

Hiring a Contractor



When hiring a contractor, do:

Shop around.

Get a list of competitive bidders from family, friends, neighbours, [the Canadian Home Builders' Association](#), or your local chamber of commerce. Get multiple bids and you'll learn a lot about the contractor's practices in the way they handle themselves through this process.

Check references.

Good contractors have satisfied customers. Ask contractors to provide customer references for projects similar to yours then call these homeowners and ask:

- Was the work done properly, on time, and on budget?
- Was any follow-up work needed, and if so was it done satisfactorily?
- Would you hire the contractor again?

RED FLAG: If the contractor is unwilling to provide references, don't hire them.

Get it in writing.

Having a written contract is essential (even for small projects). A professional contractor always works with a proper, written contract.

Review the bid.

Make sure it includes everything you requested, and be sure to ask as many questions as possible to ensure that you're well informed. Ask that they provide a detailed cost breakdown including a materials list to ensure they meet the level of quality that you are looking for and that it adheres to your budget.

Protect yourself from risks.

The contractor should have and provide you proof of:

- Business Liability Insurance. Provides protection against damages caused by the contractor, or injury to a third party.
- Worker's Compensation coverage. If you hire a contractor who does not have this coverage, you face an increased risk of claims or financial loss if a worker is injured on your project.
- Business Number or HST number. Tells you they are registered with the Government of Canada.
- Get receipts for all deposits and payments.



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- Trade Licences. Certain contractors, including electricians and plumbers, must be licensed with the [NB Department of Public Safety](#).

Ask questions.

By involving yourself and asking questions through every step of the project, not only will you better understand certain steps and procedures of construction and contracting for future projects, but you'll be better able to manage your expectations and those of your contractor.

When hiring a contractor, don't:

Automatically go with the lowest bidder.

Ideally, cheaper is better, but beware of "low ballers". You may save now but it could cost you more in the long run.

Be tempted by a cash discount.

This type of underground economy transaction involves many risks and pitfalls that offset any savings to the homeowner. The contractor may be unlicensed or uninsured, could neglect to get required permits or inspections, or may do poor work and create health and safety problems.

Without a written contract your cash advances are unprotected. An "under the table" cash deal may leave you with no legal recourse if something goes wrong or the work isn't satisfactory, or if the contractor walks off the job. In fact, it makes it difficult to prove the contractor was ever there. After you have paid the contractor, you may even find that materials haven't been paid for or workers haven't been paid - and you are left responsible for the bills.

Pay in full before the work is done.

Ensure the work is completed according to the signed contract before you pay the full amount.

Sign a contract until you are satisfied.

Always review the contract, ask any questions and be sure you fully understand what you are agreeing to before signing any contract.



Other important information to have:

- **Name, address, and telephone number of contractor**
- **When work will start and be completed**
- **How much you will be charged and when you have to pay (including any deposits)**
- **Hold back amounts**
- **Contractor's warranty**

