



Regulation Matters:
a CLEAR conversation

Episode 106: Consumer Education and Unlicensed Practice Enforcement – A Combined Approach to Prevent Harm October 13, 2026

Line Dempsey: Welcome back to our podcast, Regulation Matters: a CLEAR conversation. Once again, I'm your host, Line Dempsey. I'm currently the Chief Compliance Officer with Riccobene Associates Family Dentistry, with practices in North Carolina, South Carolina, and Virginia. I've been a board member and past president for CLEAR.

As many of you are aware, the Council on Licensure, Enforcement and Regulation, or CLEAR, is an association of individuals, agencies, and organizations that comprise the international community of professional and occupational regulation. This podcast is an opportunity for you to hear about important topics in our regulatory community. Now, today's episode focuses on handling unlicensed practice, consumer education, and how the two work together to protect the public. I'm joined by Wendy Moir, CEO of the Home Construction Regulatory Authority in Ontario, to share some initiatives and strategies from her organization. Welcome, Wendy, and thank you for speaking with me today.

Wendy Moir: Thank you very much, Line. I'm very pleased to be here. The Home Construction Regulatory Authority licenses and regulates the people and companies who build and sell new homes in Ontario, Canada. And our role is focused on consumer protection, making sure builders and sellers meet professional standards, that consumers have access to reliable information before making one of the largest purchases of their lives. And we take appropriate action when somebody operates outside the licensing framework.

Line: Well, that brings us to a great first question, then. When someone does operate outside that framework, how does the Home Construction Regulatory Authority define unlicensed practice or illegal building, and why is it a priority now?

Wendy: I think it's been something that's been important for quite some time. For the HCRA (that's what we call the authority for short), illegal building or selling is our sector's version of unlicensed practice. So, in general, it means someone is building or selling a new home without the required HCRA license in Ontario, selling a new unoccupied home without the required license, or building or selling a new home that's not been approved by Tarion, who is the organization who backs the

mandatory builder warranty, and the builder enrolls their project in the mandatory warranty plan. So this is very similar to the way other regulators think about unauthorized practice. So, for example, the Law Society describes illegal practitioners as people who provide legal services directly to the public without a license and emphasizes that consumers are not protected if they hire an illegal practitioner. You know, the professional engineers are very similar. They investigate engineers who are practicing without a license or using restricted titles. So, the common principle is the same. Licensing is not just an administrative requirement; it's a public protection mechanism. And, you know, that protection in one way or another has been in place in Ontario for many decades, and mandatory in most of the Canadian provinces as well for licensing builders, at least half of the provinces.

Line: That's great. What are they protecting them from? So, I guess, what risks do these unlicensed construction situations pose to consumers?

Wendy: Yeah, well, they can be significant. I mean, unlike many smaller consumer transactions, a new home purchase might represent a family's life savings, right? And when a builder operates outside of the licensing system, the consumer may lose the protections that come from dealing with someone who's met competency and conduct standards and can be held to account by a regulator. And in addition, there are other consumer protection impacts, including risk to building code compliance and safety, and the burden on your municipalities of poorly built homes in their communities.

Line: We actually had to remodel our place recently, and we discovered all kinds of things that were done poorly by some tradesperson along the way that probably wasn't licensed, so that's obviously a very important thing in making sure that consumers get what they're paying for in the end. How do you typically identify these unlicensed operators? Is it from a complaint? Are they the main drivers, or are you doing any type of proactive strategies to kind of uncover these things before they happen?

Wendy: Yeah, that's a great question. Complaints and tips are important. They're definitely our largest source of investigations. But we certainly don't view them as the only source of intelligence. We look at patterns, known risk areas, stakeholder information, and opportunities to use data more effectively, which of course is becoming, more and more a possibility. The internet has a wealth of information available. So, sometimes we will get a complaint about one matter, for example, and when we delve deeper, we find out that there's a much broader potential non-compliance. So, what might start as a low-risk matter with one home can transform into a high-risk investigation with significant regulatory consequences, involving way more consumers than the initial complainant. I mean, illegal practice often happens outside the regulated system, by definition, so a purely reactive model's not enough. And like many regulators, we are trying to move toward more proactive, risk-based oversight, while still responding effectively to the many complaints that we get. But currently, about 13% of our investigations are initiated internally, rather than through the complaint process.

Line: Oh, that's interesting. So, of that 13%, are there any particular red flags that basically help suggest or signal that there's unlicensed activity going on?

Wendy: Well, some of the red flags we think about include situations where a person or company is advertising or operating as a builder but doesn't appear in the Ontario Builder Directory, which we manage, or where a new home is being sold before it has ever been occupied. We also pay attention to misuse of the so-called owner-builder exemption. That exemption exists for legitimate owner-builders that would construct a home for their own use, not for people who are effectively operating a building business outside the licensing system. So if you want to hire a contractor to build a home for you, and they say you can save so much money if you take out a permit in your own name, run. They will also tell you that they offer an excellent personal guarantee and warranty, and you don't need to shell out extra for a Tarion-backed guarantee from a licensed builder. Big red flags, and not true. I think that's what my grandmother would have called pennywise and pound foolish. Because consumers are running huge risks. They have no backing if things go sideways, and they're taking on tremendous personal liability. So that's just my public service announcement for the day. But in terms of regulatory red flags, we can match building permit information up with information on the Ontario building directory, so that building directory is a good starting point.

Line: Well, it sounds like being able to have these partnerships either with other regulatory agencies, I'm assuming municipalities or industry groups, can also help in uncovering these cases. How does that work out?

Wendy: Yeah, partnerships are essential, Line, because no single organization sees the whole picture. Municipalities, for example, they're seeing permit activity and inspections. Tarion, the warranty backer, has warranty enrollment information. Industry associations hear from legitimate builders who may be competing against illegal operators. And then there's real estate professionals and lawyers. They're often close to the consumer transactions; that's critical. And our job is really to connect those pieces in a way that can strengthen consumer protection. And I think that's a common theme across regulation. You know, many regulators do depend on information from the public, licensees, other authorities, and regulated sector partners. And what may be somewhat distinctive for the HCRA is the degree to which illegal building intersects with municipal permitting, warranty and enrollment, housing supply, tax compliance, and consumer education all at the same time.

Line: So, I understand that your authority has certainly brought charges against a number of these individuals and companies that are acting kind of unregulated, if you would. What does that enforcement process look like, going from an investigation all the way to the prosecution side of things?

Wendy: Yes, and, speaking of, recent actions, you might... well, you might have not... you may have not seen the news in the US, but in Canada, you might have seen the news that we suspended the license of Spring Garden Homes and laid 8 illegal building charges against Golden Trust Development and their shared principle, following investigations into unaccounted purchaser funds and illegal building activity involved with two related companies. And I'm bringing this up as an example of how that works. We'd received a complaint from a homebuyer. The homebuyer was pursuing legal action against the related entities over a range of issues, and one of our concerns was that the licensed

entity, Spring Gardens, was being used to facilitate illegal activity by Golden Trust, which was not licensed. So the charges were against the unlicensed entity for building without a license, and the licensee was suspended because it was unwilling or unable to account for a lot of financial information we asked for them.

So, as far as, how do we get to the end goal? Like most regulators, we follow an evidence-based process. We investigate complaints and any other intelligence, we gather the evidence, and then determine the most appropriate regulatory response. And we're very fortunate in that we have a large variety of tools legislated for us to use. The prosecutions are really what get the headlines, but we also have administrative penalties, (which are fines, basically), compliance orders, freeze orders, search warrants, and injunctions. But the Spring Garden example that I just mentioned, it's also a good example of how complicated it can get with overlapping entities, and how our tools can work together. So we had both of the suspension and the charges.

But, you know, it's not all those attention-grabbing headlines. We have a robust risk framework for each of our regulatory processes, so that's also complaints against licensees and our licensing process. And that helps us identify which files should be the highest priority in terms of risk. You know, is it a 1, 2, or 3? High, low, or medium risk in terms of public protection. And then we go further than that. Our risk frameworks then set out who in the organization can make decisions based on risk level. If there's a lack of jurisdiction identified, those can be closed at intake, for example. Lower-level risks can be managed and resolved by staff without escalation to a manager, and then medium risk can be resolved by managers. And high risks will involve the whole team, all the way up to the statutory director, with input from legal and myself or my deputy. And this accountability framework really gives our team members room to work and make decisions while ensuring appropriate escalation.

And we also have a quality assurance process to monitor work within the framework. We find that risk levels also help determine which of our many response tools should be used in any given situation. We think of it as a compliance pyramid. So, in a normal operating system, think of the bottom of the pyramid as being where most of the complaints are gonna come, and hopefully they're mostly low-risk matters. I think that's true, make up the largest percentage of concerns. For those, our goal is really education and voluntary compliance. And then for more serious high-risk offenses, which are hopefully fewer, we may prosecute as a provincial offense or issue an administrative penalty. Those would be near the top of the pyramid. And these fines or penalties can be in the hundreds of thousands of dollars, and not just a cost of doing business. And both of the tools, both the charges and the admin penalties, come with restitution options for harmed parties. And by the way, though prosecution always sounds the worst, I always say that taking someone's livelihood away from them is the worst consequence, so actually revoking or suspending a license is the most severe penalty a regulator can take, and that's at the top of the pyramid.

Line: Yeah, I imagine the top of the pyramid, obviously, based on what you just said there, has kind of the biggest impact on a stopping of behavior in that kind of a scenario. But what about the smaller things that you've talked about, you know, either your administrative penalties or some type of

continuing education that people are required to do? Have you seen a measurable deterrence as a result of those actions, as well as the larger top-of-the-pyramid actions? Have you seen this kind of impact from this?

Wendy: Yeah, you know, I love that question because, of course, we always hope so, but it's really difficult to measure in reality, right? I mean, we are actually trying to measure something that doesn't happen.

Line: As a compliance officer, I understand that completely, because the lack of results is actually a good thing.

Wendy: What's the metric on that? Exactly. What we know is that we do see behavior modifying when we focus on plugging certain gaps, whether it be through education or the stronger deterrent tools. For example, you know, when I talk to builders' lawyers, they often say they are now giving their clients advice based on our action, so that's great. Whether they follow it or not is a whole other matter. And of course, you know what it's like in regulation. A leak might spring up somewhere else, and you know, they keep us busy. But I do think these deterrence actions serve to deter your, kind of, casual or accidental offenders. I think for those that make a living as criminals, they have a lot of time to exploit new loopholes. And I think that's a common challenge for many regulators. But I would say that one lesson we've learned is that enforcement has impact beyond the individual case. And that publicizing outcomes really does help reinforce expectations and reminds both the consumers and the industry participants that our framework matters.

Line: Well, let's talk a little bit about consumer education as a means of prevention from this happening. You know, you have a blog and outreach efforts that suggest a very strong focus on consumer education. How do you see that complementing the enforcement side of things?

Wendy: Well, I guess, I see consumer education as prevention. Enforcement's essential, but it often happens after the harm's occurred, whereas education helps consumers avoid the harm in the first place. For example, one of our central messages is simple. Before signing a contract for a new home, check the Ontario Builder Directory. And we also use those blogs, news releases, social media, webinars, you name it, to reach consumers and professionals who advise them as well, like, the realtors and the real estate lawyers. And we have a resource hub especially for consumers that we're building on all the time. And beyond illegal building, we have other resources, things like what every homeowner should know about radon gas and dealing with noise issues. But I would say that this is consistent with what many regulators are wrestling with. The public often does not understand what a regulator does until something goes wrong. CLEAR has also recently featured discussions about public awareness gap in professional regulation. And it speaks to the same issues. For the HCRA, the stakes are high because the consumer transaction is so significant, and the consumer may only buy a new home once or twice in a lifetime. So, our goal is not only to catch the illegal builders; it's also to help consumers avoid them. The best enforcement file is the one we never need, because the consumer checked first.

Line: Are there any particular campaigns or messages that you have felt like were especially effective in helping consumers kind of avoid these unlicensed practitioners?

Wendy: I just think we like to keep it simple. We focus on the publicly available searchable Ontario Builder Directory, and the messages for a consumer. The most practical first step is simple. Check the Ontario Builder Directory before signing a contract to buy and build a new home.

Line: Yeah, I mean, being a recovering regulator, as I call myself, you know, when we have to deal with an attorney, or if we have to deal with a doctor of some sort, I'm always going and verifying licenses and checking to see if there's public complaints of that nature that are out there, but I work in that. So I'm so pleased that you're pushing this towards the consumer to be aware of this, especially when it is potentially, like you said, a one- or two-time lifetime event for some folks. So, having that knowledge going in, it makes a much better consumer.

Wendy: I think that they, a lot of consumers, they assume somebody's licensed, and they shouldn't assume that, right? They should check.

Line: 100%. So, how do your enforcement data and trends inform your education strategy when you look at this?

Wendy: Well, in terms of trends, we know that most people are not getting their information from the radio or TV or billboards anymore, and less and less people are even getting information through traditional web searches. Our information campaigns, our documents, our social media—they have to be attractive to large language models now so that people can access the information they need on their AI apps. That does give us, and any regulator quite frankly, a unique opportunity to target their digital presence, depending on community and trends, without spending a lot of money on traditional advertising. So, for example, something boring, like an annual business report, can be completely reimagined now, so that the content attracts LLMs, even if few people would actually bother reading it. So, that's exciting.

Line: Do you think that, through the education that you have been doing for consumers, do you think that has led to either more complaints, or better intelligence on unlicensed activity?

Wendy: Yeah, for sure. I mean, higher awareness has led to more complaints, not necessarily better ones, but certainly more. And I was talking about AI a minute ago, and on the AI digital side of things, complaints are increasingly using AI, complainants are increasingly using AI to generate complaints that certainly may be more thorough, but also may be inaccurate, right? So of course, we can also use AI to read and summarize those complaints, although, of course, not make decisions. That's my job, Line, and I'm not letting anybody take it away from me. Not yet.

Line: Good for you. Well, do you see consumer education as a long-term solution to this, with

enforcement as a more immediate deterrent, or do you equally weigh them?

Wendy: Yeah, I think definitely equally. Our enforcement work and education work constantly inform one another. The trends we see in investigations often highlight areas where consumers need more information. And at the same time, increased awareness often generates valuable intelligence and helps us identify issues earlier. I don't really see them as competing priorities; they should be complementary. Enforcement changes behavior through accountability, and education changes behavior through awareness.

Line: Perfect. So, what are your biggest challenges in addressing unlicensed practice in your jurisdiction where you are?

Wendy: Well, we have three, and I think they're actually pretty common to many regulators. The first challenge would be unlicensed activity. It's hard to see, but multiple organizations may share pieces of the solution, as I kind of alluded to earlier. So we can't just rely on traditional licensing data. We do need to talk to all the different players in the area to get the information and to align the information so that consumers get clear, practical guidance. And then, the second one, which we also touched on, awareness. Consumers may not know what to check. And then the third—I imagine it's probably an issue for everyone—and that's that enforcement resources are finite. We do have to prioritize the highest risk cases and decide where education, compliance, or prosecution will have the greatest public protection impact.

Line: So, do you also run into legal operational barriers that make enforcement difficult to actually do?

Wendy: Yeah, I mean, we are very fortunate to have a lot of enforcement tools at our disposal. However, we do have some ideas on how to better prevent illegal activity before it occurs through tighter connections between building permits and HCRA licensing, for example, as well as looking at legal definitions that are, you know, sometimes ambiguous. They might not be keeping up with what's actually happening in the industry, and they can be used as loopholes. So, there's always work to be done, I think, on the legal side.

Line: Well, do you have any lessons that you feel like you have learned that might be transferable to other regulators facing similar issues?

Wendy: I think I would offer 3 lessons, Line. First, don't separate enforcement and education. They are most effective when they reinforce each other. Second, make verification easy. If consumers have to work too hard to check whether someone is licensed, they may not do it. And then third, build partnerships early. Unlicensed practice usually leaves traces in multiple places, so the regulator really needs to build relationships so they can help connect the dots. Partnerships, information sharing, and public awareness can significantly expand a regulator's reach and effectiveness.

Line: Excellent. Well, I guess, how does your work align with or differ from other regulators tackling

unlicensed practice in different sectors? And are there emerging trends that you're seeing as well?

Wendy: I think what is somewhat unique in home construction is the number of different systems that intersect. HCRA licenses and regulates builders and sellers. The municipal building officials issue permits and inspect for building code compliance. Tarion administers the warranty program. And then there's the real estate agents, lawyers, or municipalities that the consumers interact with, not necessarily the HCRA. So, that means part of our challenge is not only to enforce the law, but to also help consumers understand who does what, and what they should check before signing a contract. I would say that other regulators do face similar public awareness challenges, but our ecosystem is unusually fragmented. As far as emerging trends, I think was the second part of your question. . .

Line: Yeah, so, are there, like, online platforms, or cross-border activity or things like that are showing up that are challenging how you do your job?

Wendy: I think, yeah, I would say that on the digital side, there's more opportunity for very sophisticated scams in all businesses that we as regulators need to be aware of. I mean, you can look very professional online with minimal resources. And people would not think you were a fly by night. They'd think you were a professional, you were licensed, and maybe not check. And just the amount of information. It's great, we have access to all this information, but the bad guys have access to it, too.

Line: Great point, great point. So, what's next for your organization in this space?

Wendy: Well, we'll continue strengthening both sides of our approach, supporting government consideration of our legal building strategy, strengthening the legal framework, while also expanding consumer education resources, outreach, and awareness initiatives.

Line: That sounds great. Well, I guess we'll finish with this. If you could give maybe one piece of advice to regulators trying to strengthen their approach to unlicensed practice, what would that piece of advice be?

Wendy: Well, my advice would be to make it easy for the public to do the right thing before harm occurs. Strong enforcement matters, but the most effective consumer protection strategy is one where consumers know what to check, where to go, and why it matters before they make a decision. So, for regulators, I would say use your enforcement data to inform education, and use your education work to improve intelligence. Those two functions should not operate in silos, not as separate programs. Think of them as part of the same consumer protection strategy. And the most effective regulators are the ones that use both.

Line: Well, that's great advice. Well, thank you. These have been really some great examples in practice of how regulatory organizations can educate consumers and keep the public safe from unlicensed practice. So, I really do want to thank you, Wendy, for being with us and talking with us

today.

Wendy: Thank you for having me, Line. It's been fun, and I do appreciate the work of CLEAR and its many members.

Line: Well, thank you. And it has been a great pleasure and a great conversation. So, we'd also like to continue this discussion online with our members on the [CLEAR Regulatory Network](#). This podcast will be posted there, along with some questions for our members to consider. How are unlicensed practitioners identified, investigated, and handled in your organization? Does your organization take an active role in educating consumers about the dangers of unlicensed practice? We greatly appreciate and thank our members for your discussion and feedback in the CLEAR Regulatory Network. If you haven't already, we invite and encourage you to join and take part in these online discussions.

I also want to thank our listeners for tuning in for this episode. We'll be back with another episode of Regulation Matters: a CLEAR conversation very soon. And if you're new to the CLEAR podcast, please subscribe to us. You can find us on Podbean or any of your favorite podcast services. If you've enjoyed this podcast episode, please leave a rating or comment in the app. Those reviews help us to improve our ranking and make it easier for new listeners to find us. Feel free to visit our website at www.clearhq.org for additional resources and a calendar of upcoming programs and events. Finally, I'd like to thank our CLEAR staff, specifically Stephanie Thompson. She is our content coordinator and editor for this program. Once again, I'm Line Dempsey, and I hope to be speaking to you again very soon.

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