



KIISTONE
customer & trade working together

DISPUTE RESOLUTION – THE KIISTONE WAY

Kiistone is an organisation that supports tradespeople and customers equally. We therefore do not get involved in disputes between parties, and we firmly believe that effective communications, professionalism, courtesy, and trust are the foundations of a good relationship, and a successful building or home improvement project.

Prevention is better than a cure, and if those involved are prepared before they embark on the work, use the Kiistone App to help with planning and communication, and are clear about each other's expectations, there should be no reason why a dispute occurs.

The **Kiistone App** has been designed to protect tradespeople and their customers. They can interact using a secure platform knowing that their money is held safely in an escrow account until both parties are satisfied that the work has been completed as agreed, or when a dispute has been resolved.

WHAT IS AN ESCROW ACCOUNT?

Escrow is an account where funds are held in trust whilst two or more parties complete a transaction. This means Kiistone will secure the funds in a "trust account". The funds will be disbursed to the tradesperson after they have fulfilled the terms of the project agreement. If the tradesperson fails to deliver their obligation, then the funds are returned to the customer.

But of course, the best way to deal with conflict or a dispute is not to have one at all.

It is therefore worth considering, the 4 basic questions to help to address any future problems.

- What was agreed?
- Who made the agreement?
- How was the agreement communicated?
- What has happened?

To avoid a dispute, you should ensure that you have a clear agreement – that is, who should do what, when, and for how much.

Between a tradesperson and a customer, the agreement should be based on:

- The work that is to be carried out
- What the stages are
- When it is to be completed
- What the price will be
- Arrangements for any additional work
- When and how payments are expected to be made

Neither party should be in any doubt what will happen and when. The **Kiistone App** is an excellent way of keeping track of progress.

The agreement should also include what happens if there is a delay due to the actions by either customer or trade, for reasons that no one could control. It should also cover any delays to the work, or other circumstances that might affect timescales, quality, money, materials, damage, insurance.

Often a dispute will focus on what has happened. It is therefore vital that both the tradesperson and the customer should make a record of when and how things were done, in particular any work that has already been carried out.

It is just as important to record when work was due to be carried out but wasn't, and if possible, the reason why. Recording dates and times and taking photographs of work can provide evidence should any disputes occur in future.

The **Kiistone App** is designed, not only to protect your money through its escrow facility, but to enable you to keep a record of all transactions through its messaging function(s). This helps to improve communications throughout the project and to build trust between the tradesperson and their customer.

Breaking a building project down into separate work packages with stage payments is to focus more detail on a shorter period, thus creating clearer understanding between the customer and their tradesperson.

Smaller work packages mean fewer tasks to focus attention on so any problems are quickly highlighted and can be dealt with immediately. Quick resolution of smaller issues is the best way to run a job effectively and provide the optimum customer service.

If this can be achieved the money involved and issue arising will be smaller and less impactful than if a project was allowed to run and run. A clear record of all communications can then reinforce either party's stance to a judging body (e.g., Ombudsmen or Mediation service).

HOW TO AVOID A DISPUTE

We understand that disputes can still occur at any time during a project, so taking a few simple steps in preparing for your project will save a lot of time, hassle, upset, stress, and money.

1. Confirm Details In Writing

Most disputes occur because there is no clear agreement, contract, policy, or procedure in place for parties to refer to. This can be avoided by having a written agreement, quote, or contract. Make sure all terms, including payment details, are included in the agreement and that it is signed by all the parties involved.

2. Read ALL Contracts & Quotes Before Signing Them

If you sign a contract or agree to a quote you will usually be bound by its terms and conditions. Make sure that you read and understand all the details before signing, and seek legal or other professional advice if you do not understand any of the terms.

3 - Develop Good Communication & Relationships

Having good communication and relationships between customers and trade people will help to avoid disputes. Make sure you discuss any concerns, and that you can provide feedback if you think things are not going as expected. If you do receive complaints, make sure work you deal with them promptly, and if you are the one making the complaint be clear about how you would like this to be resolved.

4. Honesty Is ALWAYS The Best Policy

Be honest with each other at all times. If there is something you are not happy with address it straight away, don't let it fester and get worse.

5. Be Organised

Keep copies of all your agreements, quotes, invoices, messages in one place so they are easy to find. Have a system to remind you of key dates and details included in the contract / quote so you don't breach any terms and conditions. The Kiistone App is ideal for helping you keep track of your communications.

6. Know Your Legal and Health & Safety Obligations

It is important to understand and comply with any obligations associated with the work in order to avoid disputes and additional costs. As a Kiistone Trade Premium member, you have access to a wide range of support, information and guidance provided by the Federation of Small Business (FSB).

7. Seek Help Early

Don't wait for a problem to occur. Seek assistance and feedback from your lawyer, accountant or other representative to ensure you have good systems in place to minimise the potential for disputes.

Please Note: This is not an exhaustive list and it may well be worthwhile to seek other ways of avoiding a dispute.

IF A DISPUTE ARISES

Despite a clear agreement, and evidence of what has happened, the first thing to do is to try to settle it between yourselves.

This involves no costs, and can be the quickest and easiest way to reach a resolution. Just talk it through and see if an amicable agreement can be reached. Be clear about what has gone wrong and establish if this can be put right without the need for taking it any further.

The basis of a dispute is that each party is absolutely clear about what they want. For example, the customer may want some or all of their money back, or for the tradesperson to complete the work as agreed, or for another tradesperson to finish the job.

The tradesperson may want to be paid for the work they have already completed, to be paid for the materials they have bought for the job, for the time they have allocated, or for the customer to allow them to finish the job.

If one of the parties is prepared to reach an agreement just to resolve the dispute, it should be clear that they are making these proposals on a "without prejudice" basis. This means that they feel that they are entitled to something else but are willing to settle their differences.

Another way to resolve the dispute is through an **Ombudsman's Service**. There are a number of such organisations, some who will only take on cases if the tradesperson is a member of theirs. Others will take on cases for none members provided that both parties agree. Using this process is very likely to incur a fee for both the trade and the customer. Search [The Chartered Trading Standards Institute](#) website and other online services for more information.

Another method of resolving the dispute is to use a **Mediation Service**, who's role is to try to help parties to reach an agreement. Once again there may well be a fee for this service.

Using a 3rd party mediation service can be extremely costly to both the tradesperson and their customer, particularly if the dispute could have been resolved between them. Starting fees of £375 plus VAT or more are not uncommon, and costs could rise significantly as the case progresses.

It is clearly far better for everyone to do all they can to avoid this.

If a resolution between the tradesperson and their customer cannot be reached then a court claim could be made. See [Small Claims Court](#).

KIISTONE'S POSITION REGARDING RESOLVED DISPUTES

If a dispute is passed on to an Ombudsman or Mediation Service, it is the responsibility of both parties (tradesperson and customer) to agree the next steps in terms of how the funds already held in Escrow through the Kiistone App are distributed. Both will need to agree those actions and the customer will have to action any subsequent movement of monies within the Escrow account so that payments are made into the appropriate bank account. Kiistone will not be involved in these cases.

The only occurrence in which **Kiistone** has the authority to transfer funds is when a County Court Judgement has been received. In these circumstances **Kiistone** will follow the instruction of the judgement to the letter.

We hope that you find this guide useful and that you will have a successful building or home improvement project where both the tradesperson and the customer are satisfied in the part they have played. The tradesperson takes pride in their work and will receive praise and recommendations, and the customer can feel that it was money well spent, they love how their home looks, and can't wait to show it off.

For further information on Kiistone, and to join the Kiistone Community, please go to www.kiistonecommunity.co.uk