

Repair Scams After a Natural Disaster

Unfortunately, con artists that purport to be legitimate home repair professionals often seek out victims after a natural disaster has struck. They may put up street signs which advertise their services, or they may knock on doors in neighborhoods where they see the most damage. Learn how you can protect yourself from becoming a victim of these types of scams.

Warning Signs

Many homeowners fall prey to these scams because they are most vulnerable when they have sustained a casualty loss, especially if their property has been severely damaged. The con artist may start a conversation in which they are extremely empathetic and then discuss their experience and knowledge regarding your particular repair issue. They make themselves appear authentic by performing an inspection, assessing the damage and even discussing the necessary steps to fix the problem(s). They might even have what appears to be an authentic business card.

Once these con artists think they have your trust, they will request that you pay for the entire cost of the project in cash right away. They may say the cash is needed to pay contractors or obtain supplies and materials. They may even promise a reduction in total costs to persons willing to pay sooner than later. After the cash is handed over, they usually disappear. At this time the unsuspecting homeowner not only loses a substantial amount of money but must subsequently pay for an actual professional to complete the repair work.

Other con artists may run a more elaborate scam. They may say they are willing to work with your insurance but will want to know what the limits of your policy are. They will then produce an estimate of repairs that match the limit of your policy. They may even offer a kickback of some percentage, but when you get the insurance check, they will insist that you sign it over to them. They might deliver material to your home and even start to work but will eventually disappear without finishing the work or paying their suppliers and subcontractors, who will then seek payment from you and could place claims on your home. If you agree to some sort of kickback scheme, they may later threaten to report you to the police for fraud in order to extort more money.

Protect Yourself

Fortunately, there are certain things you can do to avoid becoming a victim of these scams:

- If you do have insurance for the casualty sustained, first and foremost call your insurance adjuster and wait to get a cost estimate of the damage.
- Request a day or two to review the offer and get references. In the meantime, look into at least two other contractors and compare quotes.
- Review their background with the Better Business Bureau.
- Always get some type of written contract (which outlines what they will do and within what timeframe). Make sure to sign a completed document with no blank areas that can potentially be filled in later and obtain a copy for your records.
- Never pay in cash and only pay a portion of the quote for the entire repair job.
- Only make your final payment once the work has been completed and an independent inspector of your choosing has signed off.
- The safest option is to stick with a local, well-known provider in your area; one that is reliable and that you have used in the past.

So, in summation, how can you avoid these fraudulent activities? Remember it is important to be cautious and thorough. Be leery of door-to-door salesmen that offer extensive discounts and do not trust contractors that pressure you to make a decision without taking time to think it over. Be especially careful if a so-called professional is seeming to play on your emotions.

Resource

- Federal Trade Commission - Consumer Information: www.consumer.ftc.gov/features/feature-0023-weather-emergencies

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