

News Release

CREDIT CRUNCH BOOM FOR COWBOY BUILDERS

Homeowners struggling to meet the soaring cost of food, fuel and finance could be the perfect prey for cowboy builders, according to new research.

A YouGov survey, commissioned by professional trade body the National Federation of Builders, found that over half (57 per cent) of Britons would risk hiring a cowboy builder to carry out work on their home. Almost two thirds (61 per cent) blamed rising costs of food, fuel and finance for making a VAT-free cash-in-hand deal more appealing.

Federation chief executive Julia Evans said: "With mounting energy bills, food prices and mortgage payments, it is no wonder that consumers are more tempted than ever by a tax-free deal on their building work. As long as the temptation is there, people will be willing to take a risk despite all the warnings."

"But using a cowboy can turn your home improvement dreams to ruin, with many consumers having to pay twice in order to clean up the mess their builder left behind."

The findings, based on the responses of 2,000 adults, have led to fresh calls on the Treasury to reduce the VAT rate on domestic repair and improvement work from 17.5 per cent to 5 per cent. This, says the NFB, would help to level the playing field between the cowboys and bona fide builders and reduce the cash-in-hand temptation.

She added: "Ultimately it's high-time the government reforms the punitive VAT system which allows illegal businesses to flourish at the expense of reputable tax payers.

The NFB says recent studies in France and the Netherlands have showed that cutting VAT reduced rogue trader activity. They were also revenue neutral for the Treasury, as the measures encouraged a greater number of companies operating in the black economy to start paying tax.

Over 100,000 complaints are made about rogue tradesmen each year, according to figures from the Trading Standards.

In a plea to consumers tempted by cash-in-hand deals, Mitch Westwood, who appears as the driveways expert on BBC One's Rogue Traders, said: "I see too many people fall prey to cowboy tradesmen just to save on VAT, with catastrophic results.

"It's easy to think you're getting a good deal but you have no comeback when things go wrong, leaving you to foot the bill for repairs."

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Issued on behalf of the National Federation of Builders by Citypress.

Notes to editors:

- The NFB represents over 1,500 builders and contractors across England and Wales. In addition to providing specialist advice and business services, the Federation, with a network of eight regional offices, lobbies local, national and European government on a range of issues to sustain positive trading conditions for members.
- Members of the public can also search for reputable builders in their area by using the NFB's 'find a builder' search facility. This can be found at the NFB's website - www.builders.org.uk.
- All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1969 adults. Fieldwork was undertaken between 1st - 4th August 2008. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+). Case studies and photography available.