work (34 per cent) and use of faulty materials and fittings (32 per cent).

1.28 In the qualitative interviews, businesses considered issues raised by consumers only as ‘complaints’ in those cases where, after the job had been completed, no resolution had been achieved to the satisfaction of the consumer.

1.29 Traders also generally considered that consumers were more likely to raise concerns or express their dissatisfaction towards the end of a project or after the work had been completed. While businesses considered the final invoice as signifying the completion of their work, consumers saw it as an opportunity to review work and raise any problems. This, in turn, represented a potential area of conflict.

**Barriers and enablers to traders providing good quality service**

1.30 When asked about the challenges to providing a good quality service, the most frequently cited factor by traders was ‘undercutting by poor quality or rogue traders’. Other commonly mentioned issues included fluctuations in workload resulting in competing demands on traders’ time, cash flow problems and lack of personnel with the right skills.

1.31 Qualitative interviews revealed that consumers and businesses hold different expectations in relation to the work to be done, how it is to be carried out and communicating with each other. In this respect, a lack of communication increased the possibility that relatively minor differences, if unresolved, escalated into major disputes. Consumers and traders both reported that agreeing specifications clearly in writing, and the provision of guidance (by the trader to the consumer) on how to raise issues, could help to reduce this risk.

**Trade associations and approved trader schemes**

1.32 Nearly half of all traders surveyed reported being a member of a trade association (43 per cent).
28 per cent of businesses surveyed reported being members of approved trader schemes\(^2\). Eight per cent of businesses said that they were members of local authority approved trader schemes and 22 per cent of other schemes.

Overall, more than eight in ten businesses said they were aware, in general terms, of approved trader schemes (85 per cent). However, qualitative interviews with traders revealed considerable confusion about the differences between schemes, even amongst scheme members.

Levels of awareness of approved trader schemes amongst the surveyed consumers were quite low. However, when these consumers were presented with information about the types of services that schemes can offer, they reacted positively, especially on the role of schemes in providing feedback on traders from other consumers.

When asked about the effectiveness of aspects of approved trader schemes, businesses considered the role of schemes in ‘helping businesses gain the trust of consumers’ as the most effective dimension.

Interviews with businesses identified other features of approved trader schemes as useful in managing their relationship with consumers. These included dispute resolution and redress services, advice on consumer law and the provision of templates for documentation.

While stakeholders identified increased membership of approved trader schemes as potentially playing a role in driving up industry standards, it was recognised that the value of such strategy would depend on the scheme under consideration and its characteristics.

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\(^2\) "Approved trader schemes' are defined as schemes that businesses can join voluntarily, which aim to raise standards in a business sector and/or to help consumers find traders that may have been checked in some way. Such schemes might be run by local authorities, other government bodies, trade associations, or on a profit-basis by businesses."
(including requirements for membership). The analysis identified two groups as particularly relevant in terms of ensuring that membership of the schemes was maintained or increased:

- Existing members with negative perceptions of the value of the schemes and that might, therefore, not renew membership (representing 10 per cent of businesses overall and over a third of current scheme members)

- Non-members with a positive reaction to the contribution that approved trader schemes can make to their business (representing a quarter of all traders)
CHANGING BEHAVIOUR: AREAS OF FOCUS

1.39 On the basis of the research, a number of areas have been identified as potentially meriting further consideration by the consumer protection community and other relevant stakeholders, including industry. These areas should be considered as indicative and not exhaustive.

Helping consumers to make more informed decisions

1.40 Research has highlighted that consumers would benefit from wider access to, and use of, information on:

- how to identify and compare traders and offers
- the key issues to consider when planning, commissioning and undertaking work
- how to assess quality.

1.41 Even in those areas where information is available, the research has highlighted the need for more consistency in approaches and messages in order to maximise its value.

Promoting consumer practices that can facilitate the management of a project

1.42 The research has highlighted the extent of misalignment between consumer and trader expectations. Checklists can prove beneficial in helping consumers to manage work, in particular large maintenance and home improvements projects, where their expectations may not always match the traders. In order to avoid problems arising from this misalignment, checklists could include:

- issues to discuss and agree up front (for example, specifications, when work will be completed, payment structures and how to raise any concerns with the work)
- written documents to be received before/during/on conclusion of the project and what these could cover
• agreed timings to meet to discuss progress of work
• agreed roles and responsibilities (including the relationships between consumer, trader and any subcontractor; working practices, including working hours and responsibility for cleaning and disposal of material).

**Promote and support positive trader behaviour**

1.43 Research shows businesses are not necessarily familiar with and would welcome information on consumer protection legislation, including on dispute resolution and redress. Brief and targeted information (that could be provided by trade associations in cooperation with consumer bodies) could help businesses understand their legal obligations and help them to comply with them.

1.44 Given consumers lack of knowledge and confidence as to how to raise concerns, the handling of complaints could be facilitated by the provision, by traders, of details on complaint procedures at the outset of a project, perhaps as part of a contract template.

**Encouraging consumers and businesses to use written documentation**

1.45 Research shows that, in addition to assisting businesses with compliance with consumer protection law and enabling the signposting of consumers to complaint handling mechanisms, documentation can also help to reduce the risk of misaligned expectations between consumers and businesses (that can, in turn, result in conflicts).

1.46 In order to facilitate the provision of documentation, a range of standard documentation (perhaps in the form of pro-forma templates), could be made available by trade associations, for different types and sizes of projects. Although standard in format, documents might be tailored to the type of work and project under consideration.

**Increasing awareness of approved trader schemes**

1.47 Research indicates that approved trader schemes can play an important role in the home repairs and improvements market,
including through the provision of consumer feedback on traders. However, the research also indicates that awareness of trader schemes is limited amongst consumers and that among traders membership of schemes is relatively low.

1.48 This potentially undermines the effectiveness of schemes. Scheme operators (supported by the wider consumer protection community) may wish to consider consumer awareness campaigns aimed at informing consumers as to the existence and role of these schemes, and business information campaigns that inform traders about the potential benefits arising from their membership of the schemes.

1.49 This report is intended to provide stakeholders with a body of evidence that can be used to address concerns in the home repairs and improvements market and make it operate more effectively in the future. It is hoped that the findings presented can be used to create and support interventions that will improve behaviour and standards in the market.
2 INTRODUCTION

Background

2.1 In November 2010 the Office of Fair Trading (OFT) commissioned TNS-BMRB, an independent research organisation, to carry out research into the market for home improvements, maintenance and repairs.

2.2 Home improvements, maintenance and repairs is a large and complex market, estimated to be worth approximately £27 billion per annum.\(^3\) It is also an area which generates a high number of complaints from consumers,\(^4\) and one in which consumers can face substantial financial detriment to rectify problems.\(^5\)

2.3 Building on the existing knowledge and experience about the sector, the research was designed to provide the OFT, Trading Standards Services (TSS) and other stakeholders (including in the business and consumer communities) with a better understanding of the home repairs and improvement market, helping them identify areas of special interest from a consumer protection perspective. A number of these partners were directly involved with the development of this project.

2.4 In this context, it is worth noting that the existing research in this area tends to focus only on specific aspects of behaviour or on particular sub-markets, while this research, as commissioned by the OFT, aimed to look closely at how consumers and businesses interact


\(^4\) The national consumer helpline, Consumer Direct, receives around 70,000 complaints per year in relation to general home improvements and repairs, an additional 30,000 about the glazing sector.

\(^5\) OFT (992), Ibid. found that problems with home maintenance and improvements encountered the second highest levels of financial detriment after insurance, at an average of £533 per problem recorded.
when commissioning and carrying out home improvements, maintenance or repairs across the market.

2.5 The chief focus of the research was to provide evidence informing organisations, such as those mentioned above, when making decisions about interventions at a local, regional and national level. In this context interventions include promoting education and awareness, taking enforcement action and running schemes designed to raise business standards (‘approved trader schemes’). Approved trader schemes have a clear presence in this market (regionally, nationally and sectorally), and were included as a specific area on which to study attitudes and perceptions (see Chapter 9).

2.6 The research included surveys and interviews with consumers and businesses in all regions of the UK.

Research objectives

2.7 Most complaints received by Consumer Direct about home improvements, maintenance and repairs services relate to the quality of work or service provided by the business. Complaints data provides a useful indicator of problems experienced by consumers but the OFT wanted to gain in-depth insights into consumer attitudes and behaviours. The aim of this research was to build on existing knowledge and experience within the OFT, TSS and other key partners to provide those insights. It also looked for evidence of potential problems to help inform the decisions to be taken by the OFT and its partners about whether to intervene in the market and how to bring about necessary changes to consumer and business behaviour.

2.8 The research aimed to:

- explore how businesses and consumers behave in this sector and their underlying attitudes and expectations
- provide an in-depth understanding of how consumers make their purchase decisions and what factors make these more or less successful, including the tools they use to choose a trader
• provide an in-depth understanding of how businesses operate, including how they handle key stages of consumer transactions, and to examine levels of membership of and attitudes towards trade associations/approved trader schemes

• identify ways in which consumer and business behaviours might be changed, reducing the potential for consumer and business detriment.

**Scope of the research**

2.9 For the purpose of this research, the home improvements, maintenance and repairs market was defined as internal and external work, including extensions, double glazing, refurbishing existing kitchens or bathrooms, general decorating, and both emergency and non-emergency repairs.

2.10 Consumer strands of the research focused on private individuals (having work done for their own personal needs rather than for a business or profession) and only included work initiated by them. This allowed levels of satisfaction to be tested across the general market and to rule out some of the behaviour associated with doorstep selling.\(^6\)

2.11 Business research did not include work carried out solely on commercial properties or work commissioned by managing agents or property management companies: only businesses that provided services to individual consumers as part of their business were included.

**Methodology**

2.12 The work comprised both quantitative and qualitative research. The quantitative work examined the behaviours of both consumers and businesses and their engagement with each other during the course

of undertaking work. This provided key data and set the framework within which the findings were interpreted.

2.13 The **qualitative** work focused on obtaining more detailed insights into why consumers and businesses act in the way they do. It considered the implications of behaviour and explores ways in which consumer and business behaviours might be improved.

2.14 To complement the quantitative and qualitative data collection TNS-BMRB reviewed existing literature and data on the market. This included market structure, consumer detriment and industry and enforcement community approved trader schemes.

2.15 Interviews were also carried out with representatives from stakeholders offering consumer, business and industry views. A stakeholder workshop canvassed opinions from a range of consumer, business and industry representatives with expert knowledge in the field.

2.16 Work across the various strands of the development stage allowed hypotheses to be tested in subsequent research. This has been included to add context and background throughout the report.

2.17 The sections below include brief details on the data collection methods that were used for both the qualitative and quantitative research.

**Quantitative methodology**

2.18 The quantitative work comprised a consumer survey and a business survey. The key points are summarised below. Further details are provided in Annexe A and Annexe B respectively. The questionnaires used are provided in Annexe C and Annexe D.\(^7\)

**Consumer Survey**

\(^7\) The questionnaire included a mix of prompted and unprompted questions. Where appropriate the technique used is highlighted when presenting results later in the report.
TNS-BMRB conducted a face-to-face omnibus survey in January 2011 consisting of computer-assisted personal interviews (CAPI) with a representative cross-section of UK consumers. Questions on home improvements, maintenance and repairs were included, and approximately 6,000 consumers were surveyed.

Among those surveyed, all home owners who had either sole or joint responsibility for decisions on home improvements and repairs work were asked if they had initiated a home improvement in the last two years or any maintenance or repair work in the last 12 months. A total of 1,680 respondents had initiated work of this nature in the respective time periods, representing 26 per cent of the total omnibus sample for the three waves. They were asked a number of questions about the work, including the cost of it, how and why they chose their trader, their satisfaction with the work and whether they had experienced problems.

Consumers who had initiated work within the set periods were asked a series of questions about the work. If a consumer had initiated both home improvement and maintenance and repair work they were only asked about the home improvement work they had commissioned. If a consumer had initiated more than one home improvement – or initiated a maintenance or repair on more than one occasion and no home improvements – they were only asked about the most recent event. In total 1,269 respondents were asked about a home improvement and 411 respondents were asked about maintenance or repair work.

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8 This equates to 52 per cent of all home owners surveyed with sole or joint responsibility for decisions on home improvements, maintenance and repairs.

9 Home improvement events were given a longer reference period and a greater chance of selection, as it was considered that they would be less common than maintenance and repair events. The prioritisation was, therefore, aimed to ensure a sufficient number of home improvement events in the final (achieved) sample.
As a result of the prioritisation given to home improvement work, these events are likely to be over-represented in the achieved sample. Responses relating to the full sample of consumers are therefore not representative of all work conducted in the UK; they are, however, representative of the views in relation to the specific event about which the respondents were asked. For this reason, results based on the full surveyed sample are generally split into two groups: one for those initiating home improvements, and another one for those initiating maintenance and repairs. Where there is no significant difference in responses between those initiating these two types of work, results have been included based on the full (combined) sample.

Business Survey

The business survey covered a wide range of businesses undertaking home improvements, maintenance and repair work for consumers (those working solely on commercial properties or work commissioned by managing agents or property management companies were excluded - see paragraph 2.11 above). The survey was conducted by computer assisted telephone interviewing (CATI).

To obtain a sample of businesses in the sector, TNB-BMRB used the Experian National Business Database which has over 2.2 million businesses listed. This provided good coverage of the smallest businesses as well as major industry players. Businesses were sampled according to their size (based on number of employees) and their main business sector - for example painters and decorators and electricians and electrical contractors.

In presenting the results of the survey, and for the purposes of this report, unless otherwise indicated, defines 'micro-businesses' as those with 10 or fewer employees, 'small businesses' as those with between 11 and 49 employees and 'medium/large businesses' as those with 50+ employees.

The business survey questionnaire covered a number of similar areas to the consumer questionnaire and a number of areas of specific relevance to businesses. This included business perceptions about why consumers chose their business to undertake work, problems experienced, and awareness and membership of approved trader...
schemes. A total of 506 businesses were interviewed during a three-week fieldwork period in January 2011.

**Qualitative methodology**

2.27 Qualitative research was undertaken between January and March 2011 and covered both consumers and businesses. Results from the consumer research helped shape the design of the business interviews and also prompted an additional quantitative omnibus survey, testing consumer confidence in finding traders and awareness of schemes (see Annexe I).

2.28 Verbatim quotations are used throughout this report to illustrate points made; such quotations are referenced according to relevant characteristics of the provider of the quotation. (For more information see Annexe F).

**Qualitative work with consumers**

2.29 Consumer qualitative research comprised of three separate strands:

- Thirty customer journey interviews\(^{10}\) with consumers who had commissioned a home improvement project during the last 12 months and had experienced a problem.

- Eight deliberative discussion groups with consumers who had used a trader for a home repairs project within the last 12 months. Each discussion group included between six and eight participants. Local Trading Standards Officers and representatives from industry bodies helped facilitate these sessions.

- Eight video diaries from consumers who were either in the early stages of planning a home improvements project or had begun the work.

\(^{10}\) *A journey map interview involves tracking the respondent’s experience at each stage of their home improvement project on axis representing time and level of satisfaction.*
Qualitative work with businesses

2.30 Following the consumer research, thirty telephone in-depth interviews were conducted with a number of different businesses.

Significance

2.31 Unless otherwise stated any reported differences between sub-groups in the quantitative results are significant at a 95 per cent confidence level. This means that there is a 95 per cent chance that the observed difference has arisen due to a true difference in the population rather than a random variation. This applies to any reported differences in the text of the report but not all subgroup comparisons in charts (which have not been tested unless explicitly stated or implied by the accompanying text).

Consumer Protection Legislation

2.32 It is acknowledged that a number of pieces of consumer legislation apply to transactions in this sector, not least in relation to quality of services and/or goods supplied, contractual documentation and cooling off rights. Although general approaches to compliance with consumer protection legislation were explored with businesses in in-depth discussions, the research featured in this report did not attempt to consider compliance with specific legal requirements in detail.

2.33 As such, it is noted that some areas of problems considered in the report may well have relevance to consumer protection legislation. However, this report neither considers the application of legal provisions to the examples referred to nor does it consider implications that may stem from this. For more information on relevant legislation please refer to the OFT’s website: www.ofg.gov.uk

Report structure

2.34 Following this introductory chapter the report comprises a further seven chapters:
- Chapter 3 gives an overview of the home improvements, maintenance and repairs market, using both population data and results from the surveys of consumers and businesses.

- Chapter 4 looks at documentation provided and payment structures, from the point of view of both businesses and consumers.

- Chapter 5 reports on consumer planning, decision making and behaviours, exploring their underlying attitudes and expectations that make them think and act the way that they do.

- Chapter 6 looks at satisfaction levels and experience of problems among consumers, including a discussion of factors which reduce the likelihood of negative outcomes being experienced.

- Chapter 7 focuses on the experience and resolution of problems among businesses, including their strategies for complaint resolution.

- Chapter 8 looks at barriers to traders providing good quality service and discusses how these barriers might be overcome.

- Chapter 9 gives an overview of trade associations and approved trader schemes, including a discussion of awareness, membership and perceptions of schemes.

- Chapter 10 closes the report by referring back to the objectives and drawing some broad conclusions from the research.
3 THE HOME REPAIRS, MAINTENANCE AND IMPROVEMENTS MARKET

3.1 This chapter provides an overview, based on the research, of the market. It sets the scene for the rest of the report by looking at the various types of work initiated by consumers and includes a profile of businesses involved in this market.

3.2 The market here is defined as businesses involved in home improvements, maintenance and repair work and consumers initiating these types of work. Results in this chapter are based on both population data on the market and the results from the consumer and business quantitative surveys.

Key findings:

- It is estimated that at least 148,000 businesses are operating in this market. It largely consists of traders reported to have between one and ten employees, most of which work with subcontractors.

- The majority of traders reported that they worked in a number of different sub-sectors, the average number being six.

- Just 16 per cent of business reported that they worked in only one sub-sector within the industry.

- Just over half of home owners surveyed with sole or joint responsibility for decision-making on home improvements, maintenance and repairs had initiated home improvement work in the last two years or maintenance and repair work in the last 12 months.

- Sixty per cent of home improvement work cost £1,000 or more. Sixty-seven per cent of the maintenance and repairs work cost less than £500.
Types of work initiated by consumers

3.3 According to the survey, just over half (52 per cent) of home owners with sole or joint responsibility for decision-making on home improvements, maintenance and repairs had initiated this type of work in the relevant periods. Four in ten (41 per cent) had initiated home improvements in the last two years while three in ten (30 per cent) had initiated maintenance or repair work in the last 12 months.

3.4 Chart 3.1 shows the most common types of work undertaken, with central heating and repairs work featuring highest for both home improvements and repairs. Home improvements work is highlighted in blue while maintenance and repair work is highlighted in yellow.

**Chart 3.1: Main types of work undertaken**

In the last [TWO YEARS / 12 MONTHS], have you used a tradesperson to undertake any of the following types of [home improvement / maintenance and repair] work in your current home? Do NOT include any work you did yourself or you ONLY undertook because the tradesperson knocked on your door or cold called over the phone.

<table>
<thead>
<tr>
<th>Type of Work</th>
<th>Home Improvement</th>
<th>Maintenance/Repair</th>
</tr>
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<tbody>
<tr>
<td>Installing a new boiler/central heating system</td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>Central heating repairs/servicing</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Decorating one or more rooms inside home</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>New fitted bathroom</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Glazing, conservatories or external doors</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>New fitted kitchen</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Plumbing repairs</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>Electrical installations</td>
<td></td>
<td>6%</td>
</tr>
<tr>
<td>Electrical repairs</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>New guttering, fascias or soffits</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>Installing insulation</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>Other work to exterior of house</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>General building work</td>
<td></td>
<td>4%</td>
</tr>
</tbody>
</table>

Base: All home owners solely or jointly responsible for decisions on home improvement, maintenance and repairs (3,156)
3.5 After a criterion\textsuperscript{11} was applied to the sample, consumers who had initiated work were asked detailed questions about one type of work (the 'selected event') undertaken in the relevant period. Table 3.2 shows the number of respondents asked about each type of work.\textsuperscript{12}

\begin{table}[h]
\centering
\begin{tabular}{|c|c|}
\hline
Type of Work & Number of Respondents \\
\hline
Home Improvement & 123 \hline
Maintenance/Repair & 456 \hline
\end{tabular}
\caption{Number of respondents asked about each type of work.}
\end{table}

\textsuperscript{11} Consumers who had initiated home improvement and maintenance/repair work were asked about the home improvement work they had initiated. If consumers had initiated more than one home improvement event (or no home improvement but more than one maintenance or repair) they were asked about the most recent event undertaken.

\textsuperscript{12} In Table 3.2 rows highlighted in blue relate to home improvements; rows highlighted in yellow relate to maintenance and repairs.
Table 3.2: Selected events

<table>
<thead>
<tr>
<th>Event</th>
<th>Number of respondents</th>
<th>% of all those who have undertaken work</th>
</tr>
</thead>
<tbody>
<tr>
<td>New boiler of central heating system</td>
<td>199</td>
<td>12</td>
</tr>
<tr>
<td>New fitted bathroom</td>
<td>171</td>
<td>10</td>
</tr>
<tr>
<td>New fitted kitchen</td>
<td>161</td>
<td>10</td>
</tr>
<tr>
<td>Glazing, conservatories or external doors</td>
<td>159</td>
<td>9</td>
</tr>
<tr>
<td>Central heating repairs/servicing</td>
<td>101</td>
<td>6</td>
</tr>
<tr>
<td>Electrical installations</td>
<td>93</td>
<td>6</td>
</tr>
<tr>
<td>Plumbing repairs</td>
<td>86</td>
<td>5</td>
</tr>
<tr>
<td>General building work</td>
<td>86</td>
<td>5</td>
</tr>
<tr>
<td>Other work to interior of house</td>
<td>75</td>
<td>4</td>
</tr>
<tr>
<td>Other work to exterior of house</td>
<td>74</td>
<td>4</td>
</tr>
<tr>
<td>New guttering, fascias or soffits</td>
<td>71</td>
<td>4</td>
</tr>
<tr>
<td>Decorating one or more rooms inside home</td>
<td>67</td>
<td>4</td>
</tr>
<tr>
<td>New roofing</td>
<td>66</td>
<td>4</td>
</tr>
<tr>
<td>Installing insulation</td>
<td>56</td>
<td>3</td>
</tr>
<tr>
<td>Repairs to roof</td>
<td>42</td>
<td>3</td>
</tr>
<tr>
<td>New tarmacing or paving</td>
<td>41</td>
<td>2</td>
</tr>
<tr>
<td>Electrical repairs</td>
<td>34</td>
<td>2</td>
</tr>
<tr>
<td>Decorating (repainting) outside of house</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Other repairs to exterior of house</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>Cleaning or repairs of gutters</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Repairs to inside of house</td>
<td>16</td>
<td>1</td>
</tr>
<tr>
<td>Cleaning or repairs of drains</td>
<td>6</td>
<td>*</td>
</tr>
<tr>
<td>Installing solar heating</td>
<td>5</td>
<td>*</td>
</tr>
<tr>
<td>Adaptations to make house more accessible for people with a disability</td>
<td>2</td>
<td>*</td>
</tr>
<tr>
<td>Repairs to damp proofing or damp courses</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Total base (all who had undertaken work)</td>
<td>1,680</td>
<td>100</td>
</tr>
</tbody>
</table>

3.6 Where the questions related to maintenance or repair work, respondents were asked whether the work was emergency or non-emergency. Seven in ten said that it was non-emergency while three in ten said that it was emergency work.

Cost of work undertaken
3.7 Consumers were asked how much the work cost. Sixty per cent said home improvement work cost over £1,000; 68 per cent said repair/maintenance work cost less than £500. Chart 3.3 shows the breakdown of costs for both types of work.

Chart 3.3: Total cost of work undertaken

What was the total cost of the work you had done? Please give your best estimate if you are not exactly sure.

<table>
<thead>
<tr>
<th>Cost Range</th>
<th>Maintenance/repair</th>
<th>Home improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £100</td>
<td>6%</td>
<td>31%</td>
</tr>
<tr>
<td>£100 - £249</td>
<td>8%</td>
<td>21%</td>
</tr>
<tr>
<td>£250 - £500</td>
<td>8%</td>
<td>16%</td>
</tr>
<tr>
<td>£500 - £999</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>£1,000 - £1,999</td>
<td>7%</td>
<td>16%</td>
</tr>
<tr>
<td>£2,000 - £4,999</td>
<td>3%</td>
<td>25%</td>
</tr>
<tr>
<td>£5,000 - £9,999</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>£10,000 - £24,999</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>More than £25,000</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Base: All who had a home improvement in the last two years (1,266) or maintenance and repair in the last 12 months (411)

Business profiles of suppliers used for work

3.8 Most consumers surveyed reported using a business with up to ten employees. More than half (55 per cent) of consumers who had initiated maintenance and repair work reported using a business with

13 As this was asked as a banded question with an open-ended top category (more than £25,000), the information does not allow an average cost to be provided.
one employee, compared with 37 per cent of those initiating home improvements (Chart 3.4).

3.9 Consumers initiating higher value work were more likely to report using larger businesses to undertake the work, as shown in Chart 3.5 below.\textsuperscript{14}

\textsuperscript{14} Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Chart 3.5 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
Population data on businesses

3.10 Population data for the business survey came from the Experian National Business Database, which lists UK businesses according to their business sector. This gave a total population for businesses operating in this market of 148,339. Table 3.6 breaks this down by sub sectors of categories taken from the Yellow Pages classification used in the Experian database.

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15 The five categories (External Work, etc) have only been used for sampling purposes and not analysis (as many businesses operate across more than one category).
According to this data, ‘plumbing, heating and electrical’ and ‘general builders’ are the categories with the largest number of businesses. The biggest sub-sectors are ‘builders’, ‘electricians and electrical contractors’, followed by ‘painters and decorators’ and ‘plumbers’. Each of these sub-sectors has more than 16,000 businesses listed.

Based on the information provided in the Experian database, nine in ten businesses (91 per cent) operating in the home repairs and improvements market have between one and ten employees, with most of the rest employing between 11 and 49 employees (8%). Fewer than 2,000 businesses have 50 or more employees. Around

| Table 3.6: Experian population figures for business involved in home repairs and improvements |
|---------------------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|
| Category                                   | 1-10 employees | 11-49 employees | 50+ employees | TOTAL         | % of sector | % of total market |
| EXTERNAL WORK                              | 18,763       | 2,222           | 335          | 21,420        | 100         | 14              |
| Solar energy                               | 153          | 19              | 1            | 173           | 1           | *               |
| Damp proofing and control                  | 897          | 135             | 17           | 1,049         | 5           | 1               |
| Double glazing installers                  | 4,301        | 850             | 159          | 5,310         | 25          | 4               |
| Cladding                                   | 226          | 71              | 11           | 308           | 1           | *               |
| Glaziers                                   | 1,170        | 184             | 20           | 1,374         | 6           | 1               |
| Outfitting services                        | 890          | 42              | 4            | 936           | 4           | 1               |
| Roofing services                           | 8,478        | 721             | 79           | 9,278         | 43          | 6               |
| Conservatories                             | 1,037        | 222             | 35           | 1,294         | 6           | 1               |
| Paving services                            | 1,611        | 78              | 9            | 1,698         | 8           | 1               |
| INTERNAL WORK                              | 22,797       | 1,444           | 153          | 24,394        | 100         | 16              |
| Bathroom design and installation           | 2,515        | 136             | 7            | 2,658         | 11          | 2               |
| Bedrooms fitted                            | 600          | 58              | 8            | 666           | 3           | *               |
| Basement and cellar conversion             | 44           | 10              | 1            | 55            | *           | *               |
| Kitchen planning and installation          | 5,055        | 410             | 56           | 5,521         | 23          | 4               |
| Carpenters and joiners                     | 1,621        | 78              | 9            | 1,708         | 7           | 1               |
| Flooring services                          | 2,998        | 433             | 39           | 3,470         | 14          | 2               |
| Loft conversion                            | 994          | 68              | 3            | 1,065         | 4           | 1               |
| Plastering and screeding                   | 8,970        | 251             | 30           | 9,251         | 38          | 6               |
| PAINTING AND DECORATING                    | 16,231       | 504             | 81           | 16,816        | 100         | 11              |
| Painters and decorators                    | 16,231       | 504             | 81           | 16,816        | 100         | 11              |
| PLUMBING, HEATING, ELECTRICAL              | 40,826       | 2,844           | 424          | 43,894        | 100         | 30              |
| Insulation installers                      | 321          | 145             | 48           | 514           | 1           | *               |
| Electricians and electrical contractors    | 16,707       | 1,748           | 245          | 18,700        | 43          | 13              |
| Central heating services (domestic)         | 7,769        | 429             | 70           | 8,268         | 19          | 6               |
| Plumbers                                  | 12,829       | 522             | 61           | 16,412        | 37          | 11              |
| GENERAL BUILDERS                            | 36,186       | 4,658           | 971          | 41,815        | 100         | 28              |
| Maintenance and repair services (domestic)  | 1,070        | 33              | 8            | 1,111         | 3           | 1               |
| Builders                                   | 27,382       | 4,075           | 845          | 32,302        | 77          | 22              |
| Building maintenance and repairs           | 7,734        | 550             | 118          | 8,804         | 21          | 6               |
| TOTALS                                     | 134,603      | 11,772          | 1,964        | 148,339       | 100         |                 |

3.11

3.12
half of the businesses employing 50 or more people are listed in the 'general builders' category.

3.13 The data in Table 3.6 can be usefully compared with information supplied in the business survey, indicating that the vast majority of businesses in the 'one to ten employees' band are at the lower end of this band.\textsuperscript{16}

**Type of work done by businesses**

3.14 All surveyed businesses were asked which subsectors of the market they were regularly involved with. Chart 3.7 shows the results.

**Chart 3.7 – Types of work undertaken by businesses**

I'm now going to read out a list of different types of work. Please tell me which, if any, of these areas your business regularly works in. Please only include work done in relation to domestic properties and undertaken directly for consumers.

<table>
<thead>
<tr>
<th>Type of work</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plumbing</td>
<td>48%</td>
</tr>
<tr>
<td>Fitted bathrooms</td>
<td>47%</td>
</tr>
<tr>
<td>Guttering, fascias or soffits</td>
<td>45%</td>
</tr>
<tr>
<td>Other interior</td>
<td>44%</td>
</tr>
<tr>
<td>General building work</td>
<td>41%</td>
</tr>
<tr>
<td>Electrical</td>
<td>40%</td>
</tr>
<tr>
<td>Installing insulation</td>
<td>39%</td>
</tr>
<tr>
<td>Fitted kitchens</td>
<td>39%</td>
</tr>
<tr>
<td>Other exterior</td>
<td>39%</td>
</tr>
<tr>
<td>Decorating</td>
<td>37%</td>
</tr>
<tr>
<td>Roofing</td>
<td>34%</td>
</tr>
<tr>
<td>Boilers/central heating</td>
<td>34%</td>
</tr>
<tr>
<td>Glazing, conservatories, external doors</td>
<td>31%</td>
</tr>
<tr>
<td>Adaptations to make house more accessible</td>
<td>22%</td>
</tr>
<tr>
<td>Damp proofing</td>
<td>20%</td>
</tr>
<tr>
<td>Tarmacing or paving</td>
<td>20%</td>
</tr>
</tbody>
</table>

Base: All businesses (506)

3.15 As the chart shows, the subsectors most frequently mentioned by surveyed businesses as those where they regularly undertook work.

\textsuperscript{16} Of those businesses interviewed in the survey with between one and ten employees, almost half (44 per cent) had just one employee, 18 per cent had two employees and 23 per cent had between three and five employees. Just six per cent employed between six and ten employees.
were plumbing, fitted bathrooms, guttering, fascias and soffits and other interior work.

3.16 Sixteen per cent of businesses reported undertaking work in only one area shown in Chart 3.7. One in five (21 per cent) said their business regularly undertook work in at least ten of these areas. The mean number of areas that businesses regularly undertook work was six.

3.17 Decorating and electrical work were the most specialised subsectors. The least specialised types of businesses were those involved in tarmacing and paving and undertaking adaptations to make the house more accessible. For both tarmacing and paving and adaptation work around seven in ten businesses were involved in at least ten different areas of work (71% for tarmacing and paving and 66% for adaptations).

3.18 The most popular combinations of work were:

- roofing and guttering, fascias and soffits: 91 per cent of businesses undertaking roofing work were also involved in work with guttering, fascias and soffits
- kitchens and bathrooms: 90 per cent of businesses fitting kitchens also fitted bathrooms
- installation or repairs to boilers and central heating systems and plumbing: 89 per cent of businesses working with boilers and central heating systems were also involved in plumbing work
- glazing and guttering, fascias and soffits: 89 per cent of businesses undertaking glazing work were also involved in work with guttering, fascias and soffits.

3.19 Businesses surveyed were asked about a number of other relevant areas, including how they approached work and levels of work undertaken. Key findings included:

- Fifty-four per cent of businesses said they were mainly involved with home improvement work and 39 per cent were mainly involved with maintenance and repair work (of the latter, 74 per cent said work was generally non-emergency).
Most businesses said that customers relied on them to assess the work that needed to be done. Almost three in ten (27 per cent) said their customers relied on them entirely to do this, four in ten (40 per cent) said they were almost entirely relied upon and 28 per cent said they were relied upon to some degree.

Those who mainly undertook maintenance and repair work were more likely than those who undertook home improvements work to have said that customers relied on them to fully or mostly assess the work that needed to be done (78 per cent versus 60 per cent). Traders mainly focused on emergency repairs were particularly likely to report that customers relied on them to assess what needed to be done (84 per cent).

When asked how many projects they undertook in a typical month, 62 per cent of businesses reported undertaking between one and nine projects, 20 per cent said between ten and 49 projects and five per cent said they undertook more than 50 projects per month.

Most businesses said they worked with sub-contractors: 19 per cent reporting doing so often, 52 per cent said they did so sometimes. Almost three in ten businesses (27 per cent) said they never worked with sub-contractors.

In terms of the geographical spread of business, 78 per cent of businesses said they mainly operated locally, 19 per cent said they mainly operated on a regional basis, and two per cent reported to operate on a mainly national basis.
4 Consumer Planning and Decision Making: Perceptions and Behaviours

4.1 This chapter reports on the behaviours and decision making processes undertaken by consumers prior to commissioning home improvements, maintenance and repairs work. It helps to explore how consumers behave when initiating work and the underlying attitudes and expectations that make them act in the way they do. In doing this, the chapter provides a more in-depth understanding of how consumers make their purchase decisions in this market.

4.2 Findings presented here draw on the quantitative survey, in-depth interviews with consumers about their journeys when undertaking home improvement work and more general discussions in the focus groups. A comparison between perceptions of consumers and businesses is also included in this chapter, helping to illustrate the extent to which traders understand the factors that are important to their customers.

Key findings:

- Those undertaking home improvements and more costly projects (especially those over £5,000) were more likely to have obtained quotes and reported requesting three or more quotes.

- Qualitative research suggested that consumers undertaking home improvement work tended to invest relatively little time in choosing a trader and far more time in the planning of the product (for example, their ‘dream’ kitchen or bathroom).

- The survey indicated that consumers mainly use traders they have used before or that have been recommended to them. This suggests a consumer preference (also reflected in the qualitative work) for using traders on the basis of previous experience or recommendations.

- In addition to recommendations and previous experience, consumers tend to use ‘rules of thumb’ to assess reliability and professionalism, such as presence in the Yellow Pages or the trader having a land-line number. When meeting a trader for the first time, consumers also relied on instinctive judgments about
their character and personality.

- The general consumer fear of 'rogue traders' could impact on the behaviour of consumers, making them feel vulnerable once they employed the services of a trader and potentially hindering a proactive management of the project (for instance, reluctance to raise any queries or concerns about work for fear of the trader abandoning the project).

- Two thirds of traders surveyed cited recommendations or word of mouth as key factors in consumers choosing them over their competitors. Three in ten pointed to a reputation for high quality as being a key factor.

- A comparison between consumer and trader perspectives suggests that (some) traders might underestimate the extent to which consumers take into consideration price and ability to carry out the work to the required timings when choosing a trader.

**Consumer behaviours: Getting quotations**

4.3 The quantitative survey asked the consumers how many suppliers they asked to quote for the work. Consumers were also asked to identify the factors they considered in choosing a trader. Paragraph 4.12 onwards describes these factors in detail and they are also referred to in this section.

4.4 Chart 4.1 shows the proportions of consumers asking for different numbers of quotes. Consumers undertaking home improvements were more likely to have reported obtaining quotes and requesting three or more quotes. Only six per cent of consumers commissioning home improvements said they did not obtain any quotes compared with 19 per cent who undertook maintenance or repairs. A quarter of consumers undertaking home improvement work reported obtaining three or more quotes, compared with eight per cent of those undertaking maintenance or repair work.
The quantitative research also found notable differences in the proportion of consumers who said that they requested three or more quotes depending on the cost of the work and type of consumer. Results are summarised below in Chart 4.2 and in the paragraphs that follow.\textsuperscript{17}

\textsuperscript{17} Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Chart 4.2 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
The number of quotes obtained varied by the cost of work carried out. Those who asked three or more suppliers to quote for work were more likely to have been commissioning higher value work.

The proportion of consumers obtaining three or more quotes decreased with age. This is likely to be related to reasons for choosing a supplier (as discussed more fully below). Older people were more likely than younger people to cite previous use as a factor, with a notable proportion of older consumers choosing suppliers they had used previously rather than shopping around. The qualitative research further highlighted that older people and those that had lived in an area for longer were more likely to have an existing relationship with a trader.

Consumers with internet access were twice as likely to have obtained three or more quotes as those without. Whilst this difference was partly related to the differences by age highlighted above (with younger people more likely to have internet access), it was evident that even within specific age bands internet users were more likely to get three or more quotes compared with non-internet users.
4.9 Those choosing traders they had used previously or as a result of recommendations were less likely to have asked three or more suppliers to quote than those who chose for price-related reasons.

4.10 It was notable that, when considering the approach to obtaining quotes of those consumers that chose a trader for price-related reasons, those who chose the cheapest were actually less likely to have obtained three or more quotes than those who chose a trader due to their price being considered reasonable or competitive (but not the cheapest). The qualitative research provides further insights into this finding, highlighting that while those who 'shopped around' tended to be price sensitive, they often avoided choosing the cheapest quote and instead went for one 'in the middle' (indicating that they might be using price as a proxy for quality and deliberately not choosing the cheapest trader for fear that they would offer a lower quality of service).

4.11 The qualitative research indicated that consumers were aware that getting more than one quote was good practice. However, they did not consider it necessary for every type of job. Situations where consumers said they may be less likely to get competitive quotes included:

- smaller, low value projects
- emergency repair work, particularly if it was difficult to find more than one trader
- where the trader was known or had been recommended.

Factors considered when choosing a trader or supplier: consumer perspectives

4.12 In the quantitative research consumers who said they had asked one or more traders to quote for the work were asked two questions about the factors that had influenced their choice of supplier. Firstly, consumers were asked, without any prompt, for the main reasons behind their choice of supplier (being able to provide as many reasons as they wished). Secondly, consumers were prompted with a list of five factors and asked how important they felt each of these was
in their choice of supplier. The results from both questions, alongside related insights from the qualitative research, are included below.

Unprompted survey approach

4.13 The most commonly reported unprompted reasons for consumers choosing their trader are shown in Chart 4.3.

Chart 4.3 – Reasons for choosing supplier to undertake work
What were the main reasons you chose the supplier you did?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Home improvements</th>
<th>Maintenance or repairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation/word of mouth</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Used them previously</td>
<td>23%</td>
<td>38%</td>
</tr>
<tr>
<td>Cheaper than other suppliers</td>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td>Felt you could trust them</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Price reasonable/competitive (not cheapest)</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Local/locally focused business</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Reputation for high quality</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Knew them</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Impressed by examples of their work</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Provide good customer service</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Could work within timescales/start quickly</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Had a good understanding of your requirements</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Had qualifications or accreditations</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Saw their adverts</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Other reasons</td>
<td>6%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Base: All who asked for one or more suppliers to quote for work (Home improvements: 1,179; Maintenance or repairs: 334)

4.14 As can be seen from the chart, the top reasons reported by consumers for choosing a trader were recommendation/word of mouth and previous use. As might be expected, those undertaking maintenance and repair work were more likely to have chosen a trader they used previously. Cost also emerged as an important consideration for consumers when choosing the trader, but the proportion of those mentioning cost-related reasons as being a factor (‘cheaper than others’ and ‘reasonably competitive (but not the cheapest)’), was higher amongst those undertaking home improvement work (27 per cent compared with 11 per cent for
maintenance/repairs). Just over one in ten consumers cited feeling that they could trust the trader as being a factor in their decision.

4.15 Few consumers mentioned they had selected a trader because they had relevant qualifications or accreditation, though there is a small possibility that this may have informed other choice factors such as a ‘reputation for high quality’ or ‘felt you could trust them’. Qualitative research revealed that consumers did not think to and/or felt uncomfortable about asking traders to verify credentials such as competency and qualifications:

'They don’t like you asking whether they have any qualifications. They look at you with a lot of hostility'
(Inexperienced, complainant)

4.16 Only one per cent mentioned approved trader schemes, a further one per cent mentioned trade associations or professional bodies (included in the ‘other’ bars in Chart 4.3).

Reliance on recommendations

4.17 Choosing a trader due to a recommendation was the most commonly cited factor in the quantitative survey, regardless of the size or type of work, and this was supported by the qualitative research. It was also found that consumers believed it was preferable to use traders who were recommended, regardless of the size or type of job.

4.18 By seeking recommendations, consumers interviewed believed that the work would be carried out to a high standard, that recommended traders would have a range of 'soft skills', for example being friendly and respectful and that they minimised the risk that the trader would be untrustworthy.

4.19 However, consumer expectations were sometimes raised when it came to using a recommended trader, to the extent that they often made assumptions about the traders' ability to carry out work (for example, that they would carry out work to the same standard in every property).

4.20 The qualitative research indicated that consumers would consider delaying home improvements and non-emergency repair work in
order to use a trader who was recommended. The customer journey mapping interviews further revealed instances where consumers delayed work for several months in order to use a recommended trader.

4.21 Given that not everyone will be able to rely on recommendations (a fact recognised by consumers in focus groups), commercial schemes and online directories were generally used in lieu of a recommendation. However, there were some doubts expressed as to whether these could be relied on as consumer feedback may not be accurate and negative feedback may not be published on the site.

4.22 Across the qualitative strands, consumers gave examples of traders providing references through photographs, portfolios and details of other consumers they had worked with. This was considered to be a good substitute for a recommendation.

Prompted survey approach

4.23 Consumers surveyed who had obtained one or more quotes from suppliers were also presented with five factors and asked how important they felt each was in their choice of supplier. The five factors were:

- price
- quality of product and work
- customer service – for example, speed of dealing with enquiries
- when the work could be done
- reliability and having the confidence they would deliver.

4.24 Chart 4.4 shows the proportion of consumers citing each factor as extremely/very important.
4.25 All five factors were rated as important by the majority of consumers. Quality of product and work, and reliability and confidence that the supplier would deliver, were seen as the most important factors by consumers.

4.26 Eight in ten consumers rated customer service as extremely or very important. This proportion increased for those having work of a higher cost carried out. Nearly nine in ten (87 per cent) of those who had work that cost over £5,000 said that customer service was extremely or very important compared with three quarters (75 per cent) of those who had work that cost less than £250.

4.27 Around seven in ten of consumers felt that price was an extremely or very important factor. A similar proportion of consumers said that when the work could be done was extremely or very important (although, as paragraph 4.20 above indicates, consumers can make exceptions to this). Unsurprisingly, this aspect was seen as particularly important among consumers undertaking emergency repair work (88%).

Chart 4.4 – Proportion of consumers seeing factors as extremely or very important in their choice of supplier

I'm now going to read out a list of factors that you may have thought about when choosing a supplier. For each of these please tell me how important, if at all, they were to you in your choice of supplier.
Other strategies for choosing a trader: consumer perspectives

4.28 Echoing the findings of the quantitative research, the qualitative focus groups indicated that (with the benefit of hindsight) consumers considered it was important to choose a trader who had the necessary expertise, who behaved in a professional way and offered good value for money. Consumers wanted to feel secure and expected traders to possess certain soft-skills which would make them feel more comfortable with the trader spending long periods of time in their home.

4.29 Across the qualitative research strands there was little evidence that consumers analysed in detail these qualities at the time of choosing a trader. Instead, they employed heuristics, or rules of thumb, when making a judgement about expertise, accountability and a trader’s character and trustworthiness. Consumers referred to a variety of ‘cues’ which they used as indicators that traders were reputable. For example, consumers thought that traders were more likely to be legitimate if they had a website or a landline telephone number, if they were listed in yellow pages or if they provided neither the cheapest, nor the most expensive quote.

4.30 It was also apparent that consumers’ decisions were often shaped by instinctive judgements about the character and personality of the trader.

'I just preferred him to the other men who came round. One guy - I didn’t like his attitude. They seemed like good lads, they seemed right enough with us, so we went with him.'
(Inexperienced, complainant)

4.31 In the case of larger and national traders, consumers were not required to make a judgement about who would carry out the work as sub-contractors were assigned to them. However, the customer journey mapping interviews indicated that, with hindsight, consumers would have preferred the opportunity to meet the traders face-to-face as they felt they had lost the opportunity to judge whether they would do a good job.

Expectations and concerns about finding a reputable trader or supplier
4.32 The journey mapping interviews and the video diaries showed that consumers invested considerably more time, energy and emotion into designing and selecting products than in choosing their trader, due to this design stage of the project being perceived as the most exciting part of the project.

4.33 The qualitative research found that consumers experienced anxiety associated with employing the services of a new trader, particularly one who was not recommended by a trusted source. Consumers were concerned about possible damage to property, overcharging, and the risk of crime from access to the home. The research also indicated that consumers were sensitive to the prevalence of so-called ‘rogue traders’.

‘We took the photographs (of the trader in their home) because you just don’t know if they are a ‘rogue trader’ or not do you?’ (Inexperienced, complainant)

‘You hear so much about ‘rogue traders’ these days…have you seen the program on TV?’ (Experienced, neutral)

4.34 There was a view that good traders had sufficient work and did not need to advertise. Furthermore, it was felt that good traders sometimes chose their customers. Those living in less affluent areas felt particularly affected and, as a consequence, were more willing to accept inconveniences such as work conducted during unusual hours and, in some cases, poor trader behaviour. There was a general reluctance to be seen as awkward given the perceived shortage of available (reputable) traders.

‘Sometimes they don’t even bother to give a quote….. They pick and choose their jobs.’ (Older, more experienced)

4.35 The additional quantitative (omnibus) research (see Annexe I) further highlighted that 11 per cent of consumers who did not go ahead with planned work reported ‘finding the right supplier’ as a difficulty (mostly alongside other issues, with only two per cent reported this issue and no other). The most common reason for not going ahead with work was money (60 per cent). This seems to suggest that fears around trader may not prevent many consumers from going ahead with work.
but they are more likely to affect the way consumers behave once a trader has been found, as described by the paragraphs above.

Business perspectives: Factors considered when choosing a trader or supplier

4.36 Businesses were also asked questions on the factors they perceived consumers considered and felt important when choosing a supplier. Reflecting the approach used when surveying consumers (see paragraph 4.12 above), businesses were first asked why they felt customers chose their company over competitors. This was unprompted and businesses could cite as many reasons as they wished. They were then prompted with five factors and asked how important they felt each of these were to their customers when choosing suppliers.

Unprompted survey approach

4.37 Chart 4.5 shows the most commonly reported reasons cited by businesses for consumers choosing them in preference to their competitors.

Chart 4.5 - Reasons for choosing business over competitors

What do you think are the main reasons that consumers choose your business over your competitors?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation/word of mouth</td>
<td>68%</td>
</tr>
<tr>
<td>Reputation for high quality</td>
<td>30%</td>
</tr>
<tr>
<td>Prices reasonable/competitive (not cheapest)</td>
<td>18%</td>
</tr>
<tr>
<td>Adverts</td>
<td>9%</td>
</tr>
<tr>
<td>Consumers feel they can trust you</td>
<td>7%</td>
</tr>
<tr>
<td>Local business</td>
<td>7%</td>
</tr>
<tr>
<td>Cheaper than competitors</td>
<td>6%</td>
</tr>
<tr>
<td>Consumers impressed with examples of work</td>
<td>6%</td>
</tr>
<tr>
<td>Seen as reliable</td>
<td>6%</td>
</tr>
<tr>
<td>Repeat business</td>
<td>5%</td>
</tr>
<tr>
<td>Provide good customer service</td>
<td>4%</td>
</tr>
</tbody>
</table>

Base: All businesses (506)
4.38 Two thirds (68 per cent) of businesses surveyed considered that their customers chose them in preference to their competitors due to recommendation or word of mouth. Other commonly cited reasons included having a reputation for high quality and their prices being reasonable or competitive.

4.39 There were differences in reasons put forward depending on the size of businesses. Micro-businesses were more likely than larger businesses to mention recommendations, but less likely to cite having a reputation for high quality as being a factor. Seven in ten (69 per cent) micro-businesses cited recommendations compared with 52 per cent of small businesses and 46 per cent of medium/large businesses. Three in ten (28 per cent) micro-businesses cited a reputation for quality compared with 56 per cent of small businesses and 40 per cent of medium/large businesses.\(^{18}\)

**Prompted survey approach**

4.40 In the quantitative survey, traders were prompted with five factors (reflecting those also put to consumers) and asked how important they felt each was to their customers when choosing a supplier. Chart 4.6 below shows the most common answers.

\(^{18}\) As indicated in paragraph 2.26 above, for the purposes of this report, 'micro-businesses' are defined as those with 10 or fewer employees, 'small businesses' are defined as those with between 11 and 49 employees and 'medium/large businesses' as those with 50+ employees.
Over two thirds of businesses considered ‘quality of product and work’ and ‘reliability and having the confidence they would deliver’ as extremely important factors to their customers. Almost half (46 per cent) felt that customer service was extremely important. Price and timing were seen as relatively less important factors, with around two in ten seeing each of these as extremely important.

Larger businesses regarded price and timing as relatively more important drivers of consumer decisions. For both factors, three quarters (76 per cent) of medium/large businesses said they were extremely or very important to consumer decisions, compared with 60 per cent of micro-businesses for price and 61 per cent for timing.

While Charts 4.5 and 4.6 are not directly comparable, it is evident that businesses perceived reliability and customer service as being more important factors to consumers in Chart 4.6 than might be suggested by Chart 4.5. This suggests that these are perceived to be important factors to consumers but may not be seen by traders as initial reasons for consumers choosing them in the same way that other factors, such as recommendations and price, are.

Other strategies for choosing a trader: business perspectives
4.44 All 30 traders participating in qualitative research were asked about their knowledge of their sources of new business. This varied but was usually divided into:

- recommendation / word of mouth from other customers or traders - usually cited as providing two thirds of their new business
- local directories
- local advertising in newspapers and magazines and own website.

4.45 Traders varied in terms of the type and extent of their marketing activities. More established traders (those with over ten years of experience) tended to rely more on previous customers and their family for new business. They referred to working with more than one generation of a family. Newer traders tended to use a greater range of marketing techniques, including leaflet drops, having a site or stand in a shop and sponsoring local events.

4.46 The qualitative research also considered the extent to which traders tracked the source of customers. Typical responses indicated this to be a fairly informal process, which was not systematically recorded and monitored; for instance, although some businesses reported logging the number of hits on their website, this generally only reflected enquiries from prospective customers. However, even in those cases, traders believed they were able to judge the source of business fairly accurately. At the end of the spectrum in terms of monitoring, those businesses operating nationally with a strong brand presence used surveys to monitor awareness and usage.

**Comparing consumer and trader perspectives**

4.47 Comparing perceptions between the two groups helps to illustrate the extent to which traders understand the factors that are important to their customers. Chart 4.7 compares some of the most common
reasons put forward by consumers for choosing a trader with the perceptions of businesses.\textsuperscript{19}

4.48 The main differences between consumers and businesses are described below:

- Recommendations or word of mouth was the most common factor put forward by consumers and businesses, although it was cited by a greater proportion of businesses compared with consumers.

- Consumers were instead far more likely than businesses to mention previous use or repeat business as a factor, particularly those undertaking maintenance and repair work. However, this

\textsuperscript{19} It should be noted that consumers were asked about a specific event, whereas businesses were asked in relation to customers generally.
difference might be partly due to the different approach adopted when asking this question – as consumers were asked about a specific event whereas businesses were asked in relation to customers generally, businesses might have replied in relation to why consumers first chose them and not about returning customers.

- Businesses were far more likely to mention a reputation for quality as a factor in their customers’ decisions to choose them than consumers were for their choice of supplier.

4.49 Chart 4.8 compares perceptions of the importance of the five factors between consumers and businesses.

4.50 Both consumers and businesses saw ‘quality and product of the work’ and ‘having reliability and confidence that the supplier would deliver’ as the two most important factors. However, businesses were more likely than consumers to see these factors as extremely important.
Businesses were also more likely to see customer service as extremely important compared with consumers. In contrast, consumers were more likely to see price and when the work could be done as extremely important compared with businesses, suggesting that businesses may underestimate the extent that their customers choose traders on these grounds.
5 DOCUMENTATION AND PAYMENTS: PERCEPTIONS AND BEHAVIOURS

5.1 This chapter presents and analyses information from businesses and consumers in relation to documentation used and payment structures employed. It compares consumer and business responses to similar questions to gain a better understanding of these issues and how the market is operating in these areas.20

5.2 The findings discussed in this chapter are mainly drawn from the quantitative surveys. Also included are some observations from in-depth interviews with traders on business practices and their familiarity with legislation.21

Key findings:

- Eight in ten businesses operating in the market reported that they routinely provided written quotations and specifications to consumers. Other documents (for example, contracts and guidance on complaints procedures) were provided less frequently.

- Members of approved trader schemes were more likely to report providing written documentation.

- Sixty-four per cent of consumers initiating home improvement work recalled being provided with a written quotation while 29 per cent recalled being provided with a basic specification. Thirty-four per cent of consumers initiating maintenance or repairs recalled being provided with a written quotation and 13

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20 When comparing business and consumer perspectives, it should be acknowledged that, given the differences in the way questions were asked of the two groups, the results presented in this chapter are not directly comparable.

21 Interview discussion guides were influenced by another study commissioned by OFT: Consumer Law and Business Practice: Drivers of Compliance and non-compliance, June 2010.
per cent with a basic specification. Other documentation (for example detailed specifications, contracts and written complaints procedures) was rarely recalled.

- Twenty-three per cent of consumers initiating home improvements and 56 per cent of those initiating maintenance and repairs said they had received no documentation at all. In general, consumers said they felt uncomfortable requesting a written specification if one had not been provided.

- In the qualitative research, both traders and consumers indicated that clear written documentation, to be provided at the beginning of the project, covering timing, payment schedule and nature of the work could reduce the risk of problems or disputes. However, businesses expressed some reluctance to confirm when work would be completed in writing, due to a perceived loss of flexibility in taking on new jobs.

- Seven in ten businesses reported that work was paid for on completion of the project. Staged payments were sometimes agreed. Full payment in advance was very rarely employed, according to both traders and consumers surveyed.

- The qualitative research found that consumers believed withholding all, or a large proportion, of the payment until the end of the project was the most effective way to ensure work was completed to an acceptable standard.

Documentation: Business Perspectives

5.3 All businesses surveyed were asked which, if any, of the following documents they routinely provided in writing before starting work on a project:

- quotations
basic specifications outlining the work to be undertaken
more detailed specifications and descriptions of the work
contracts including terms and conditions
a written complaints procedure
details of any guarantee or warranty offered.

5.4 Chart 5.1 illustrates the responses received:

Chart 5.1 - Proportion of businesses reporting to routinely provide each type of written documentation before starting work

Which, if any, of the following do you routinely provide for your customers in writing before you start work?

- Quotations: 89%
- Basic specifications: 86%
- More detailed specifications: 64%
- Details of guarantees or warranties offered: 59%
- Contracts: 42%
- Complaints procedures: 27%
- No documents provided: 3%

Base: All businesses (506)

5.5 Trader responses suggested the most commonly supplied documents were written quotations, basic specifications and, to a lesser extent, detailed specifications and details of guarantees or warranties offered. Written contracts were reported as being routinely supplied by less than half of all businesses, while complaints procedures were routinely provided by less than one in three businesses.

5.6 Businesses with between 11 and 49 employees were particularly likely to report providing documentation. For example, 95 per cent of these businesses reported routinely providing a quotation and a specification compared with 81 per cent of businesses with between one and ten employees.
5.7 As discussed in more detail in Chapter 9, 28 per cent of businesses surveyed claimed to belong to some kind of approved trader scheme. Businesses that belonged to approved trader schemes were more likely to have reported providing documentation to customers before starting work. For example, 56 per cent of businesses that were members of approved trader schemes said they provided customers with a written contract, compared with 37 per cent of businesses that were not members of approved trader schemes.

5.8 In the qualitative interviews, traders reported using written specifications most of the time but that contracts were rarely used except in the case of large high value projects or where the customer had requested it. Traders acknowledged the benefit contracts could provide in the event of a dispute with a customer. However, traders also perceived practical barriers around using paperwork and a possible loss of freedom in working practices in using these. For example, they reported often excluding timescales from written specifications and specifically the time it would take for a job to start and finish.

5.9 A number of traders (that did not include larger, national traders and/or those traders who reported using contracts) described this exclusion as intentional and suiting their working practice as it allowed them to move between jobs as needed and avoid turning down business:

‘Builders will never say no to a job and he will stretch himself thinly and he flips from one to another and he’s trying to pacify about four customers at any one time…..’ (Member of approved trader schemes, medium sized business)

Documentation: Consumer Perspectives and comparison

5.10 In the quantitative research consumers were asked whether they had received documents including quotations, basic specifications of the work to be done and contract terms. It should be noted that results

22 For more information about the quotation attributes refer to Annexe F.
are based on respondents' recall and recognition and that, in some cases, the event the consumer was asked about in the survey may have taken place up to two years prior to being interviewed.

5.11 Written quotations were the most commonly provided document according to the consumer survey, followed by basic specifications. Other documents were recalled as being less commonly provided. Twenty-three per cent of consumers initiating home improvements and 56 per cent of those initiating maintenance and repairs said they had received no documentation at all (Chart 5.2).

Chart 5.2 - Proportion of consumers reporting to have been provided with each type of written documentation before starting work

Which, if any, of the following were provided IN WRITING by the supplier you used before they started work?

<table>
<thead>
<tr>
<th>Document Type</th>
<th>Home improvements</th>
<th>Maintenance or repairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quotation</td>
<td>64%</td>
<td>34%</td>
</tr>
<tr>
<td>Basic specification</td>
<td>13%</td>
<td>29%</td>
</tr>
<tr>
<td>More detailed specifications</td>
<td>5%</td>
<td>18%</td>
</tr>
<tr>
<td>Details of guarantee or warranties offered</td>
<td>4%</td>
<td>17%</td>
</tr>
<tr>
<td>Contract</td>
<td>5%</td>
<td>13%</td>
</tr>
<tr>
<td>Complaints procedure</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>No documents provided</td>
<td>23%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Base: All who had a home improvement in the last two years (1,289) or maintenance and repair in the last 12 months (411)

5.12 Documentation was more commonly provided for higher value work. Just four per cent of consumers undertaking work worth £10,000 or more said they did not receive any documentation compared with 58
per cent of consumers undertaking work costing less than £250 (Chart 5.3).[23]

5.13 It was evident, from the comparison of responses from consumers and businesses, that businesses were far more likely to state that they provided certain documents than consumers were to say that they had received them. The difference might reflect, as mentioned above, the time elapsed since the event consumers were asked to talk about occurred. It may also be because consumers were asked about a specific event, while businesses were asked about documentation supplied in relation to all of the work they undertook, with some businesses provided documents for some types of work but not others. This was supported by the in-depth interviews with

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23 Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Chart 5.3 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
traders, which suggested that documents were less commonly provided for low value work).

5.14 Consumers interviewed in the qualitative research believed that it was standard practice for traders to provide some form of written documentation when carrying out home improvement work. When carrying out small repair work, consumers were more accepting that traders may not offer a written quotation. Qualitative consumer research also revealed some confusion between different types of documentation.

5.15 In qualitative research consumers reported feeling uncomfortable about requesting written documentation. There were four underlying attitudes which appeared to give rise to this behaviour:

- At the outset of the project, consumers wanted to be seen to trust the tradesperson and to build a good relationship.

- Consumers thought this might be less important in certain situations (particularly for smaller jobs).

- That getting a written specification would add to the cost of the work:

> 'It [to get written specification] is important, but it costs money [...] if you’re making high demands and specifications that you want on paper, it all costs money.' (Experienced, neutral)

- Consumers were preoccupied with starting work and were not thinking about the contractual considerations.

5.16 Qualitative research revealed relatively few examples of consumers asking the trader to use a written contract. It was more likely that if a consumer did request a contract, they were doing so because they had experienced significant detriment previously, causing them to seek advice from a third party, which meant they were more aware of steps they could take to protect themselves.

Payment structures: Business perceptions
5.17 Businesses surveyed were asked which payment schedules they used when working for consumers. Just over half (54 per cent) used more than one type of payment structure, while the remainder used just one method. Chart 5.4 shows the proportion of businesses using each payment method.

Chart 5.4 - Proportion of businesses using each payment method

When you take on a job, which of the following payment structures do you use? Please tell me as many different ones as apply.

- Payment in full on completion (no deposit) 74%
- Deposit up front, balance on completion 40%
- No deposit, payment in instalments 36%
- Deposit up front and payment in instalments 22%
- Payment in full in advance 3%

Base: All businesses (506)

5.18 The most common method was payment in full, on completion, employed by nearly three quarters of businesses interviewed. This method was more commonly used by micro businesses (76 per cent) compared with small (47 per cent) and medium/large businesses (63 per cent). Three per cent of businesses reported that they required full payment in advance of doing the work in at least some of their work.\

Payment structures: Consumer perspectives

\[24\] Full payment in advance is where consumers are asked to pay in full before their goods have been installed or services completed.
5.19 Consumers surveyed were asked about the payment structure used in relation to the home repairs or improvements work they had undertaken.

5.20 Chart 5.5 shows the proportion of consumers who reported each of these payment structures being used. Consistent with the results from the survey of businesses, the majority of consumers initiating both home improvements and maintenance and repairs said that payment was made in full on completion of the work with no deposit up front.

Chart 5.5 - Proportion of consumers using each payment method
Which of these best describes how you paid for the work?

- Home improvements
- Maintenance or repairs

Base: All who had a home improvement in the last two years (1,269) or maintenance and repair in the last 12 months (411)

5.21 A very small proportion of consumers said that they paid the full amount in advance of the work. There was little variation in consumers reporting payment in advance across different types and costs of work and it was not limited to low value work. Indeed, even in relation to work costing in excess of £10,000, six per cent of consumers said that they had paid for their work via this method.

5.22 Qualitative research highlighted that consumers felt that power imbalances could arise as a consequence of the way that payments were structured. There were examples of consumers experiencing problems towards the end of a project where staged payments were being used.
5.23 This tended to relate to large home improvement projects where traders reportedly moved onto other jobs having received all, or most, of the payment for the project. Consumers said that this either meant that the work was left outstanding, or it took much longer than expected to resolve snags. Therefore, consumers believed that withholding a large proportion of the total cost was critical leverage to ensuring that work was satisfactorily completed:

'It gives you your own guarantee that you’re going to get the work done ... If they have the money up front, or a big chunk of it, they can just walk away. If you hold back money, you can say that you’re not going to get your money until the job is done.' (Experienced, negative)

5.24 However, consumers recognised that traders may require some up-front or earlier payments to cover costs of materials. In addition, they acknowledged that tradespeople may have some concerns over the potential for non-payment.
6 SATISFACTION LEVELS AND EXPERIENCE OF PROBLEMS

6.1 This chapter reports on consumers’ overall assessment of the work done. It looks at levels of satisfaction with the work and the details of any problems that were reported. Where problems were experienced, consumers were asked what action they had taken in response and whether they had suffered any financial detriment. Consumers’ experience of detriment is discussed, including the different types of detriment, the underlying causes and how the experience of detriment impacts on their beliefs and attitudes to home improvement and repairs. The findings presented are drawn from both the quantitative survey and in-depth and focus group discussions with consumers.

6.2 This chapter also examines the key drivers of problems through regression analysis based on the results of the quantitative survey. In particular, the regression analysis sought to answer what types of consumer behaviour seemed to lead to better or worse outcomes when undertaking home improvement and maintenance and repair work.  

| Key findings: |
| Satisfaction and Problems |

- Nine in ten consumers surveyed reported being completely or very satisfied with the work done. Only three per cent reported being dissatisfied with the work.

- Nineteen per cent of consumers initiating home improvements reported having experienced problems with the work. Eight per cent of those initiating maintenance or repairs reported a problem. Problems mainly related to delays, poor quality of work, and use of substandard materials.

25 See Annexe A for details on the regression analysis that was conducted.
Based on regression analysis, it was found that consumers who paid a deposit up front and those who commissioned higher value work were more likely to have reported problems. Consumers aged 55+ and those who chose a trader they had used before were less likely to have reported problems.

While problems might be expected to lead to consumer dissatisfaction, it should be noted that six in ten of those reporting problems still considered themselves to be completely or very satisfied with the work.

Qualitative research suggests there are at least two reasons for the difference between incidence of problems and reported satisfaction levels: a) even when problems occur, prompt and effective resolution can result in overall satisfaction with the outcomes, and b) given sometimes low consumer expectations, satisfaction levels can be achieved even in the presence of below-standards work and service.

Eighteen per cent of consumers surveyed who reported experiencing a problem said that it resulted in financial detriment. One in three reported that the problem could not be easily assessed in money terms.

In addition, the qualitative research highlighted that consumers readily recalled the non-financial impact associated with problems in this market, including stress and emotional distress. It was also evident that even some successful home improvement and repair projects involved upheaval, inconvenience and significant amounts of stress.

**Consumer response to problems**

- Forty-two per cent of consumers surveyed who reported experiencing a problem had asked the company to re-do some or all of the work, while 17 per cent of consumers who reported experiencing a problem raised a complaint directly with the business. Just three per cent contacted a third party (such as a consumer body) about the issue. Three in ten consumers reported that they had not taken any action in response to the problem.
Qualitative research revealed that consumers sometimes lacked confidence or knowledge as to how to raise issues effectively, and this resulted in complaints to traders or contact with consumer bodies being made too late or not at all.

Awareness of third party support was low. Consumers who had contacted Consumer Direct found the information provided helpful where it clarified their legal position and the options they could take. However, consumers did not understand when a problem was severe enough to warrant contacting a third party.

Overall satisfaction with work

6.3 Consumers surveyed were asked how satisfied they were overall with the work carried out. They were asked to think about all aspects of the work, including value for money, professionalism of the trader, quality, sticking to timings and any other aspects that they considered were important.

6.4 Consumers reported high levels of satisfaction with work initiated, with 91 per cent of all those surveyed reporting they were very or completely satisfied (Chart 6.1). Although only three per cent of consumers reported dissatisfaction, sixteen per cent said they had experienced a problem with the work. A detailed discussion of the level and types of problems experienced is included later in this chapter.
Levels of satisfaction remained high across most sub-groups. There were a few notable differences in the proportion of consumers reporting they were completely satisfied, as outlined below. These differences are simple correlations and do not control for other variables and should therefore be considered as indicators only.

- Consumers who initiated maintenance or repair work were more likely to be completely satisfied with all aspects of the work than consumers who initiated home improvement work (83 per cent versus 73 per cent).

- Satisfaction levels decreased as the cost of the work increased. Eighty-six per cent of consumers undertaking work costing less than £250 were completely satisfied compared with 58 per cent undertaking work worth more than £10,000.

- Seventeen per cent of consumers reporting problems were completely satisfied compared with 88 per cent of those reporting
no problems. However, more than eight in ten (85 per cent) of consumers who experienced problems still said they were fairly, very or completely satisfied with the work (Chart 6.2).  

6.6 These sub-group differences imply potential relationships between the type and cost of work and levels of satisfaction. In particular, those who spent more on projects tended to have lower levels of satisfaction. These differences are simple correlations and do not control for other variables so should be interpreted accordingly.

Chart 6.2 – Overall satisfaction with work done by experience of problems

<table>
<thead>
<tr>
<th>No problems</th>
<th>Problems experienced</th>
</tr>
</thead>
<tbody>
<tr>
<td>98% completely or very satisfied</td>
<td>10%</td>
</tr>
<tr>
<td>88%</td>
<td>43%</td>
</tr>
<tr>
<td>17%</td>
<td>6%</td>
</tr>
<tr>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>59% completely or very satisfied</td>
<td></td>
</tr>
</tbody>
</table>

Base: All who experienced no problems (1373) / All who experienced a problem (264)

26 Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Chart 6.2 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).

27 In the 'Problems experienced' bar in Chart 6.2, the individual percentages of consumers completely (17 per cent) or very satisfied (43 per cent) total 59 per cent due to rounding of percentages.
6.7 The qualitative consumer interviews indicated that where problems did arise, if they were dealt with swiftly and effectively, this may not have impacted significantly on overall level of satisfaction with the work. Furthermore, there were clear indications that a certain amount of inconvenience was simply expected, particularly when carrying out large home improvement projects.

6.8 The video diaries showed that when work was being carried out, all the participants found this to be stressful. Some experienced significant levels of emotional detriment in the form of inconvenience, emotional strain, relationship breakdown, the loss of use of parts of the home during the project and enduring inconvenient living situations.

**Overall experience of problems**

**Linkages with Consumer Detriment Survey**

6.9 The OFT's 2008 Consumer Detriment survey examined the incidence of problems across a range of consumer markets. It found that home maintenance and improvement accounted for five per cent of all consumer problems reported, making it the fourth highest market in this respect.

6.10 The Consumer Detriment survey covered a wide range of goods and services but did not analyse any particular market in depth. This report seeks to develop the picture of problem incidence and type in the home repairs and improvement market.

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28 Consumer detriment: Assessing the frequency and impact of consumer problems with goods and services (OFT 992 April 2008).  

29 This includes both home maintenance and improvement and the separate category of glazing products and installation.

30 The only categories with a higher number of problems reported were telecom (eight per cent of total problems), fuel and personal banking (both seven per cent of total problems).
Problems encountered

6.11 Consumers surveyed were asked whether they had encountered any problems with the work they had carried out. They were given no specific definition of what to include as a problem. Instead, they were prompted with a list of common problems and could specify other issues if the problems they experienced did not appear in the list.

6.12 In simple correlation terms, there appeared to be a link between whether problems were reported and the type and cost of the work undertaken (Chart 6.3). Two in ten (19%) consumers who undertook home improvement work reported a problem compared with less than one in ten (8%) consumers who undertook maintenance or repair work. Experience of problems also increased with the cost of the work. It should however be noted that these differences are simple correlations and do not control for other variables so should be interpreted accordingly. The relationship between experience of problems and a range of other factors is explored further in the key driver analysis (see paragraphs 6.15 - 6.21).

31 Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in the ‘cost of work’ bars in Chart 6.3 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
6.13 Chart 6.4 gives an overview of the proportion of consumers experiencing problems for each type of work.\(^{32}\) The type of work with the highest incidence of problems reported was general building work, including, for example, extensions and conversions.

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\(^{32}\) Only types of work undertaken by at least 50 consumers have been included here. The blue bars show home improvement work while the yellow bars show maintenance or repair work.
It is interesting to note that the most common complaint categories observed in the survey closely correspond to those recorded on Consumer Direct\textsuperscript{33}. The most frequent categories of work where complaints were received by Consumer Direct in the period from October 2009 to September 2010 were: central heating, double glazing, other general building work and fitted kitchens\textsuperscript{34}.

**Experience of problems - key driver analysis**

\textsuperscript{33} Consumer Direct is a national helpline designed to provide advice to consumers on consumer issues. It captures complaint data generally. The Consumer Direct data included here does not relate the data to numbers of projects generally undertaken for each type of work. It should also be noted that the Consumer Direct data presented here is only based on Great Britain while the survey data also includes Northern Ireland.

\textsuperscript{34} A full list of categories, including the number of complaints received, the value of detriment reported and the total value of work involved is included in Annexe J.
6.15 To develop a clearer picture of the impact of consumer attitudes and behaviour on the experience of problems, regression analysis was conducted using the quantitative survey data. An advantage of this approach is that the importance of potential drivers of problems can be assessed whilst controlling for other drivers.

6.16 The analysis considered a range of potential drivers that might be expected in theory to influence the experience of problems. This included consumer demographics, what was important to consumers in selecting a trader, the main reasons for choosing the trader they did and features of the transaction such as documents provided and the payment structure used.

6.17 The type of work (home improvement or maintenance and repairs) and cost of work were also included and were ‘forced’ into the model on the basis of the initial correlation analysis that suggested one or both of these would be an important driver. The paragraphs below describe the factors that were associated with problems being experienced.

6.18 Consumers who paid a deposit were more likely to report problems with the work. It has been shown elsewhere in the report (see, for example, paragraph 5.23) that consumers believed that withholding some or all of the payment until the job had been completed was critical leverage to ensuring the work was satisfactorily completed. Paying the full amount on completion (as opposed to paying a deposit up front) was felt to give the consumer a greater level of control and potentially reduce the risk for problems being experienced.

Further details of the logistic regression model built are included in Annexe A.

A separate model was also tested looking at the factors that were associated with satisfaction levels reported with the work. There was found to be a strong association between problems and satisfaction but experience of problems is not the only driver of satisfaction. Other factors, including consumer expectations and whether and how problems are resolved are also likely to be important.
6.19 Those **commissioning higher cost work** were **more likely** to have reported experiencing a problem. Consumers initiating work costing more than £1,000 were significantly more likely to have reported problems compared with those initiating work worth less than £250. This may be linked to higher cost projects being more complex and offering greater potential for things to go wrong. Consumers may also have higher expectations for such projects and so more readily flag issues to arise as 'problems'.

6.20 Consumers **aged between 16 and 34** were **more likely** to have reported problems compared with those aged 55+.\(^{37}\) This is likely to be linked to the likelihood that older consumers would usually have more experience in conducting home improvement projects and so be more familiar with practices designed to make projects run smoothly. It has also be shown in Chapter 4 that older consumers are more likely to have an existing relationship with traders (through previous use or recommendations), which reduces their risk of choosing a potentially poor quality trader.

6.21 Consumers who said that they choose a trader they had **used before** were **less likely** to have reported problems. This supports the finding above and suggests that those who had an existing relationship with a trader could have more confidence with the quality of work they would deliver. Through previous work they may also have developed an understanding of ways to resolve minor issues or disputes that might reduce the risk of these developing into major problems.

**Types of problems reported**

6.22 The survey also captured types of problems and their frequency. Chart 6.5 shows the proportion of all consumers surveyed experiencing each type of problem. Substandard work emerged as

\(^{37}\) Consumers aged 35-44 and 45-54 appeared to be slightly less likely to have experienced problems compared with those aged 16-34 - but these differences were not significant. The overall trend suggests that as consumers get older the likelihood of them experiencing problems decreases.
the most common problem (six per cent), followed by getting snags or faults sorted out (three per cent) and delays (three per cent).\

**Chart 6.5: Proportion of consumers experiencing various problems**

<table>
<thead>
<tr>
<th>What problems, if any, did you encounter with the work you had carried out?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substandard work - faults with work, things needed to be done again, etc</td>
</tr>
<tr>
<td>Problems getting snags or faults sorted out after initial work</td>
</tr>
<tr>
<td>Delays</td>
</tr>
<tr>
<td>Substandard goods - fittings not of adequate quality or already damaged when they arrived</td>
</tr>
<tr>
<td>Problems with plans/specifications - for example not clear/mistakes</td>
</tr>
<tr>
<td>Wrong goods delivered - fixtures or fittings delivered were wrong type, colour, etc</td>
</tr>
<tr>
<td>Cost was higher than expected - additions to agreed price</td>
</tr>
<tr>
<td>Trader did not do what they agreed - results didn't match descriptions</td>
</tr>
<tr>
<td>Knock-on inconvenience or damage</td>
</tr>
<tr>
<td>Other problems</td>
</tr>
</tbody>
</table>

Base: All who had a home improvement in the last two years or maintenance and repair in the last 12 months (1,680)

6.23 The qualitative research uncovered examples of these problems and consumer experience of them is covered later in this chapter.

**Experience of financial detriment**

6.24 Consumers surveyed that had experienced problems were asked to estimate the total value of any financial detriment they had incurred as a result of the problem. They were asked to include the costs of

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38 Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Chart 6.5 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
putting things right at their own expense and any other losses but to exclude anything they had been fully compensated for.

6.25 Three per cent of all consumers surveyed and 18 per cent of those who experienced problems reported some financial detriment. Most consumers who experienced a problem said it was not a problem that could be easily assessed in money terms (33 per cent) or that they suffered no financial loss (40 per cent). Other forms of detriment are explored in the qualitative research findings, discussed later in this chapter.

6.26 Among those consumers who reported financial detriment, a small number reported very high levels. Two consumers experienced between £2,000 and £5,000 worth of detriment and a further two experienced more than £5,000 worth of detriment.\textsuperscript{39} Table 6.6 shows the breakdown of financial detriment reported.\textsuperscript{40}

\textsuperscript{39} All of these consumers had undertaken high value work. Three of them said that the total value of the work done was more than £10,000 and the other one said it was between £1,000 and £5,000.

\textsuperscript{40} Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Table 6.6 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
Causes and experience of detriment

6.27 The qualitative research largely focused on consumers who had experienced a problem which they had contacted Consumer Direct about for advice. In each interview, the consumer’s experience was explored thoroughly and results were used to test theories about the way consumers are affected by detriment and why.

6.28 When consumers experienced severe detriment, they readily attributed the cause to specific actions taken by the trader. For example, where traders damaged items, refused to address any snagging issues or left the project unfinished.

6.29 Qualitative interviews suggested that consumer's own beliefs and behaviours also influenced their experience of detriment. However, consumers were often oblivious to or unaware of these influences. Instead, they focused their attention on specific mistakes made or actions taken by the trader.

6.30 The iceberg model below illustrates the relationship between consumers’ experience of detriment and their beliefs and behaviours. The model shows how consumer belief systems can affect and feed
into unhelpful consumer behaviours which in turn interact with unhelpful trader behaviours. As a result consumers may perceive an imbalance of power, a key cause of emotional detriment, leaving them feeling vulnerable and reinforcing existing belief systems, thus coming full circle. This process, often continuous, is interpreted as the cycle of detriment (for more information about the model see Annexe H).

Diagram 6.7: The iceberg model of detriment

6.31 Using an example of unacceptable trader behaviour such as causing damage to property, working through the cycle it can be seen that this could influence the consumer’s beliefs (for example, the perception that the trader does not respect their property). This in turn may prompt the consumer to adopt unhelpful behaviours, such as restricting the trader’s access to their home or more implicitly causing suspicion. In the absence of clear communication of concerns, the trader may continue the unhelpful behaviour or not address it.

6.32 In the interviews conducted, the cycle seemed to reinforce a belief system at a deeper level, which positioned the consumer as the passive party. Their belief system in turn determined their behaviours, in that consumers lacked the confidence to question or challenge traders.
Impact of detriment

6.33 The stress and inconvenience of a typical home improvement was considered detrimental, regardless of whether problems occurred. As indicated previously, 33 per cent of consumers who reported a problem in the quantitative survey said the detriment could not be easily assessed in money terms.

6.34 The qualitative research uncovered various short and long term impacts of detriment. Consumers were more likely to be conscious of and complain about short term impacts such as:

- Being unable to use cooking, central heating and sanitary facilities due to extreme delays.
- Spending more time than expected arranging work, allowing access to the property and dealing with problems, particularly when it was necessary to take time off work to do so.
- Experiencing distress and worry, particularly where problems arose and arguing with trades people.

6.35 Financial detriment did not feature within the quantitative or the qualitative research as significantly as other types of impact. Within the qualitative journey mapping, consumers often forgot to mention and then dismissed any out of pocket expenses and instead wanted to talk about the emotional distress and the impact of this on their health, wellbeing and relationships.

6.36 The qualitative research highlighted that deeper and longer term impacts of detriment were fairly evident amongst those that had experienced more than one project that had been unsuccessful. These included:

- A resistance to undertaking further projects altogether or avoiding using traders and resorting to DIY.

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41 See Annexe G for case study examples of consumers’ experience of detriment.
• A resistance to using certain types of traders, for example smaller or larger ones, depending on their most recent experience.

• A reinforcement of consumers’ existing negative beliefs about home improvement and repairs:
  - all traders being seen as rogue traders
  - all home improvement projects being problematic
  - feeling vulnerable to detriment arising from home improvement as well as being a target for other crime such as burglary.

(See Annexe G for case study examples of consumers’ experience of detriment).

**Action taken in response to problems**

6.37 The quantitative research asked all those who reported a problem what action, if any, they took to resolve it. Two thirds of consumers said they took some form of action. Chart 6.8 shows the range of actions taken.\(^{42}\)

6.38 The most common response was to ask the company to re-do some or all of the work (42 per cent) and the second most common to complain to the company (17 per cent). Other actions, such as requesting compensation or complaining to a third party were much less frequently reported.

\(^{42}\) Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Chart 6.8 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
Consumers generally had a limited awareness and understanding of who to complain to when experiencing problems. They were aware of Trading Standards Services, Which? and Watchdog as possible avenues, whilst awareness of Consumer Direct was low.

Consumers believed that Trading Standards Services had powers to enforce consumer rights and penalise traders for unlawful practices but considered the level of detriment experienced would need to be very severe to warrant making an approach to them. Where consumers had contacted Trading Standards, they had done so as a last resort, when their relationship with the trader had entirely broken down.

‘They seem to have a bit of clout behind them […] I’ve only ever used Trading Standards to threaten people.’ (Older, more experienced)

Contacting Consumer Direct or Trading Standards helped consumers understand their rights and the options available to them. Consumers said this helped them to communicate with traders at a time when they felt highly distressed. They also said they wished they had
sought advice sooner but had not been aware of these services or deemed them only for major disputes:

'I'd have been lost without trading standards, I don't know what I would have done, I'd be tearing my hair out [...] I might've gone in there less thoughtful that it can be resolved. I might've gone in there a bit more wired and a bit more upset and ended up creating problems [...] I might've been more angry and more upset because I would have been more stressed because I didn't know what my rights were.'
(Inexperienced, complainant)
7 EXPERIENCE AND RESOLUTION OF PROBLEMS AMONG BUSINESSES

7.1 This section deals with some of the key problems reported by businesses and how they deal with these issues. It draws on findings from the quantitative survey and in-depth interviews with traders.

7.2 A comparison between problems experienced by consumers and those reported by businesses is included in this chapter. The second half of the chapter focuses on problem and complaint resolution, with the aim of providing useful insight as to how this can be improved.

Key findings:

- Seven in ten traders said that their customers had raised a problem about their work in the last 12 months, with the most common areas of problems being: higher than expected cost due to additions to the agreed price (38 per cent), delays in completion of the work (34 per cent) and use of faulty materials and fittings (32 per cent).

- In the qualitative interviews, businesses considered issues raised by consumers only as 'complaints' in those cases where, after the job had been completed, no resolution had been achieved to the satisfaction of the consumer.

- Traders also generally considered that consumers were more likely to raise concerns or express their dissatisfaction towards the end of a project or after the work had been completed. While businesses considered the final invoice as signifying the completion of their work, consumers saw it as an opportunity to review work and raise any problems. This, in turn, represented a potential area of conflict.

- Qualitative discussions with businesses highlighted that they felt consumers were more likely to mention dissatisfaction towards the end of the work or after the work had been completed.

- Businesses reported a variety of practices in their complaint handling procedures. Some businesses reported providing written complaint procedures to consumers and having systems
to identify, log and record complaints. This tended to be more common among medium or large businesses and those who were members of approved trader schemes. Many businesses did not have written procedures or systems for handling and recording complaints.

Experience of problems

7.3 Surveyed businesses were presented with a list of possible problems and asked which, if any, had been raised about their work by their customers in the last 12 months. They could also specify other problems if these did not appear in the list.

7.4 Seven in ten (71 per cent) businesses reported that at least one problem about their work had been raised by their customers in the last 12 months.

7.5 Unsurprisingly (given the way in which the questions were asked), there was a relationship between size of business, volume of work undertaken and the extent to which they reported incidents of consumers raising problems. Larger businesses and those with a bigger workload were more likely to report problems: almost all businesses undertaking at least 50 projects in a typical month reported at least one type of problem raised by their customers in the last 12 months (99 per cent).

7.6 Chart 7.1 shows the range of problems raised by customers and the proportion of businesses reporting each type of problem. The most

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43 They were asked to include issues raised both about work they had carried out and work carried out on their behalf by subcontractors.

44 Businesses were asked to recall problems raised in the last twelve months. In the qualitative interviews with businesses some reported having a system to log and record complaints, but many did not have one. Therefore some traders may have been better placed than others to accurately report on the complaints they have received over 12 months.
frequently raised consumer concerns related to the cost of work being higher than expected, delays and problems with materials.

Chart 7.1 – Problems reported by businesses

I’m now going to read out a list of potential problems some of your DOMESTIC CUSTOMERS may have raised about your work or work carried out on your behalf by sub-contractors. Please can you tell me which, if any of these, your business has experienced in the last 12 months?

<table>
<thead>
<tr>
<th>Problem Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost being higher than expected due to additions to agreed price</td>
<td>38%</td>
</tr>
<tr>
<td>Delays</td>
<td>34%</td>
</tr>
<tr>
<td>Fixtures, fittings or other materials not being of adequate quality or already damaged when they got to consumer</td>
<td>32%</td>
</tr>
<tr>
<td>Wrong fixtures, fittings or other materials being delivered to the consumer</td>
<td>23%</td>
</tr>
<tr>
<td>Faults with work that meant that things needed to be done again</td>
<td>20%</td>
</tr>
<tr>
<td>Problems with plans and specification, for example being unclear or including mistakes</td>
<td>17%</td>
</tr>
<tr>
<td>Disagreements over whether what was done matched the spec/descriptions</td>
<td>12%</td>
</tr>
<tr>
<td>Cost being higher than expected due to no firm price being agreed in advance</td>
<td>12%</td>
</tr>
<tr>
<td>Problems getting snags or faults sorted out after initial work</td>
<td>10%</td>
</tr>
<tr>
<td>Knock-on inconvenience or damage such as damage to carpets or water being cut-off unexpectedly</td>
<td>9%</td>
</tr>
<tr>
<td>Complaints about customer service</td>
<td>3%</td>
</tr>
<tr>
<td>Other problems</td>
<td>2%</td>
</tr>
<tr>
<td><strong>ALL WITH PROBLEMS</strong></td>
<td><strong>71%</strong></td>
</tr>
<tr>
<td><strong>ALL WITH NO PROBLEMS</strong></td>
<td><strong>27%</strong></td>
</tr>
</tbody>
</table>

Base: All businesses (500)

Chart 7.2 compares problems reported by businesses and consumers. Results are based on businesses who reported at least one type of problem as being raised by their customers in the last 12 months and consumers who had experienced at least one problem in relation to the work they initiated. The chart is illustrative of differences and similarities in how consumers and businesses perceive and categorise problems.

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45 See chapter 6 for a fuller discussion of problems experienced by consumers.

46 It should be noted that there were differences in wording of questions and response categories between the two groups and so the comparison should be treated with caution.
7.8 The type of problem most often reported by consumers was faults with work. Businesses most often reported costs being higher than expected due to additions to the agreed price. This may reflect business perceptions that complaints relate to consumers’ concerns about price, while the same problem might be viewed by the consumer as an issue of faults with work. See paragraphs 7.11 to 7.14 below for further detail of differences in perceptions between consumers and businesses which emerged in the qualitative interviews.

Complaint handling and dispute resolution

47 Differences between consumers initiating home improvements and those initiating maintenance and repairs are not included in Chart 7.2 due to sample size limitations. Results presented are based on the combined sample of consumers surveyed (i.e. undertaking both types of work).
Complaint handling and dispute resolution was discussed with businesses in the qualitative interviews. Businesses reported that consumer complaints could be made in a number of ways, including directly to the tradesperson working in the home (this could be a subcontractor), to the head office or senior person within the business or to a third party. A consumer may choose to use all three channels simultaneously or consecutively.

All of the traders interviewed during the qualitative stage of the research expressed their intention to put right any problems highlighted by their customers while they were working on a job.

Often traders did not identify and label problems customers raised while they were working on a job as complaints. For example, one trader referred to these as 'observations'. Traders were more likely to label as complaints:

- problems consumers raised when the trader was no longer working on a job
- problems consumers put in writing to the business
- problems consumers reported to third parties
- problems that could not be resolved by the offer of a discount or other compromise.

Businesses were keen for problems to be brought to their attention during the project rather than afterwards. More specifically, businesses raised concerns about complaints they received after they had stopped working on a job:

- At the stage they received complaints it might be impractical to sort out the problem or too late to rectify it at reasonable cost (to the trader).
- They felt complaints were not genuine and resulted from customers finding it difficult to pay.

‘They always complain when the invoice comes through... they try to put off the payment.... We sometimes knock
something off so they will pay immediately.’ (Member of approved trader scheme, medium sized business)

7.13 Businesses viewed a project as being finished on their last day of working on site. This was a potential area of conflict with customers, as there seemed to be a difference between what businesses and consumers perceived to be the end of the project. Consumers appreciated a period of time after the work had finished, allowing them to assess the work and use any newly fitted appliances or facilities. Consumers did not view the project as complete until they had raised and resolved any outstanding issues and paid any final invoices.

7.14 In some instances, to ensure they received the final payment and to keep their good reputation, businesses interviewed as part of the qualitative research reported offering a discount or extra work to a dissatisfied customer, even if they felt the complaint was unfair.

Approaches to complaint handling

7.15 In the quantitative survey, larger businesses were more likely to report routinely providing written complaint procedures to consumers before work started. Twenty-two per cent of micro businesses said they routinely provided a written complaints procedure in advance of work, compared with 57 per cent of small businesses and 64 per cent of medium or large businesses.

7.16 Businesses that were members of approved trader schemes were also more likely to provide a written complaints procedure compared with non-members (45 per cent compared with 19 per cent).

7.17 Traders who mentioned providing written complaint procedures before work started felt this provided benefits to them, particularly by encouraging consumers to use a single, consistent point of contact for complaints.

'This is really useful for us, it provides us with some form of protection, because everything is written down, it’s all there and clear…. rather than relying on word of mouth where things can get confused or forgotten.’ (Unaware of approved trader schemes, medium sized business)
7.18 In the qualitative interviews larger businesses and members of approved trader schemes were also more likely to report having a system to log and record problems or complaints. However many businesses did not have a system of this sort.

7.19 Most businesses said that they dealt with each problem individually, tailoring the resolution to the situation. There were some slight differences across the sample in terms of the strategy businesses employed. The approach most often reported by traders, as being what they did in most cases, was to investigate the cause of the complaint by a site visit to examine the work.

7.20 Small, medium and large businesses all reported using staff with particular customer service skills to resolve complaints. Some larger businesses employed specialist staff solely to deal with complaints, while smaller businesses sometimes had a senior member of staff with good customer service skills who could become involved in dealing with customer complaints.

**Consumer legislation**

7.21 In the qualitative interviews businesses were asked about consumer legislation. Most reported having a basic understanding of it but felt they lacked confidence in their knowledge and said they deferred to the customer in many instances. Businesses believed that their statutory responsibilities involved:

- doing a job properly and putting right a mistake or poor quality work
- abiding by the rules of competent persons schemes.\(^{48}\)

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\(^{48}\) Competent persons schemes are schemes authorised under the Building Regulations, whose members are judged sufficiently competent to permit them to self-certify that their work complies with the applicable requirements. Only the Gas Safe Register is compulsory. For traders engaging in other types of work covered by the Building Regulations.
'The customer has the right for us to come back and fix the job' (Aware of approved trader schemes, medium sized business)

'I work on the principle that customer is always right'
(Unaware of approved trader schemes, small sized business)

7.22 Larger, national traders acknowledged the complexity of consumer law and had started to provide staff training to build understanding of the law and to increase confidence in dealing with complaints. Other traders felt able to rely on legal advisors to handle difficult situations, if the need arose.

Regulations, it is not compulsory to join a competent persons scheme, but if they do not their work must be certified by local authority Building Control or an Approved Inspector.
8 BARRIERS TO TRADERS PROVIDING GOOD QUALITY SERVICE

8.1 The research explored the main barriers to delivering good service to consumers from the point of view of businesses. The results presented in this chapter are intended to highlight a number of perceived issues in the home improvements, maintenance and repairs market, looking at the impact these have on the way businesses behave and how this in turn reflects on the market as a whole. A number of potential ways these barriers might be overcome are also included.

8.2 The chapter draws both on findings from the quantitative survey and in-depth interviews with traders.

Key findings:

- When asked about the challenges to providing a good quality service, the most frequently cited factor by traders was ‘undercutting by poor quality or rogue traders’. Other commonly mentioned issues included fluctuations in workload resulting in competing demands on traders’ time, cash flow problems and lack of personnel with the right skills.

- Qualitative interviews revealed that consumers and businesses held different expectations in relation to the work to be done, how it is to be carried out and how to communicate with each other. In this respect, a lack of communication increased the possibility that relatively minor differences, if unresolved, escalated into major disputes.

- Consumers and traders both reported that agreeing specifications clearly in writing, and the provision of guidance (by the trader to the consumer) on how to raise issues, could help to reduce the risk of major disputes.

Barriers to delivering high quality work
8.3 All businesses surveyed were presented with a list of eight potential issues they may have faced in delivering their work. The issues identified were informed by the insights provided by earlier stages of research and included business pressures (such as cash flow problems) and other issues (such as poor quality work done by subcontractors). For each issue businesses were asked how much of a problem they felt it was to them in terms of delivering their service to the highest quality.

8.4 Chart 8.1 shows the proportion of businesses who reported these issues to be a very big problem and fairly big problem.

**Chart 8.1 – Proportions of businesses seeing each issue as a very big problem and fairly big problem**

I'm now going to read out a list of potential issues you may face in delivering your work. For each of these can you tell me how much of a problem you think each of these is in terms of delivering your service to the highest quality?

<table>
<thead>
<tr>
<th>Issue</th>
<th>Very big problem</th>
<th>Fairly big problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undercutting by poor quality or rogue traders</td>
<td>37%</td>
<td>30%</td>
</tr>
<tr>
<td>Variations in the level of work</td>
<td>18%</td>
<td>36%</td>
</tr>
<tr>
<td>Cash flow problems</td>
<td>14%</td>
<td>27%</td>
</tr>
<tr>
<td>Problems recruiting people with the right skills</td>
<td>15%</td>
<td>24%</td>
</tr>
<tr>
<td>Duties placed upon your business by consumer law being unclear/hard to understand</td>
<td>11%</td>
<td>23%</td>
</tr>
<tr>
<td>The customer having unrealistic or impractical expectations</td>
<td>8%</td>
<td>22%</td>
</tr>
<tr>
<td>Mistakes or poor quality work done by subcontractors</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>Suppliers providing incorrect materials and fittings</td>
<td>8%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Base: All businesses (506)

8.5 'Undercutting by poor quality or rogue traders' was the most commonly cited problem. Most types and sizes of businesses saw this as a problem, though micro-businesses were more likely to see it as a very big problem (38 per cent, compared with 31 per cent of small businesses and 28 per cent of medium/large businesses).

8.6 The next biggest issue, ‘variations in the level of work’, was also more likely to be reported by micro-businesses (57 per cent, compared with
50 per cent of small businesses and 42 per cent of large businesses). Businesses that undertook between one and nine projects per month were more likely to see variations in workload as a problem (59 per cent compared with 47 per cent undertaking ten or more projects per month).

8.7 The issues that businesses were least likely to see as problems were mistakes or poor quality work done by subcontractors and suppliers providing incorrect materials and fittings.

8.8 More than half (57 per cent) of businesses felt that at least one of these issues was a very big problem in delivering their service to the highest quality. At this overall level there were few notable differences in the propensity of different sizes and types of businesses to cite at least one issue as a very big problem. One notable difference that does stand out, however, was that businesses that had been in operation for less than five years were significantly more likely to cite at least one issue as a very big problem, compared with businesses that had been in operation for longer than this (73 per cent versus 51 per cent). This perhaps suggests that more established businesses have been able to adapt more successfully to meeting the challenges to providing their service to the highest quality whereas new businesses may need greater support.

8.9 Qualitative trader interviews uncovered a number of additional consumer and business behaviours that were perceived as having the potential to hinder the quality of the work and also some trader behaviours that could help overcome these. These are discussed below.

**Consumer behaviours as barriers**

8.10 During in-depth interviews, businesses identified a number of consumer behaviours that they considered potentially unhelpful. Notably, some of these did necessarily reflect the general areas of ‘problems’ experienced by businesses in their day to day work as reported in Chart 8.1 above:

- complaining at the invoice stage when the business may find it more difficult to resolve the problems
• changing specifications or requesting extra work without acknowledging additional costs this may incur

• withholding payments or asking for a discount when the business considers it has resolved the problem.

8.11 Interviews with businesses also revealed other areas for potential miscommunication and misunderstanding. For example, some traders considered that customers were not always able to clearly articulate what they wanted at the start of a job. They also referred to the challenges that could be faced where customers changed their mind about what they wanted during the work.

8.12 Traders reported views that consumers lacked knowledge about how to choose a trader and they believed consumers often made poor decisions driven by price. They considered this increased the potential for problems and detriment:

‘Customers are unaware about the different criteria, checks, accreditations that they should be looking for in a trader. They tend to pick the cheapest quote without realising that they risk a less professional service.’ (Member of approved trader scheme, medium sized business)

Trader behaviours as barriers

8.13 In the qualitative research traders were reluctant to consider their own behaviour as hindering good quality work. They did, however, reflect on the behaviour of (other) traders and felt that the following behaviours undermined the provision of a good quality service:

• causing the customer inconvenience, such as not being punctual for appointments or when work begins

• not being sensitive to the customer’s home and family situation and needs, the perception being that traders tailored their work to the size and type of job rather than to the customer

• Providing no or vague specifications leading to a lack of clarity in what work was being done and how it was going to be carried out.
External challenges as barriers

8.14 Traders reported a recent decline in workload as providing a challenge. This confirms the outlook reported by The Federation of Master Builders in their quarter three report.\footnote{Federation of Master Builders: State of Trade Survey (Q3, 2010). \url{http://www.fmb.org.uk/information-and-help/publications/state-of-trade-survey/?entryid24=209722}} They referred to the following perceived trends:

- consumers resorting to doing the work themselves (DIY)
- traders being able to offer cheaper quotes (through using foreign workers)
- traders that were non-VAT registered or willing to accept payment ‘cash in hand’.

8.15 Alongside the economic downturn, the VAT rise\footnote{VAT rates rose from 17.5% to 20% on 1 January 2011.} was said to be having a significant effect on business and some traders reported reducing staff numbers as a result. They also alluded to the possible impact of economic pressures resulting in consumers changing priorities for cost over quality.

Enablers to proving a good quality service

8.16 Traders identified, in the in-depth interviews, a number of enablers to help ensure quality. These included:

- Using quality standards.
- Always using written specifications.

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\footnote{VAT rates rose from 17.5% to 20% on 1 January 2011.}
- Establishing good customer relationships early on and not making assumptions about the customers' needs and specifically, their need for information about the work.

- Establishing ground rules with the customer about what they need and house rules.

- Using supervisors to check work.

- Using customer satisfaction systems (for instance, traders connected to the glazing industry or larger, national traders were using these consistently to get feedback from customers).

- Providing the customer with clear guidance on complaints and ethics and information for the customer about what to do during the work. The provision of this information in written format, undertaken by some traders, was deemed as very important in terms of providing reassurance to customers.

- Having a clear complaint system and one point of contact for the management of complaints.
9 TRADE ASSOCIATIONS AND APPROVED TRADER SCHEMES

9.1 This chapter begins with a brief description of what is meant by approved trader schemes and of some of the main types of schemes in the sector and their features. It also sets out the OFT’s objective in looking at approved trader schemes. The chapter then includes findings on membership of trade associations and professional bodies. This is followed by a more detailed discussion of awareness, membership and perceptions of approved trader schemes. A segmentation of businesses is included at the end of the chapter based on their behaviour and views in relation to approved trader schemes.

Key findings:

- More than four in ten (43 per cent) traders reported being a member of a trade association.
- Over a quarter of businesses (28 per cent) reported being members of approved trader schemes.\(^{51}\) Eight per cent of businesses said that they were members of local authority approved trader schemes and 22 per cent of other schemes.
- Overall, 85 per cent businesses said they were aware, in general terms, of approved trader schemes. However, qualitative interviews with traders revealed considerable confusion about the differences between schemes, even amongst scheme members.
- Traders mentioned a variety of reasons for not joining an approved trader scheme in both the quantitative survey and the

\(^{51}\) For the purpose of this research, ‘approved trader schemes’ include schemes that businesses can join voluntarily, which aim to raise standards in a business sector and to help consumers find traders that may have been checked in some way. Such schemes might be run by local authorities, other government bodies, trade associations, or on a profit-basis by businesses.
qualitative interviews. Some of the most commonly reported reasons included not seeing how it would benefit their business, a perceived lack of consumer awareness of schemes, feeling approved trader schemes were too expensive and not feeling they needed any more business.

- When asked about the effectiveness of aspects of approved trader schemes, businesses considered the role of schemes in ‘helping businesses gain the trust of consumers’ as the most effective dimension.

- Interviews with businesses identified other features of approved trader schemes as useful in managing their relationship with consumers. These included dispute resolution and redress services, advice on consumer law and the provision of templates for documentation.

- Levels of awareness of approved trader schemes amongst consumers were quite low. However, when consumers were presented with information about the types of services that schemes can offer, they reacted positively, especially on the role of schemes in providing feedback on traders from other consumers.

- Like traders, consumers viewed it as particularly important that approved trader schemes in the sector carry out effective checks on their members, if they are to be judged successful. The type of checks most often picked as most important by consumers were checks for reliability and quality of work. Other checks, such as Criminal Records Bureau checks, were also popular.

- While stakeholders identified increased membership of approved trader schemes as potentially playing a role in driving up industry standards, it was recognised that the value of such a strategy would depend on the scheme under consideration and its characteristics (including requirements for membership). The analysis identified two groups as particularly relevant in terms of ensuring that membership of the schemes was maintained or increased:
9.2 One of the objectives of the research was to collect evidence to support further consideration and assessment by the OFT and its partners about how to increase the success of their existing interventions in the home improvements, maintenance and repairs market. The OFT and many of its partners engage with or operate approved trader schemes within the sector.

9.3 There are a variety of approved trader schemes in the sector. These include approved trader schemes operated by local authority trading standards services, industry-led schemes operated by trade associations or professional bodies and commercial approved trader schemes operated by a business.

9.4 Within this research, the OFT chose to focus on voluntary approved trader schemes which are 'consumer facing'. That is, at least one of their stated aims is connected with setting quality levels\(^\text{52}\) of some sort which may meet consumers' needs and help them to find a reputable trader. Another feature common to all the schemes included as approved trader schemes is that businesses voluntarily join or register.\(^\text{53}\)

\(^{52}\) 'Quality levels' is intended to have a broad meaning in this context. This is used to refer to the whole of the consumer experience including, for example, the quality of the product or service, customer service and after sales care.

\(^{53}\) For this research, the OFT did not limit the definition of approved trader scheme on the basis of who operates the scheme – it included approved trader schemes operated by
9.5 The research has not evaluated schemes in the sector, but it has gathered consumers’ and businesses’ views on features considered useful and what can lead them to look less positively on approved trader schemes.\(^5^4\)

9.6 The main research sampled consumers who have had home improvements, maintenance, or repairs work done. To gain a full picture of consumers’ awareness and attitudes, including consumers who have not had work done, the OFT placed a small number of questions in an additional omnibus survey. Some results of this survey are included in this chapter, and full details can be found in Annexe I.

9.7 What affects the success of approved trader schemes is likely to be different for schemes which are mandatory for specified types of work. To allow meaningful conclusions most of the research focused on voluntary approved trader scheme.\(^5^5\)

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local authority trading standards services, industry bodies or standards setting organisations, and approved trader schemes operated commercially by a business. For this research, the OFT differentiated commercial approved trader schemes from listings and review sites by whether they say they make some form of checks on traders who sign up. See footnote 48 for a definition of competent persons schemes.

\(^5^4\) See paragraphs 9.32 – 9.43 (business views) and 9.44 – 9.58 (consumer views).

\(^5^5\) For example, in the quantitative survey of businesses, the analysis excluded answers relating to the mandatory Gas Safe Register. Where an organisation offered both an
9.8 There are also a variety of other types of scheme or initiatives, relevant to the sector, which were not included in the focus of the research. For the purpose of this research, the OFT took the view that these served a different purpose or operated in a significantly different way from the approved trader schemes. These included:

- review sites and listings sites
- approved contractor lists and pre-vetting schemes
- health and safety assessment schemes
- training boards.

9.9 The questionnaire asked about trade association membership as well as membership of approved trader schemes. Many approved trader schemes are operated by trade associations. Businesses may join an approved trader scheme at the same time as joining a trade association. Asking about membership of both therefore made it easier to explain to traders what was meant by 'approved trader scheme'.

Membership of trade associations and professional bodies

9.10 All businesses surveyed were asked if they were members of any trade associations or professional bodies. Businesses were

approved trader scheme and a competent persons scheme the questionnaire prompted traders to answer regarding whether they were members of the approved trader scheme (for example, asking the trader are they a member of the FENSA TrustMark scheme).

For example, if traders mentioned one of these schemes in answer to a question about their membership of trade associations or approved trader schemes, the analysis excluded this part of their answer.

These include schemes which allow businesses to bid for certain contracts without needing to go through certain checks or vetting each time.

A definition of trade associations and professional bodies was included in the questionnaire (see Annexe D).
prompted with a list of common trade associations. They could also specify other associations or bodies if the one(s) they belonged to did not appear in the list. Overall, including sector specific and general trade associations and professional bodies, 43 per cent of businesses said they were members.

9.11 Businesses with more than five employees were more likely to report being members of a trade association or professional body compared with businesses employing between one and five employees (75% compared with 36%). Businesses with one or two employees were least likely to be members (29%). Businesses with three to five employees were twice as likely as those with one to two employees to be members of a trade association or professional body (57%).

9.12 Membership levels reported varied according to the types of work carried out by the businesses (Chart 9.1). Businesses involved with electrical work were most likely to be members of trade associations.

<table>
<thead>
<tr>
<th>Chart 9.1 – Membership of trade associations by sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of which trade associations and professional bodies, if any, is your business currently a member?</td>
</tr>
</tbody>
</table>

- Electrical: 57%
- Boilers/central heating: 53%
- Glazing, conservatories and external doors: 49%
- Roofing: 45%
- Guttering: 44%
- Adaptations to make more accessible: 44%
- Plumbing: 43%
- Tarmacing/paving: 43%
- Insulation: 42%
- Kitchens: 42%
- Other exterior work: 42%
- General building work: 40%
- Bathrooms: 40%
- Other interior work: 30%
- Damp proofing: 37%
- Decorating: 36%

Approved trader schemes – types of schemes and tools used by schemes
9.13 To aid understanding of the different types\(^{59}\) of approved trader schemes in the home improvements, maintenance and repairs sector, below is an outline of some of the different models of scheme observed in the sector and tools some schemes use.

9.14 Many approved trader schemes operating in the sector are industry-led, self-regulatory schemes. These can be divided into two main models: schemes operated by a single industry or self-regulatory body, and 'umbrella' schemes\(^{60}\) which sit above the individual schemes and which they can apply to join. 'Umbrella' schemes may aim to encourage consistency between schemes and to achieve economies of scale.

9.15 A significant number of local authority trading standards services operate approved trader schemes which traders in the home improvements, maintenance and repairs sector can join. Some are run by an individual trading standards service for one area, while other trading standards services work together to operate a joint scheme\(^{61}\). There are also 'umbrella' schemes which local authority approved trader schemes can join.\(^{62}\)

59 The descriptions of scheme types draws on the model of self-regulatory components in the OFT’s discussion document ‘Business leadership in consumer protection’ (OFT1058)

60 For example, TrustMark, a government endorsed quality mark which has a number of approved scheme operators, including trade associations, local authority trading standards services and other bodies. See [http://www.trustmark.org.uk/](http://www.trustmark.org.uk/) for further details.

61 An example of a scheme which has been adopted by a number of local authority trading standards services is Buy with Confidence. Buy with Confidence was first launched by Hampshire Trading Standards and currently includes over 40 local authorities. See [http://www.buywithconfidence.gov.uk/](http://www.buywithconfidence.gov.uk/) for further details.

62 As well as TrustMark, mentioned above, there is the Local Authority Assured Trader Scheme Network (LAATSN). This is a network of approved trader schemes operated by local authority trading standards services which have common aims and agreed minimum standards. See
Approved trader schemes in the sector employ a variety of methods to achieve consumer facing aims.

Some approved trader schemes carry out checks before a business can join so only businesses which meet certain standards are admitted or registered. In some schemes this might include checks on qualifications, references, samples of work or insurance. Schemes may also carry out checks on past conduct, such as Criminal Records Bureau and financial history checks.

Approved trader schemes may define quality levels which they recommend, expect or require their members to meet. Different ways of doing this could include: technical standards, codes, accreditation or certification of traders as fit to carry out certain work, and guidelines on how to comply with legal requirements or on best practice.

Some approved trader schemes in the sector adopt measures to make sure scheme rules and standards are followed and to resolve problems if they are not. In some schemes this includes advice or training for businesses. Some schemes offer complaint handling, dispute resolution or access to redress schemes to consumers wishing to complain about a member. Schemes may also monitor members’ compliance and deploy sanctions if members perform below standard. Some schemes include proactive regular checks as part of monitoring while others monitor complaint levels.

Awareness of approved trader schemes

In the quantitative survey, businesses were asked whether they had heard of any type of approved trader scheme and whether they had heard of local authority approved trader schemes.£3


£3 Before being asked about approved trader schemes businesses were presented with explanation of what this term meant, the types of organisations and bodies that run
9.21 Overall, 85 per cent of businesses said they were aware of an approved trader scheme, including those run by local authorities and other types of schemes. Almost half (47 per cent) of businesses said they were aware of approved trader schemes run by local authorities.

9.22 Perhaps surprisingly, there was no significant difference in the level of awareness of approved trader schemes between businesses that were members of trade associations or professional bodies (87 per cent) and those that were not (85 per cent).

9.23 In the qualitative interviews, traders were often unclear about the distinctions between different approved trader schemes, and between approved trader schemes and other types of scheme or organisation they could apply to join.

9.24 Many of the traders interviewed, including some members of approved trader schemes, were unfamiliar with the term 'approved trader scheme'. Some members were unsure about, or had forgotten, what the scheme offered, what checks had been done and the cost of membership.

**Membership of approved trader schemes**

9.25 In the quantitative survey businesses were asked if they were members of any approved trader schemes.\(^{64}\)

9.26 Overall, 28 per cent reported being members of approved trader schemes. Eight per cent of all businesses said they were members of an approved trader scheme run by a local authority.

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schemes and the sorts of checks that schemes included. This definition was included to help ensure that businesses did not claim awareness or membership of organisations or bodies that did not operate approved trader schemes. The definition used is included in Annexe B.

\(^{64}\) They were prompted with lists of common schemes and could specify others if the one(s) they belonged to did not appear in the lists.
9.27 Twenty-two per cent said they were members of an approved trader scheme **not** run by a local authority. The schemes most often mentioned were:

- NICEIC, a TrustMark Scheme (7%)
- the Corgi Trades Person Scheme (3%)
- the National Register of Warranted Builders – a TrustMark scheme run by the Federation of Master Builders (3%)
- FENSA – a TrustMark scheme (2%)
- the National Association of Professional Inspectors and Testers (NAPIT) - a TrustMark scheme (2%)
- the Electrical Contractors Association - a TrustMark scheme (2%).

9.28 It may be observed that the schemes most often mentioned by traders tend to be run by organisations which operate, or have operated, a competent persons scheme. It is possible that many businesses join approved trader schemes and trade associations when accessing a competent persons scheme.

9.29 A number of approved trader schemes operate within the framework offered by TrustMark (see above – footnote 60 – for further details). When all TrustMark schemes are combined, 17 per cent of businesses reported being members of a TrustMark approved trader scheme.

9.30 Businesses reporting membership of trade associations or professional bodies were more likely to say they were members of approved trader schemes. Half (50 per cent) of businesses reporting they were members of a trade association or professional body also reported membership of an approved trader scheme. By comparison only eleven per cent of businesses that said they were **not** a member

65 See footnote 48 for an explanation of competent persons schemes.
of a trade association or professional body said they were in an approved trader scheme.

9.31 Reported membership of approved trader schemes also varied based on the types of work businesses engaged in (Chart 9.2). As with membership of trade associations or professional bodies, businesses involved with electrical work were also most likely to belong to approved trader schemes.

Chart 9.2 – Membership of approved trader schemes (local authority or other) by sector

Of which [local authority approved trader schemes / other sorts of approved trader schemes], if any, is your business currently a member?

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical</td>
<td>37%</td>
</tr>
<tr>
<td>Boilers/central heating</td>
<td>33%</td>
</tr>
<tr>
<td>Insulation</td>
<td>30%</td>
</tr>
<tr>
<td>Adaptations to make more accessible</td>
<td>30%</td>
</tr>
<tr>
<td>Plumbing</td>
<td>28%</td>
</tr>
<tr>
<td>Glazing, conservatories and external doors</td>
<td>28%</td>
</tr>
<tr>
<td>Kitchens</td>
<td>26%</td>
</tr>
<tr>
<td>Bathrooms</td>
<td>25%</td>
</tr>
<tr>
<td>Guttering</td>
<td>25%</td>
</tr>
<tr>
<td>Decorating</td>
<td>24%</td>
</tr>
<tr>
<td>Roofing</td>
<td>24%</td>
</tr>
<tr>
<td>General building work</td>
<td>23%</td>
</tr>
<tr>
<td>Other interior work</td>
<td>23%</td>
</tr>
<tr>
<td>Other exterior work</td>
<td>23%</td>
</tr>
<tr>
<td>Damp proofing</td>
<td>22%</td>
</tr>
<tr>
<td>Tarmacing/paving</td>
<td>16%</td>
</tr>
</tbody>
</table>

Base: All businesses working in each sector: electrical (236)/ boilers/central heating (184)/ glazing, conservatories and external doors (148)/ roofing (187)/ guttering (243)/ adaptations (136)/ plumbing (251)/ tarmacing/paving (109)/ insulation (220)/ kitchens (204)/ other exterior work (201)/ general building work (231)/ bathrooms (228)/ other interior work (236)/ damp proofing (110)/ decorating (190)

Perceptions of approved trader schemes

9.32 To gain a sense of how they perceived approved trader schemes, all businesses that were aware of such schemes were presented with five aspects of schemes and asked to rate their effectiveness (Chart 9.3).

9.33 Half or more of traders viewed approved trader schemes as effective for helping businesses gain consumer trust, increasing standards in business practices and raising standards of quality and workmanship.
Approved trader schemes were viewed as being slightly less effective at generating enquiries and sales and driving out rogue traders. The issue of rogue traders was explored further in the qualitative interviews where businesses reported being unconvinced by schemes' ability to reduce numbers of rogue traders. However traders were enthusiastic about anything a scheme could do to distance them from the 'rogue trader' label (see paragraphs 9.40 to 9.41).

Chart 9.3 – Perceived effectiveness of approved trader schemes

I'm now going to ask about your views on the effectiveness of approved trader schemes. For each of the following please tell me how effective you generally think approved trader schemes are.

<table>
<thead>
<tr>
<th>Area</th>
<th>Effective</th>
<th>Ineffective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helping business gain trust of consumers</td>
<td>57%</td>
<td>33%</td>
</tr>
<tr>
<td>Raising standards on businesses practices</td>
<td>52%</td>
<td>37%</td>
</tr>
<tr>
<td>Raising standards on quality and workmanship</td>
<td>50%</td>
<td>42%</td>
</tr>
<tr>
<td>Generating enquiries and sales</td>
<td>45%</td>
<td>43%</td>
</tr>
<tr>
<td>Driving out rogue traders</td>
<td>53%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Base: All businesses aware of approved trader scheme (418)

Perceptions of approved trader schemes differed between members and non-members (Chart 9.4). Members of schemes tended to be more positive than non-members. However, even among non-members a substantial proportion saw the schemes as effective in most of the aspects they were asked about.
Non-members who were aware of approved trader schemes were asked why they were not members (Chart 9.5). The most common reasons given were that they did not see how schemes would benefit their business (22%) and the cost of joining being too expensive (20%).
Traders' reasons for not joining an approved trader scheme were probed in greater detail in the qualitative interviews. Traders reported a variety of concerns, including:

- A lack of consumer awareness of schemes.
- Schemes might be inferior and include poor traders.
- Schemes might be too onerous and restrict the way traders could conduct business. Some smaller traders disliked the idea of being told what to do.
- Joining a scheme might be time consuming. Some smaller traders lacking administrative support raised this concern:

  "There might be a lot of hoops to jump through and it's time that I'm using to get into a scheme which is time I'm not working and earning anything."

(Aware of approved trader schemes, very small sized trader)

These last three points suggest that different businesses have conflicting concerns about approved trader schemes, with some...
taking the view that they are too onerous, while others believe that they are not demanding enough to exclude traders that offer lower quality. The quantitative survey results (Chart 9.5) suggest that there is no clear preponderance of one of these sets of concerns over the other.

9.39 Other reasons traders reported in the qualitative interviews for not joining an approved trader scheme included the following:

- They were already a member of a scheme or trade association other than an approved trader scheme, and this was sufficient for their needs.

- They did not feel the need to generate new business through joining a scheme.

- Certain larger organisations felt they already carried out many of the checks which might be required as part of membership of a scheme.

- They had not yet been invited to join an approved trader scheme. Almost all those who were members of approved trader schemes reported being invited to join the scheme. Some non-members said they were waiting to be asked to join.

**Reasons for membership of approved trader schemes**

9.40 The qualitative interviews explored what had motivated members to join approved trader schemes and what would persuade non-members to join. Traders often mentioned the appeal of distinguishing themselves from poor quality or 'rogue' traders. These traders considered the checks conducted by approved trader schemes sufficiently thorough to spotlight their good practice. Others had joined because they felt that displaying scheme badges or logos emphasised their credibility to customers.

9.41 Traders considered it important that approved trader schemes stand out from other types of scheme and initiative. Therefore, traders identified some promotional activities approved trader schemes could carry out to encourage others to join, including:
• Promoting any regular checks schemes carry out on their members. Some traders referred specifically to the need for checks to include insurance, qualifications and random spot check inspections of work and for the extent of the checks to be promoted to consumers.

‘There’s no benefit to being involved if people don’t know anything about it or what you had to do to get registered.’ (Member of approved trader scheme, medium sized business)

• Promoting the schemes to the general public to generate work.

‘If the public used them, you could guarantee work from it then we would use them.’ (Unaware of approved trader schemes, small sized business)

9.42 Some businesses mentioned the potential benefit of approved trader schemes promoting other information to consumers alongside details of the scheme. This included information to guide consumers when choosing a trader and information about what consumers can do during a project to help achieve a good outcome. Traders felt this kind of information may result in better working environments and better delivery of projects.

9.43 Other useful features of approved trader schemes mentioned in the qualitative interviews with traders included:

• independent third party involvement in dispute resolution

• training in consumer law / consumer rights

• guidance on staged payments

• templates and guidance on using contracts for all types and sizes of projects.

Consumer awareness and perceptions of approved trader schemes
Results in this section are based on the additional consumer survey and the qualitative research with consumers.

Unprompted awareness of organisations which can help consumers find a reputable trader was low. When asked to name any organisations that could offer help to consumers, 51 per cent were unable to bring to mind any organisation. Local authority trading standards services were most often mentioned (by nine per cent).

When prompted with a list of the names of a number of organisations, recall was understandably higher. Forty-one per cent then reported that they had heard of Consumer Direct, and 36 per cent said they had heard of local authority approved trader schemes.

Of consumers who had heard of local authority approved trader schemes, 18 per cent said they thought there was such a scheme covering home improvements and repairs in their area, 67 per cent thought there was not and 15 per cent were not sure. It was not possible to accurately compare these levels of awareness with actual population figures living in areas with local authority approved trader schemes. However, based on cautious estimates, significantly more than the 18 per cent of consumers who were able to say there was a relevant local authority approved trader scheme in their area will actually be in an area covered by such a scheme.

To seek a measure of the level of general consumer approval for approved trader schemes, consumers were asked whether they agreed or disagreed with three statements about why such schemes may be a good idea and three statements about why they may not be.

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See Annexe I for full details. Questions were included in a standard omnibus survey of 1,000 UK adult consumers. The results reported here are from questions which were put to all consumers who said they were solely or jointly responsibility for home improvements, maintenance and repairs, and in addition, regardless of reported responsibilities, any consumers who had considered using or actually used trades people to undertake home improvements, maintenance and repairs work. This gave a base of 687 respondents.
a good idea. Agreement levels in relation to the positive statements were higher than in relation to the negative statements, suggesting a degree of overall support for approved trader schemes provided they deliver certain benefits for consumers and traders.

9.49 Consumers were also asked to choose from a series of lists which features of schemes they considered to be the most important. They were then asked to prioritise the single most important aspect for the success of schemes from all the lists.

9.50 Overall, the aspect of schemes most often chosen by participating consumers as most important to their success was the checks made on participating businesses. Most respondents (68 per cent) selected checks for reliability and quality of work as the most important kind of check which could be carried out.

9.51 Other features which emerged as popular when the results of the questions were combined were: criminal record bureau checks, feedback on traders from other consumers, and operation of schemes by local authority trading standards services.

9.52 The qualitative research explored awareness and attitudes in relation to schemes in greater depth. Consumers in the deliberative group discussions were asked about their awareness and knowledge of approved trader schemes. As with the quantitative results, there was very little unprompted awareness and knowledge of schemes amongst consumers.

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67 See Annexe I for details of the statements.

68 All the lists were closed, so preferences reflect consumers’ views on the options presented.

69 The aspects covered were: Information schemes could provide, checks schemes could make on businesses taking part, rules that would apply to businesses taking part and features of how the scheme was operated.

70 The three types of check included were: Reliability and quality of work, financial history, criminal records bureau.
9.53 During the deliberative groups, descriptions of particular approved trader schemes were shown and talked about by local and national experts. Some participants were surprised they had not heard about approved trader schemes and wished they were better promoted.

‘I’m absolutely staggered that these things exist and I don’t know anything about it…… How are these things being promoted?’ (Younger, less experienced)

9.54 Consumers unaware of approved trader schemes often referred to the need for a database of approved traders and for this to be monitored by a third party.

9.55 Well run approved trader schemes were felt to be an excellent way to find a good trader, particularly for vulnerable groups.

‘If you use (approved trader scheme), it reassures us, because they have sorted the good ones from the bad ones. So it makes you feel that you have security…. that you won’t come across problems.’ (Older, more experienced)

‘The good thing about this is it’s protecting the vulnerable people isn’t it, because they’re the ones that are at risk aren’t they, because we can look round and you sort of have an inkling don’t you, but with older people, it does protect them a little bit.’ (Younger, less experienced)

9.56 Many features of approved trader schemes were felt to be useful and helpful. Specific features that were mentioned as important by participants in the discussion groups were:

- the investigation of complaints by an independent organisation
- random spot checks of traders’ work

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71 Approved trader schemes described to the groups included local authority approved trader schemes and TrustMark schemes. Competent persons schemes were also explained.
- checks on insurance
- criminal records bureau checks on traders
- that the service is free and not for profit
- that the scheme is backed by government.

‘The fact that it’s a government backed initiative kind of drew me to it…. It seems like it’s a trusted site and it’s not for profit.’ (Younger, less experienced)

‘I’d feel secure knowing that there is a complaint system and someone (the scheme) there to get involved if communications broke down.’ (Younger, less experienced)

Some reservations were expressed by consumers about the approved trader schemes and these included:

- how to navigate through the schemes, accreditations, trade associations and logos
- doubts about the quality and frequency of the checks
  ‘You don’t know what all these kite marks or stamps mean, some don’t really mean anything, it might not necessarily be a sign of [a good] standard.’ (Older, more experienced)
- doubts about schemes’ ability sufficiently to monitor all members
- doubts about the legitimacy of customer feedback (if the scheme does not conduct random spot checks)
- that a fee to join may exclude smaller traders
- that a fee to join may result in traders having to mark up their costs.

‘You’re just siphoning out […] the ones that can either afford to do it or the ones […] that take pride in their business enough to go down that road to register, there’s a lot of other good companies out there who either probably don’t know about it
or can't afford it, and then you've still got the cowboys floating around there.' (Younger, less experienced)

9.58 In the additional omnibus survey, of the types of information schemes may provide, the one most often chosen as important was other consumers' feedback on traders. Similarly, a number of consumers who participated in the qualitative research were keen for approved trader schemes to include a way for them to access consumer reviews to see how other consumers rated potential traders.

**Businesses segmentation**

9.59 To gain a more detailed picture of how traders think and act in relation to approved trader schemes, businesses were divided into five groups, based on their awareness, behaviour and perceptions of approved trader schemes:

1. positive members
2. negative members
3. positive non-members
4. negative non-members
5. unaware of schemes.

9.60 Both members and non-members were defined as being positive or negative based on their perceptions of the effectiveness of approved trader schemes. Those judging the schemes to be very effective or fairly effective on at least three of the five aspects are included as positive. Those who rated the schemes as very effective or fairly effective on fewer than three of the five factors are classed as being negative. The negative groups also include businesses that were not able to judge the effectiveness of the schemes.\(^{72}\)

\(^{72}\) For each aspect of approved trader schemes around one in ten businesses said they were not able to judge their effectiveness.
9.61 Chart 9.6 shows the breakdown of the full sample of businesses into these five segments.\(^73\) The segmentation revealed two groups which could be targeted to increase membership:

- Negative members, representing one in ten businesses overall and 35 per cent of current scheme members. These businesses may be at risk of withdrawing from their scheme, if their views on the benefits cannot be improved.

- Positive non-members, the 25 per cent of businesses who are not currently members of an approved trader scheme but have positive perceptions of them. Businesses in this group could be targeted in order to increase scheme membership.

\[\text{Chart 9.6 - Business segments}\]

- 1) Positive members (n = 101)
- 2) Negative members (n = 60)
- 3) Positive non-members (n = 113)
- 4) Negative non-members (n = 144)
- 5) Unaware (n = 88)

Overview of key differences between segments

\[\text{Base: All businesses (506)}\]

\(^73\) Percentages of businesses reported in chart 8.5 are based on weighted data. Numbers of businesses reported in each segment are based on unweighted data.
The key differences between the five segments and the implications of these are described in detail in Annexe E. Included below is a summary table highlighting some of the notable features of businesses in each group.

<table>
<thead>
<tr>
<th>Positive members were:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Larger than other businesses – just 76 per cent of positive members were micro-businesses compared with between 89 per cent and 97 per cent in the four other groups.</td>
</tr>
<tr>
<td>- More likely than others to be involved with electrical work – 55 per cent of positive members worked in this area.</td>
</tr>
<tr>
<td>- More likely to provide all forms of written documentation to customers – 64 per cent reported routinely providing written contracts.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Negative members were:</th>
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</thead>
<tbody>
<tr>
<td>- More likely than positive members to be micro-businesses – 90 per cent of negative members had between one and ten employees.</td>
</tr>
<tr>
<td>- More likely than others to be involved with plumbing work – 56 per cent of negative members worked in this area.</td>
</tr>
<tr>
<td>- More likely than positive members to cite recommendations as a factor in consumers choosing them over their competitors.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Positive non-members were:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- More likely than current scheme members to be micro-businesses (94 per cent compared with 80 per cent). Seven in ten positive non-members had only one or two employees.</td>
</tr>
<tr>
<td>- By far the most likely of all five groups to be new companies – 19 per cent had been in operation for less than three years.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Negative non-members were:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Less likely than all other groups to be trade association members (23 per cent).</td>
</tr>
<tr>
<td>- Most likely to say that they had not joined schemes due to not seeing how they would benefit their business (23 per cent) and seeing them as too expensive to join (19 per cent).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Businesses that were unaware of schemes were:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- More likely than non-members that had heard of schemes to be trade association members (38 per cent compared with 27 per cent).</td>
</tr>
<tr>
<td>- The only segment more likely to see variations in the level of work as a problem than undercutting by poor quality or rogue traders.</td>
</tr>
</tbody>
</table>

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74 Due to small base sizes, not all differences reported between segments are significant at a 95 percent confidence level. These results should, therefore, be treated as indicative only.
10 CONCLUSIONS

10.1 This section draws the report to a close by reviewing the objectives for the research and detailing the methods used to obtain the results. It then considers what the key results illustrate and how to take the subsequent implications forward.

Objectives of the research

10.2 Building on the existing knowledge and experience about the sector, the main objective of this research was to provide the OFT, Trading Standards Services (TSS) and other stakeholders (including in the business and consumer communities) with a better understanding of the home repairs and improvement market, helping them identify areas of special interest from a consumer protection perspective.

10.3 More specifically the research aimed to:

- explore how businesses and consumers behave in this sector and their underlying attitudes and expectations that make them think and act the way they do
- provide a more in-depth understanding of how consumers make their purchase decisions and what factors make these more or less successful
- provide a more in-depth understanding of how businesses operate, and handle key stages of the transactions and membership and views of trade associations and approved trader schemes
- identify ways in which consumer and business behaviours might be changed to reduce the potential for consumer detriment and make the market work more effectively.

Overview of research conducted
Research was conducted among both consumers initiating home improvement and repair work and business involved in this market to provide the perspective of these two key customer groups.

The study started with a development stage that involved consultation with key stakeholders in the market to examine existing views and concerns and to assess priorities for the research.

This stage was followed by a number of strands of quantitative and qualitative research with consumers who initiated work and businesses involved in the home improvement market. This multi-faceted approach allowed for a range of perspectives on the market to be provided and feedback among the customer groups to be communicated in a number of different ways. The research consisted of:

- a face-to-face survey of consumers who had initiated home improvement, maintenance or repair work recently
- a telephone survey among businesses involved in the market
- customer journey mapping depth interviews with consumers who had recently initiated work and had experienced problems
- deliberative discussion groups with consumers who had initiated work
- video diaries from eight consumers who were at the early planning, beginning work or completing work stages of a home improvement project
- telephone depth interviews with traders involved in the market.

Implications of key findings
10.7 The key findings from the research have been included at the beginning of each chapter of the report and are summarised in the Executive Summary (Chapter 1).

10.8 A number of findings suggest that there is scope for improvement in the market with a view to making it operate more effectively. In particular, it should be acknowledged that the process of undertaking work can be extremely stressful for consumers and any negative experiences are likely to impact on their confidence when taking on work in the future. The research suggested that the experience of conducting work might be improved (for both consumers and traders) through increased focus on the following broad areas:

- Ensuring the consumers are better informed about how to find suitable traders to undertake work and stressing the importance of taking time over this stage of the process. The research found that consumers often rushed this stage and some people lacked awareness of how to find reliable traders in their local area. This was particularly the case for younger consumers, those with less experience of undertaking work and people who had recently moved to a new area.

- Encouraging open and frank communication between consumers and traders at the outset of the process to ensure any problems are ‘nipped in the bud’. To help achieve this it is important that written documentation is agreed and provided before work commences so that both parties have a good understanding of the scope of the project and the channels available for addressing problems if they do arise.

- Maximising awareness of approved trader schemes among both traders and consumers. While most traders were aware of schemes there was often confusion about exactly what they provided. The research also revealed the importance of addressing the concerns of traders who currently belong to schemes and to ensure that all traders that want to join schemes can do so easily. Among consumers, awareness levels of schemes was very low. The research did however find that schemes have a great deal of potential to be helpful to consumers. Schemes that can allow consumers to search for local traders, review feedback on traders from other consumers and provide
access to information and advice on consumer rights would be particularly appealing.

Next steps

10.9 The primary aim of this research was to provide the stakeholders involved in the project (including the trading standards community and those involved in running schemes) with a body of evidence that can be taken forward to address concerns in this market and make it operate more effectively in the future. It is hoped that, where possible, the findings of this research can be used to create and support interventions that will improve behaviour and standards in the market.