

Guide to Home Inspector Compliance Inspections



**CONSUMER
PROTECTION BC**

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Introduction

Consumer Protection BC and Licensed Home Inspectors

Consumer Protection BC is responsible for the administration of the *Business Practices and Consumer Protection Act* (BPCP Act) and *Home Inspector Licensing Regulation* (HILR). Together the BPCP Act and HILR govern the conduct of persons who engage in the business or occupation of home inspection and the licensing requirements for home inspectors in British Columbia.

The material in this guide provides a reference point for licensed home inspectors on what to expect and how to prepare for inspections performed by Consumer Protection BC's Regulatory Services Group.

This guide is not intended to provide legal advice and is by no means an exhaustive review of all the provisions affecting Licensed Home Inspectors in BC. We recommend that anyone regulated under the BPCPA and HILR obtain copies and review them in detail. You can find them online or printed versions may be ordered from:

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Victoria BC V8Z 0B9
Phone: 604 320-1664
Fax: 250 920-7181
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www.consumerprotectionbc.ca

Inspection Process

Scheduling and preparation

1. To give licensees a better understanding into what an inspector will be reviewing, we have provided a sample inspection checklist – see Appendix 1. *Note: the items on the checklist are not an exhaustive list of the items an inspector may review;
2. Compliance Inspectors are responsible for risk-based, routine and complaint based inspections;
3. Complaint based inspections may arise from various sources including our licensing and inquiry office;
4. Unannounced inspections are a potential requirement;
5. Each Compliance Inspector is responsible for inspections throughout the province

Notification

1. Inspections may not be conducted with prior notification;
2. Compliance Inspectors will not intrude during an actual home inspection;
3. It is expected that a typical inspection will not take more than two to three hours. If it is anticipated that an inspection will take a more extended period of time, the licensee will be notified in advance;
4. Often, the inspection will be conducted at a mutually agreed upon public meeting place, arranged at the time of inspection notification;
5. A review of home inspection contracts, reports, insurance coverage and other documents will be part of any compliance inspection. These documents may be requested by the Compliance Inspector in advance of the arranged meeting

Inspection

1. There will be two parts to a routine inspection. The first will be the formal interaction between the Compliance Inspector and licensee where questions related to business practices and licensing will be discussed. Subsequent review of material and confirmation of facts make up the second part of the process;
2. Inspections include licence review, insurance confirmation and document examination;
3. Documentation review includes the review of templates, forms, records, brochures, and any marketing materials;
4. The Compliance Inspector will ask to review a minimum of 20 completed home inspection reports and contracts between the home inspector and consumers;
5. Compliance Inspectors will review the specific items detailed in an inspection report. (See Appendix A of this guide).

Review of preliminary findings

1. The Compliance Inspector may review the preliminary inspection results with the licensee and discuss potential non-compliance issues.
2. A Certificate of Inspection form will be digitally completed and sent to the licensee immediately after the inspection.

Inspection summary and process

1. The Compliance Inspector will document the inspection, update the licensee's file and if required, inform other Consumer Protection BC groups of any updates;
2. The Compliance Inspector will follow-up by written notification with the licensee regarding any non-compliance issues resolved or requiring further information and provide a final summary of those matters;
3. Where a Compliance Inspector detects that a licensee has violated a prescribed section of the BPCPA or the HILR, and where the violation warrants the imposition of an administrative penalty, they will provide a report and supporting evidence to another delegated decision maker with a recommendation to impose an administrative penalty. The delegated decision maker will provide the licensee with the opportunity to be heard;
4. This decision maker will be in written communication with the licensee regarding the formal process to follow. Any further communication related to the specific matter of this file will be in response to communication the licensee will receive from that decision maker;
5. Further information related to policies or procedures related to the Administrative Penalty process may be reviewed on our website at www.consumerprotectionbc.ca.

Requirements for compliance with the HILR

General Requirements

1. The conflict of interest provision of the HILR (Sec.9 (3)) requires that a home inspector not have a conflict of interest that results in a material gain to them.

Reporting changes to the director

1. If a licensee decides to move to a new business location, the licensee must provide notice of this change to Consumer Protection BC within 14 days of the move.
2. If a licensee has changed their name, the licensee must provide notice to Consumer Protection BC within 14 days of the change.
3. If the comprehensive liability or errors and omissions insurance lapses or is cancelled, a licensee must immediately report the matter to Consumer Protection BC.

Display or production of licence

1. During inspection, the licensee will be required to produce a copy of their licence at an inspection;
2. A licensee must display their consumer Protection BC licence in a conspicuous place at their place of business;
3. A licensee must include their licence number in all advertisements and documents used to conduct business.

Records

1. Licensees must maintain public liability and errors and omission insurance. During inspection, the licensee will be required to produce a copy of their insurance coverage summary or provide confirmation documents which evidence the terms, amounts and coverage inclusions/exclusions;
2. Licensees are required to keep copies of all contracts and home inspection reports for the preceding 2 years at their business location.

Prohibitions

1. The name used to carry on business must be exactly as it appears on the licence. Any variation or use of an unregistered name is not allowed unless it is registered as a DBA (Doing Business As).

Home inspection contracts

1. As of September 1, 2016, licensees will be required to include specific items and have limitations placed on contracts they use to conduct business.
2. Different provisions of the BPCP Act and HILR dictate the requirements of home inspection contracts. After September 1, 2016, and dependent on circumstance, home inspection contracts will/may be required to have:
 - a. The home inspectors name or DBA;
 - b. The suppliers' physical and mailing addresses;
 - c. The telephone facsimile number of the supplier;
 - d. The date of the contract;
 - e. The date the home inspection report will be provided to the consumer;
 - f. A detailed description of all of the goods and services to be supplied under the contract;
 - g. Include any items that were added to the services provided, and an itemized purchase price for each of those items;
 - h. All costs payable including taxes;
 - i. A detailed statement of the terms of payment;
 - j. The total price;
 - k. A listing of any other restrictions, limitations or other conditions related to the supply of goods or services;
 - l. The address to be inspected;
 - m. Detail specifically what will be covered by the home inspection;
 - n. Specifically state whether or not the licensee would inspect for mould;
 - o. State whether or not the licensee would inspect for asbestos;
 - p. State that the home inspection would be non-invasive or, state any invasive procedures that will be used to perform the inspection;
 - q. Contain the complete disclosure about the BPCP Act;

- r. No terms of contract that exclude garages or carports from the home inspection;
- s. Be free from statements or references to the licensee's liability limitations;
- t. Be free from statements or references to the time in which a consumer may make a claim against the licensee

Home inspection reports

1. As of September 1, 2016, licensees will be required to include specific items and have limitations placed on the content of the reports they provide to consumers.
2. All Home Inspection reports must:
 - a. Be in writing;
 - b. Set out an opinion on each thing the home inspection contract required the licensee to inspect;
 - c. Identify items where the licensee recommended the consumer obtain advice of an expert;
 - d. List each item covered by the home inspection;
 - e. List the consumers name and address;
 - f. List the licensee's name or DBA;
 - g. List the licensee's business address and if different, the mailing address;
 - h. List the licence number and if applicable, the e-mail and fax number for the licensee;
 - i. Include the address of the property inspected;
 - j. The date of the home inspection
3. Licensees must provide a copy of the home inspection on or before the date it is to be supplied as stated in the home inspection contract.

Document review

1. During a routine inspection, an Inspector may request and make copies of any of the following:
2. A copy of all the forms used by the licensee – this includes current home inspection templates, copies of past Home Inspection Reports and any other form created by the licensee and given to consumers;
3. Any marketing materials such as brochures, pamphlets or advertisements;
4. The Compliance Inspector may review in advance any other marketing tools used by the licensee including mass media, internet and other devices;
5. The above noted list is not exhaustive and an Inspector may request any documents, statements or reports that are deemed relevant to an Inspection.


Enforcement

1. If a Compliance Inspector detects violations that they believe should proceed to enforcement of an administrative penalty, they will notify the licensee of these alleged contraventions in a Post Inspection Report.
2. The Compliance Inspector will also prepare for the Director of Enforcement a Notice of Enforcement Action Recommended Report (NEAR). A copy of the NEAR will be also be sent to the Licensee. The NEAR report will identify the allegation(s) proceeding to enforcement and the Inspector's recommended penalty. The licensee will be given an opportunity to respond to the report.

3. The Director or their delegate decision maker will then decide whether the allegation took place, and the administrative penalty, if any, to be applied. *Note: the decision to impose an administrative penalty is at the discretion of the Director or delegated decision maker; neither is bound to the recommended administrative penalty in the NEAR.* If you are dissatisfied with the decision, you may apply for a reconsideration of the decision.

Further information on the policies and procedures relating to the administrative penalty process can be found by visiting our website at www.consumerprotectionbc.ca

APPENDIX 1

 CONSUMER PROTECTION BC 200 – 4946 Canada Way, Burnaby BC V5G 4H7 P 604.320.1667 F 604.320.1663 TF 1.888.564.9963 E info@consumerprotectionbc.ca W www.consumerprotectionbc.ca					Licence #: _____	
					Date of inspection: _____	
Question	HOME INSPECTOR LICENSING REGULATION INSPECTION REPORT	Y	N	N/A		
LICENSING AND OPERATIONAL REQUIREMENTS						
1	BPCPA 143 Was the home inspector properly licensed at the time of all home inspections conducted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2	HILR 6(2)(a) Was the home inspectors' licence displayed at place of business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3	HILR 6(2)(b) Was the licensee able to produce their licence on request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4	HILR 6(3) Did the licensee include their licence number in all representations and visual advertisements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5	HILR 7(1)(a) Has the licensee submitted any name changes to the director within 14 days of the change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6	HILR 7(1)(b) Has the licensee reported any change(s) of address from where they were licensed to conduct business within 14 days of the change(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7	HILR 7(2) Did the licensee immediately report all instances where their errors and omissions/liability insurance was cancelled or lapsed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8	HILR 8(1) Was the licensee maintaining a business location where records are kept?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

9	HILR 8(2)(a) Did the licensee keep a copy of all home inspection contracts and home inspection reports issued by the licensee for the previous 2 years at the business location?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	HILR 8(2)(b) Was the licensee keeping documentation of their errors and omissions/liability insurance for the entire time they have been licensed at the business location?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROHIBITIONS				
11	HILR 9(1) Was the licensee only conducting business in the name on their licence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	HILR 9(2)(a) Was the licensee only disclosing contents of home inspection reports with the permission of the consumer or, in compliance with HILR 9(2)(b) or HILR 9(2)(c)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	HILR 9(2)(b) Had the licensee been required to disclose the contents of a home inspection report by any lawful authority?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	HILR 9(2)(c) Had the licensee disclosed the contents of any home inspection report because in their opinion there were serious health and safety risk?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	HILR 9(3) Has the licensee received any material gain resulting from a conflict of interest?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOME INSPECTION CONTRACTS				
16	BPCPA 19(a) Did all home inspection contracts list the supplier's name or DBA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	BPCPA 19(b) Did all home inspection contracts list the supplier's physical and mailing addresses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	BPCPA 19(c) Did all contracts list the telephone facsimile number of the supplier?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	BPCPA 19(d) Were all the home inspection contracts dated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	BPCPA 19(e) Did all the home inspection contracts include a detailed description of all of the goods and services to be supplied under the home inspection contracts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21	BPCPA 19(f) If the home inspection contracts included items that could be added to the services provided, was an itemized purchase price for each item included in the contracts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	BPCPA 19(g) Were all costs payable including taxes disclosed in the home inspection contracts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	BPCPA 19(h) Did all the home inspection contracts include a detailed statement of the terms of payment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24	BPCPA 19(j) Was the total price listed in all home inspection contracts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	BPCPA 19(n) Did all home inspection contracts list any other restrictions, limitations or other conditions related to the supply of goods or services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	HILR 12(1)(a) Did all home inspection contracts contain the address to be inspected?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Question	HOME INSPECTION CONTRACTS Cont.	Y	N	N/A
27	HILR 12(1)(b) Did all home inspection contracts detail specifically what will be covered by the home inspection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28	HILR 12(1)(c) Did all the home inspection contracts specifically state whether or not the licensee would inspect for mould?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29	HILR 12(1)(d) Did all the home inspection contracts specifically state whether or not the licensee would inspect for asbestos?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30	HILR 12(1)(e) Did all the home inspection contracts state that the home inspection would be non-invasive or, state any invasive procedures that would be used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31	HILR 12(1)(F) Did all the home inspection contracts contain the complete disclosure about the BPCP Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32	HILR 12(2)(a) Were all home inspection contracts compliant with the requirement to not exclude garages or carports from the home inspection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33	HILR 12(2)(b) Were all home inspection contracts free from statements or references to the licensee's liability limitations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34	HILR 12(2)(c) Were all home inspection contracts free from statements or references to the time in which a consumer may make a claim against the licensee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOME INSPECTION REPORTS				
35	HILR 13(1)(a) Were all home inspection reports in writing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36	HILR 13(1)(b) Did each home inspection report set out an opinion on each thing the home inspection contract required the licensee to inspect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37	HILR 13(1)(c) Where applicable, did each home inspection report identify items where the licensee recommended the consumer obtain advice of an expert?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

38	HILR 13(1)(d) Did each home inspection report specifically list each item covered by the home inspection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39	HILR 13(1)(e)(i) Did each home inspection report list the consumers name and address?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40	HILR 13(1)(e)(ii) Did each home inspection report list the licensee’s name or DBA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Question	HOME INSPECTION REPORTS Cont.	Y	N	N/A
41	HILR 13(1)(e)(iii) Did each home inspection report list the licensee’s business address and if different, the mailing address?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42	HILR 13(1)(e)(iv) Did each home inspection report list the licence number and if applicable, the e-mail and fax number for the licensee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43	HILR 13(1)(e)(v) Did each home inspection report include the address of the property inspected?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44	HILR 13(1)(e)(v) Did each home inspection report include the date of the home inspection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTES:
