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KUALA LUMPUR: Housing has been an area which has seen many consumers complaining about being short- changed. Last year, the National Consumer Complaints Centre received 1,578 complaints on housing matters, said its director, Darshan Singh. Realising the seriousness of the problem, the NCCC has teamed up with Weekend Mail to provide an avenue for consumers to come forward with their housing-related complaints.

This ground-breaking collaboration is part of the two organisations' efforts to highlight a consumer's grouse every month. Misleading advertisements, booking fees, late delivery, abandoned housing projects and shoddy workmanship are among the areas of concern raised by Darshan. Many buyers often rely on advertisements for information before buying property. It's sad when the ads are misleading. Most of the promises made by developers often remain empty promises. He said although there are regulations governing advertisements, the NCCC has continued to receive reports on misleading ones from developers, adding that one developer had faced prosecution for the offence. On booking fees, he said many consumers are oblivious to the fact that the Housing Developers (Control And Licensing) Regulations 1989 does not allow the collection of such fees. There are many cases of developers refusing to refund purchasers, citing that deposits paid are not refundable and consumers accept this as fate. The problem here is that consumers do not know their rights. Darshan said according to Regulation 11 (2), no housing developer shall collect any payment by whatever name called except as prescribed by the contract of sale. It is therefore illegal for developers to collect fees before the signing of the agreement. If they have collected money, it has to be returned unconditionally. If the developer refuses to do so, the aggrieved party is encouraged to file a complaint with the Tribunal for House Buyers Claims. He said late delivery of houses and shoddy workmanship are also common grievances received by NCCC. Late delivery means that a developer had failed to complete the housing project and hand over the property to the buyer within the stipulated time set under the Housing Developers (Control & Licensing) Regulations 1989. Under the regulation, when a developer delays in completing a housing project, the developer must pay liquidated damages to the buyer. Despite that, there are many developers who refuse or even fail to pay late delivery compensation to the buyer. He said when a developer fails to deliver vacant possession of a property within the stipulated time, they are liable to pay to the buyer liquidated damages from day to day at the rate of 10 per cent per annum of the purchase price from the expiry date of the delivery of vacant possession of the property. Buyers are also advised that claims of up to RM25,000 can be filed in the Tribunal for House Buyers Claims. They would have to pay RM10 to file a claim, and would not have to consult and pay hefty fees to lawyers for representation and action. According to Darshan, those whose houses are completed on time face problems such as poor workmanship. Some developers rush to complete their projects within the time-frame and they tend to overlook quality in workmanship. He said one of the complaints received by the NCCC was on either houses were not built to specifications or that sub-standard materials were used. Clear procedures have been laid out if the buyer finds defects on the property but most consumers are unaware of this. Many times, the buyer refuses to accept the keys to the property when the vendor notifies them of vacant possession, not knowing that failure to collect within the stipulated time would result in the keys to be deemed collected. Any damage to property would then have to be handled by the buyer.

Weekend Mail: NCCC urges consumers to speak up

Written by Administrator

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It's important for the buyer to collect the keys and use the existing procedures to rectify defects. Darshan said most of the time, defects would only appear after the expiry of the 18-month defect liability period and buyers are not entitled to redress. For this, provisions regulating latent damage should be amended. Those with housing-related complaints can do so with the NCCC at 03-78779000 or 78748096; fax: 03-78748097; e-mail: nccc@nccc.org.my ; or via e-aduan forms obtainable from www.nccc.org.my