

# Home Repair Rip-Offs

by Nick Gromicko and Rob London

Homeowners have more to worry about than being ripped off by shady contractors in this lagging economy, but such a climate brings desperation -- and with it, sadly, fraud. Of course, the majority of tradesmen are generally honest professionals, but there is a large number of unscrupulous contractors who will fix items that don't need fixing, or grossly overcharge you for services or parts. Worse, there are plenty of con artists posing as tradesmen who will simply take your money and run. Inspectors are often the first ones to uncover such fraud, so they too need to be familiar with its common forms in order to best serve their clients.

Some common home repair scams include:

- roof work. Con artists are known to travel from state to state following natural disasters and looking for victims of storms. Beware of people who suddenly arrive in your neighborhood, offering to fix your roof at a discount. Also, don't trust a roofer who makes an assessment of a leaky roof from the ground without examining it. Very often, the flashing is all that needs to be replaced, even when the tradesman tries to convince you that you need a whole new roof.
- driveway sealers. This time-honored grift has a tradesmen pulling up to your home in his truck and offering to re-seal your driveway using leftover "sealant" from a job "just down the block." The low price is unbelievable, and so is the job. Generally, the sealant is paint or some other cheap, black spray media that will quickly wash away with the next rain.
- termites. Myths that exaggerate the dangers of termites abound, and homeowners can be easily duped into unnecessary treatment. Ask for prices from more than one company and compare their services. Make sure to get a guarantee that covers you in case termites return within a given period of time. Read the guarantee and the rest of the contract carefully before you sign! Be on guard for the following ruses:
  - The exterminator shows you termites on a fence or woodpile that is not connected to your house. If he were competent and honest, he would know that these termites pose no threat to your home.
  - He (but not you) witnesses "evidence." Make the exterminator show you the alleged evidence of the infestation. Termite-damaged wood is hollowed out along the grain, with bits of soil or mud lining the galleries.
  - He offers a free termite inspection, and his motives are questionable to begin with. He may bring the evidence to your house with him.
- chimney sweeps. Beware of any chimney sweep who arrives at your door unannounced, offering to perform his services for a low price. He might say that he's just worked on your



neighbor's chimney, and offer you a suspiciously low price for a sweep. The inspection will uncover "problems" that quickly balloon the price.

- HVAC specialists. The most common HVAC rip-offs are replacing parts that work fine and substituting used parts for new ones. If you get suspicious, ask to see the alleged broken parts before they're replaced, and look at the packaging and documentation for the new parts before they're installed. If possible, have HVAC work performed in the off-season, as it may be significantly cheaper.
- plumbers. Parts cost plumbers only a tiny fraction of the total charge for their services, but some plumbers will still cut corners to boost their profit. They may use plastic or low-grade metal, for instance, or 1/2-inch pipe instead of 3/4-inch pipe. Ask what they are installing and how long the parts will last.
- painters. Some painters agree to use a specific brand of high-quality paint, then pour cheap paint into name-brand cans. Most of the cans the painter brings with him should be sealed when the job is started. If not, ask why. Other painters skimp on the prep work.

Homeowners should heed the following advice whenever they hire a contractor:

- Go to [OverSeeIt.com](http://OverSeeIt.com) to find an InterNACHI inspector who will stop by and make sure your construction project is done right.
- If you are calling a contractor for an estimate and you live in an affluent neighborhood, don't mention your address or phone number until you get the estimate. You can even call a tradesman in a less wealthy town or neighborhood that's nearby, as their price will likely be lower than the going rate in your area.
- Try to negotiate a flat rate if the tradesman has no idea how much the job is going to cost. This is especially helpful in plumbing work, as almost all pipes are hidden behind walls and the job can easily become more complicated than originally planned.
- Ask if the tradesman charges for travel time. If he does, it may be cheaper to choose someone who is closer. Also ask if he charges for time spent traveling to supply stores.
- Know your contractor. Be sure he is licensed, and get a written agreement stating the cost and the work to be performed.
- Beware of any contractor who shows up at your door unannounced or calls you on the phone. Con artists must move every so often to frustrate law enforcement, so they have no fixed address and rely on door-to-door or phone solicitation. For the same reason, their invoices may contain only a P.O. box rather than a street address.
- Always be wary of a contractor who recommends a particular company or individual after "discovering" a problem, as he will probably receive a kickback for the referral, so you cannot trust his advice.
- Beware of a contractor who tries to unnecessarily increase the scope of a project. Also known as an upseller, these people will do the following:
  - not offer you a range of options, including cheaper alternatives or work that is different than what you had anticipated; or
  - use scare tactics to persuade you to take his recommendations.
- Beware of contractors who insist that they are charging you only for what they paid for the materials, if they are, in fact, making a profit on the materials. Material over-charging is unethical if the contractor lies about it.
- Beware of material-swapping, in which the contractor will buy premium products and make you reimburse him, but then he returns the product for something cheaper and of lower quality, and pockets the difference. If you suspect material-swapping, you can uncover the farce at the end of the job by comparing the packaging with the products listed on the receipt.
- Do not give a large down-payment. It may be appropriate to pay a small percentage of the total estimate up front, but if the contractor asks for most (or all) of the money up front, he may be a

con artist. Even if he does return to perform the work, he may botch the job or leave it unfinished, leaving you with little power to contest. And, of course, never pay in cash.

- If you are elderly, be on heightened alert for scammers because you will be targeted more often than your children.

In summary, homeowners and inspectors alike should be wise to the plethora of ways that home repair contractors, or those posing as such, rip off their clients.



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