



Canadian
Home Builders'
Association

**BUILDER ADVISORY:
BE CAREFUL OF COUNTERFEIT
AND NON-CONFORMING PRODUCTS**

What is the issue?

In recent years, there has been a growing concern within the industry about counterfeit and non-conforming building products. Sub-par or unsafe products can increase cost and liability for new home builders and renovators, and undermine the company's reputation and their relationship with customers. In the extreme, they can pose a serious safety risk, including the loss of life and property.

At this time, there is no evidence of a widespread problem with counterfeit building products. Nonetheless, incidences of counterfeit faucets, locks, thermostats, electrical equipment, tools and safety gear have been reported, indicating the need for the industry to be on guard against products that are not what they appear. The issue of non-conforming, poor quality products continues to be a serious concern.

Sub-par or unsafe products can show up in several different ways:

- As counterfeit or "fake" brand name products—i.e. "stolen identity"
- As products with fake certification symbols—i.e. fraudulent use of marks belonging to standards organizations such as CSA (Canadian Standards Association), ULC (Underwriters Laboratories Canada) and CGSB (Canadian General Standards Board)
- As non-conforming products that do not meet accepted industry standards
- As products evaluated for one function but used for other functions
- As no-name or knock-off products without any indication of performance, durability or warranty

As a new home builder or renovator, how can you safeguard yourself and your customers?

Most importantly, a product policy for your company can help to avoid the problems of counterfeit and non-conforming products:

Buy brands you know and trust by reputable manufacturers, from suppliers you have an ongoing relationship with.

Require your sub-trades to use products and brands that you approve. Understand manufacturers' warranties—what's covered and what's exempt? Warranties will often specify professional installation requirements, compatibility with other components and other issues that may affect coverage.

As part of sales process, explain your commitment to using quality products and why (e.g., performance, durability, warranty) to your customers.

If allowances are part of your business practices, recommend that your customers buy established brands from reputable sources only—discuss your concerns regarding online purchases, special sales, and so on. Include a disclaimer in the contract—i.e. you cannot be responsible for products provided by customers, for performance failures or collateral damages. Encourage customers to check with their home insurance provider on any possible concerns/guidance about product selection.

Anybody can unwittingly end up buying fake or sub-par products. Here are a few suggestions to assist with purchasing decisions and reduce the risks:

Be informed about the standards, mandatory or voluntary, that are applicable to all the products you use in your projects; consult with manufacturers and suppliers. Also know the requirements of the applicable building code, which may specify particular levels of performance.

Keep your purchasing staff up-to-date on issues related to “bad” products. Periodically check the websites of standards organizations for news releases and information on product recalls and alerts.

Be skeptical, if a price is out of whack or too good to be true—it usually is. Be suspicious if the pick-up point is an unusual place.

Be careful if you can't find any information about the manufacturer on the packaging or the product—most manufacturers want you to know who they are, including name and website address.

If suspicious, check standards organizations online for legitimate approval (look for products directories or similar and follow the prompts).

Report suspicions right away—to the appropriate standards organization or to the retailer or supplier.

There is a lot to know about product standards, testing and certification. While most new home builders and renovators don't need to be experts in the topic, it is helpful to understand some of the details—that can also make it easier to explain the reasons for your selections to your customers. For instance:

In addition to CSA, ULC and CGSB (the Canadian General Standards Board), there are a number of other organizations, some North American, who develop or manage standards, and whose marks appear on many of the products that go into new home construction or renovation projects. This includes ANSI/BHMA (American National Standards Institute/Building Hardware Manufacturers Association), ASME (American Society of Mechanical Engineers), IGMAC (the Insulating Glass Manufacturers Association of Canada) and GAMA (Gas Appliance Manufacturers' Association), to mention a few. All have websites, often including lists of certified products. Check for detailed information.

Operating within the National Research Council's Institute for Research in Construction (IRC), the Canadian Construction Materials Centre (CCMC) facilitates the entry into the marketplace of new and innovative construction materials and products for which there are no standards in place. Products are evaluated, and a CCMC Evaluation Number issued, along with an evaluation report that details the use(s) that a product has been evaluated for. CCMC also tests traditional products to existing standards.

Standard compliance has different facets. Certification implies ongoing product testing—for instance, daily at the manufacturer's facility or intermittently at test facilities. In some cases, approval may mean that a product sample has met the accepted standard and the manufacturer self-declares that the product continues to meet it. For some products, there may be a standard but no third-party testing procedures in place, and the manufacturer self-declares that the product complies with the standard.

Non-conformance can have a geographical aspect. For instance, a window may meet wind load requirements for one area, but not in the neighbouring region. Not getting the appropriate products for a region can result in product performance failure, and hence warranty service callbacks, repairs and possible replacement with the new home builder or renovator likely being responsible for the cost.