Watch Out for Red Flags When Hiring Contractors

Some of the most common "after-disaster" scams involve auto, home and yard repairs or cleanup. To prevent becoming a victim of a scam, BBB advises watching out for such red flags as high-pressure sales tactics and door-to-door solicitations.

Check out the BBB’s list of Red Flags when hiring a contractor to fix your home or Business:

- **Door-to-door solicitations:** Contractors who attempt to gain business by visiting door-to-door or through “cold calls” may not be with a local, established business, but instead might just be passing through trying to make a quick buck.

- **Materials left over from a previous job:** Be careful if a contractor shows up at your doorstep offering a cut-rate price on a project because they have left-over materials from a recent job – possibly from a neighbor’s house or the house “down the street.” This is a common ploy of fly-by-night operators or handymen who are based out-of-state and use their pickup trucks as their place of business.

- **Obtaining required building permits:** If a contractor asks you to get the required building permits, it could be a sign they are not licensed or registered with proper county or state agencies. A competent contractor will obtain all necessary permits before starting work on a project.

- **Missing contact information:** Be sure to check the contractor’s contact information. At a minimum, require a working phone number and an address and then verify the information with BBB.

- **High-pressure sales tactics:** Consider it a red flag if a contractor offers a great price on the job provided you sign the contract right then and there. A reputable contractor recognizes that consumers need time to consider all the factors involved when deciding which contractor to hire.

- **Upfront or cash-only payment options:** Never pay for the entire project upfront. Those who do often find the contractor never returns to start the work.

- **Borrowing from a specific lender:** Be careful if your contractor suggests you finance a project with a particular lender or through their company. If you do so, do not sign papers in a rush and make sure you read and understand all speculations, particularly the small print. In some cases, consumers signed documents to later find out they had agreed to a home equity loan with a very high interest rate, points and fees. Instead, secure financing on your own by shopping around and comparing loan terms.

Start with Trust. For other trustworthy consumer tips or to find a BBB Accredited contractor, visit www.bbb.org or call 509-455-4200.