First Home-Buyers and Renovators Warned on Cash Payment for Higher Discounts

Renovators who fall for the discount for cash line could find that they would have lost any legal right to consumer protection.

With the economic downturn, many people looking for alternative employment or/and extra income tend to double-up as a handyman or contractor providing services for residential buildings. Unfortunately this role sometimes becomes extended into areas well beyond individual skills.

Architect Centre, through its provision of Architects Advice Reports that provide independent advice on building defects and issues and contractual disputes to the homeowners often comes across circumstances where people have paid in advance for home maintenance and renovations. However, many are burned with incomplete works or completed work which is not up to standard – and may lead to additional defects.



Contractors who offer attractive discounts for cash too can also be highly likely to cut corners on other elements of their work by using inferior products or fail to get appropriate permits leaving the customer with the responsibility for illegal building. This in turn can cause the home owner a major problem when selling the home if appropriate documentation cannot be produced. In the worst case scenario, the home owner can face the expensive problem of paying a hefty fine for non-compliance with the Uniform Building By-Laws or being forced to demolish the work by the local council.

Architect Centre recommends its clients to use appropriate qualified and licensed trades people through background checks or from qualified referrals. It is also useful to get at least three quotations and arrange an appropriate contract that clearly states what the job will cost, the standard of materials to be used and an agreed payment schedule before work is completed. Without proof of payment it is almost impossible to hold people to account. Some recent examples in the Klang Valley include:

• an elderly woman who paid RM15,000 to a unlicensed 'friend' to build a new Kitchen, which when completed showed signs of sub-standard building practice;

Extent of kitchen extension



Movement cracks observed at wall joint between extension and original rear wall.

Is the extension approved by the Local Authority codes?



- a newly-wed couple who accepted a RM30,000 quote to rebuild a patio, after they had spent nearly RM65,000 was left with an unfinished and defective building;
- a family who paid over RM200,000 to a contractor (with a restricted license) to build their dream bungalow, who left for overseas without finishing the works and leaving the family with an expensive bill to complete the works.



In the current climate it might seem attractive to some people to pay cash for a cheaper quote. However, in the long run it can turn out to be extremely expensive with legal and compliance costs costing as much as the renovation project.