

Media Release

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STRONG PENALTY FOR BUILDER WHO LEFT CLIENTS “HIGH AND DRY”

An unlicensed builder who took more than \$60,000 in deposit payments from clients for work that was never started and his business have been fined \$70,000 and ordered to pay compensation in excess of \$80,000 for breaches of the *Australian Consumer Law* and the *Building Work Contractor's Act*.

In addition to the penalties, 56 year old Michael Carl Butson of Smoky Bay has also been disqualified from managing a corporation for eight years, after he and his business Morgan Retaining Walls, admitted to accepting payment for goods and services that were not supplied, and accepting unauthorised payments.

Morgan Retaining Walls also admitted to carrying on building work as a contractor without a licence, and failing to obtain building indemnity insurance.

The Court heard 12 consumers had paid Butson deposits totalling more than \$66,000 for retaining walls to be built on shacks along the River Murray and received nothing for their money.

Another client paid Butson a total of \$22,000 to build a retaining wall, which was later found by the Council to be non-compliant and needed rebuilding.

Bank statements showed that just over \$14,000 in client deposits were used by Butson to pay for trips to Thailand to visit his fiancée, while approximately \$1500 was used on personal online entertainment.

Butson was both unlicensed and did not hold any formal qualifications.

“In most cases, customers were left high and dry by this individual and it appears as though there were some instances where he had no intention of carrying out the work that he’d been paid for,” Commissioner for Consumer Affairs Dini Soulio said.

“In addition, Butson had taken deposits far in excess what’s allowed by the law and, by failing to take out building indemnity insurance, left his victims with no protection.”

In sentencing, Magistrate Bob Harrap said Butson’s conduct was “appalling”, saying Butson’s victims were “ripped off by someone in their local community.”

Butson was fined \$35,000 and disqualified from managing a corporation for eight years. Morgan Retaining Walls was fined \$35,000. Butson was also ordered to pay \$84,960 in compensation to the 13 consumers.

