

Dear sirs,

Having read your concerns regarding the withholding of retentions in the construction industry, surely the government knows what has become common practice in construction. but, it goes much deeper and far more sinister than this.

The big companies have taken this a step further. They no longer build in a profit margin when tendering for work, crazy ?, well this is what they now do.

They tender for a project at cost price, which is great for the client, but then they make their profit on what sub-contractors they can defraud of payment when they have completed their sub-contract work.

These sub-contractors are often small family businesses who have not the financial clout to take on the big companies, so lose the money they have invested in the project, and often lose their home and their family, and no doubt some take their own lives.

We have all seen the likes of Carillion go this way.

The construction industry has an adjudication system, which is no better than a kangaroo court, in which SMEs can choose to adjudicate their case, but this costs tens of thousands of pounds and the SME has very little chance against the big shot surveyors the big companies employ to defend this fraudulent practice.

The construction industry is rife with big companies going insolvent and starting up again a week later.

We are a family SME fighting a construction company that the man and wife owners have dissolved 38 companies between them, they owed us £93,000 and offered us £966.

SO, this is the state of play in the construction industry in the UK.