

Red Flags

Some Possible Warning Signs When Hiring a Contractor

Choosing a Contractor

Especially following a destructive storm, property owners should be cautious when hiring a contractor to do repairs. Most contractors are licensed, reputable, skilled businesspeople. However, there are “red flags” to be aware of. When you see warning signs, you may want to take extra care or avoid working with a particular contractor. See some “good-to-know” items below.

Minnesota License Number. Residential contractors, remodelers, and roofing contractors are generally required to be licensed by the State of Minnesota. The license number should be displayed on company vehicles, business cards, advertising, and contracts. License numbers can be verified by visiting the State of Minnesota Website at <https://secure.doli.state.mn.us/lookup/licensing.aspx> or by calling the local Building Department.

Unsolicited Arrival. After a storm goes through an area, having a contractor arrive at your property unsolicited or in an unmarked vehicle presents a “red flag.”

Pressure. High-pressure or aggressive sales tactics are a warning sign.

Business Contact Information. Failure of a contractor to provide a company name, company address, or company telephone number may be a sign of a “fly-by-night” home improvement scam.

References. Contractors should be willing and able to provide references.

Contracts. Contracts and estimates should be in writing. Refusal to provide written estimates or contracts is a “red flag.”

Discounted Materials. Offering discounted materials can be a “high pressure” tactic of disreputable contractors.

Payments and Down Payments. A reasonable down payment is fine, requiring full or substantial payment upfront is a “red flag.” Some folks suggest withholding the final payment until after the final building inspection passes.

Insurance Deductibles. It is illegal for a contractor to offer to pay an insurance deductible or to offer other inducement to hiring.

Permits. Much repair work, including roofing, siding, and window replacement, requires a building permit and the associated building inspections. A contractor should obtain all permits needed for the proposed work. Be sure a required permit is in place for work on your property and be wary if you are told that you must obtain your own permit. You may call the local Building Department to verify if a permit is needed or if one has already been obtained.

