



The Fair Trading Commission

PRESS RELEASE

Local Construction Company fined for breach of CPA 2010

A local construction company, KAF Builders has been directed by the Board of Commissioners of the Fair Trading Commission under section 40 (2) (b) of the Consumer Protection Act 2010 (CPA) to refund the full amount of Sr 186,107.50, as agreed by both parties, for failure to perform service in accordance with Section 40 (1) (a) and (b) of the CPA.

A hearing held on July 25th 2012 canvassed the complaint submitted by the complainants where it was alleged that the respondent had fallen foul of their contract and had performed delayed sub standard work. It had been agreed that the house would be completed 6 months after signing the contract. No notice of delay and reasons thereof were ever made known to the complainants.

A total of 5 witnesses including the Bureau of Standards and private consultants were called to give evidence with regards to the quality of work where the Planning Authority also reported the various defects in the work done and that the complainants should consider remedial solutions such as reparation of all the defects or the complete demolition of the house.

During the hearing, the respondent accepted full responsibility for the sub standard incomplete work and also provided to the Board reasons as to why the work had been delayed which revolved around medical circumstances of the respondent.

The Board decided that the respondent should have immediately advised the complainants of his inability to produce the service as agreed upon rather than producing sub standard work and causing a serious inconvenience to the

complainants in relation to the large sums of money that was being disbursed to the respondent for his service.

The Board ordered the payment of costs incurred by the complainant for engaging a private consultant to examine the work that needed to be done to the house and a penalty of 5 % of the total sum of the contract value has been imposed on the Respondent for breaching the CPA and failing in his responsibilities as a Class II contractor.