

VAT RISE SPURS ALARMING WILLINGNESS TO PAY CASH FOR HOME IMPROVEMENTS

Submitted by: The Online PR Company Ltd (MHA Ltd)

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In a stark warning to home improvers this Royal Easter, TV Property Expert Martin Roberts cautions people to “stop paying cash for home improvements”.

Research by “surveyshack” on behalf of Bondpay (<http://www.bondpay.co.uk>) (the new and secure way to pay for home improvements) found that a staggering 64 % of people are willing to pay cash to avoid the January VAT increase, opening them up to the risk of financial loss to rogue traders and encouraging the growth of the informal economy.

Trading Standards estimate that every year cowboy builders and rogue traders fleece some 89,000 UK householders with a conservative estimate of £170m stolen from unsuspecting homeowners.

The findings coincide with the launch of Bondpay (<http://www.bondpay.co.uk>) a new consumer protection scheme – a safe way for people to pay for home improvements - giving peace of mind to homeowners and going some way to stamping out cowboy builders and eliminating financial risk in the HOME improvements sector. The scheme, which is completely free to the consumer, provides a 12-month additional guarantee on all work carried out and as a payment process looks set to revolutionize the way we pay for new kitchens, conservatories, windows, bathrooms and other renovations.

The survey findings published point to the growth of the “informal” economy (people paying cash), the magnitude of the rogue trader problem and underlines the fact that many people are forced to improve rather than move.

- 1/4 of people surveyed have had experience a cowboy builder or rogue trader with the old and young being the most vulnerable. (In London, Yorkshire, North East and Wales a staggering 56% of people over the age of 50 have experienced rogue traders).
- 64% of people would be willing to now pay cash to avoid the recent VAT rise putting themselves at risk of joining those who are fleeced by rogue traders masquerading as professionals, selling anything from roofing repairs, guttering and gardening services to path and driveway work. The VAT issue is a real incentive for homeowners to use builders operating in the informal economy although this often turns out to be false economy and they spend more having to get the project put right.
- 89% of respondents would be more likely to employ a builder who used a Bondpay type scheme - underlining the importance of some kind of consumer protection scheme to protect the homeowner's money until the job is complete.
- 1/3 of people are not doing home improvements in fear of being ripped off.
- 27% have had work carried out they were not happy with!
- 52% have been forced to stay put and improve, not move illustrating an increased need for the use of tradesmen.

Commenting consumer champion Martin Roberts added, “home improvement is not a certain process and unfortunately, some contractors, have given the rest a bad name. Bondpay is exactly what the industry needs – a bulletproof and secure way to pay for home improvements without any risk”.

Bondpay is an Associate Member of Trustmark (<http://www.trustmark.org.uk>) and both manufacturers and trade associations have welcomed its launch.

ENDS

BONDPAY PRESS OFFICE HERE (<http://www.mediawasp.com/bondpay>)

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Notes to editors:

The Bondpay process uses ‘Transpact’ which is registered with the FSA and HMRC. Bondpay is an Associate Member of TrustMark (<http://www.trustmark.org.uk>) – the only government endorsed not-for profit organization, which focuses on protecting the UK Consumer with their Home Improvements. The Kinnell Group, who is one of the largest insurance companies specializing in the building, materials and construction industries, backs the Bondpay scheme. Kinnell has insured over 3.5m UK customers over the last 10 years.