

Risky Business:

Contractor Compliance and Liability in Field Service





For organizations that rely on contractors, risk is part of the business model. But unmanaged risk isn't just inconvenient, it can be catastrophic. **Lawsuits, safety violations, regulatory fines, and insurance gaps can cost millions while damaging customer trust.**

THE REALITY

Compliance is not a one-time event. Background checks during onboarding and manual recordkeeping are no longer enough.

Compliance today requires continuous oversight, ongoing monitoring, and technology that makes risk management part of everyday operations.

Here are the seven most common risks contractors introduce, and the strategies companies are using to avoid turning everyday service into “risky business.”

1 Customer Trust at the Door

Every service visit requires a customer to open their home to a stranger. That moment depends on trust. Research shows that 89% of customers expect background checks, and 80% want photo badges for technicians. Without these safeguards, customers feel vulnerable, and brand loyalty erodes.

MITIGATION: Pair thorough background checks with credentialing and digital badges that confirm identity and qualifications in real time. This provides visible proof of professionalism and reassures customers before work begins.

2 Liability That Extends Beyond the Job

Contractors driving company-marked vehicles or entering homes are extensions of your brand. If they cause accidents, theft, or property damage, companies can face civil lawsuits, even if the contractor is not a full-time employee. Legal liability for poor screening or lax oversight can result in damages that far outweigh the cost of prevention.

MITIGATION: Continuous background monitoring identifies new risks between re-screening cycles. Automated alerts for incidents such as DUIs or thefts allow companies to act before liability escalates.



3 Safety as Both a Legal and Ethical Obligation

Protecting employees in safety-sensitive positions is also critical. Besides the ethical obligation, there is a financial one, as lawsuits from injuries can be devastating. Occupational Safety and Health Administration (OSHA) and Department of Transportation (DOT) regulations set clear expectations: contractors must be trained, monitored, and provided safe working conditions. Failure to comply can result in steep fines or even facility closures. Beyond regulatory enforcement, unsafe practices carry human costs, injuries that harm employees and damage reputations.

MITIGATION: Embed safety training into onboarding and ongoing compliance requirements. Automated monitoring ensures contractors remain in alignment with changing safety standards and that documentation is available if questions arise.



4 Substance Abuse in Safety-Sensitive Roles

Contractors operating vehicles, heavy machinery, or working in hazardous environments must be free of impairments that compromise judgment. Employers are expected to conduct testing, maintain records, and enforce violations consistently. Failure to do so exposes organizations to both fines and liability in the event of an accident.

MITIGATION: Implement automated tracking and reporting for drug and alcohol testing. Systems that centralize records and flag missed requirements help organizations enforce policies fairly and consistently.

5 Compliance Requirements That Never Stand Still

Technicians working with regulated substances—such as [refrigerants in HVAC](#) or chemicals—must maintain current licenses and certifications. Regulations evolve, and lapses can result in costly fines or service interruptions. Manual tracking leaves too much room for error when requirements vary across geographies and industries.

MITIGATION: Use technology that automates license tracking, provides renewal reminders, and maintains documentation for audits. This ensures ongoing alignment with regulatory changes and prevents unexpected lapses.

6 Insurance Gaps That Jeopardize Contracts

In industries such as roadside assistance and towing, contracts often include strict insurance requirements. A single missed renewal can jeopardize service agreements, trigger penalties, or leave the company exposed in the event of a claim. Managing varying policies across multiple contractors is difficult without automation.

MITIGATION: Automated insurance monitoring notifies organizations before policies expire, reducing the risk of coverage gaps. Documentation is centralized, making it easier to demonstrate compliance during audits or contract renewals.

7 The Cost of a Bad Hire

Hiring a contractor with a record of absenteeism, misconduct, or fraud doesn't just create an isolated issue. It disrupts service delivery, lowers team morale, and consumes management resources in corrective action. Dismissing a contractor after repeated violations can take months of documentation and administrative effort.

MITIGATION: Thorough pre-hire screenings combined with ongoing monitoring identify issues before they escalate. By catching risks early, organizations protect both workforce integrity and service quality.





Compliance and Risk Mitigation: Restoring Confidence Through Consistency

Risk can't be eliminated, but it can be controlled. Modern compliance solutions help organizations identify threats, monitor contractors in real time, automate routine tasks, and enforce policies consistently. Accuracy is critical, because when compliance fails, liability follows.



Background Screenings

Background checks are the foundation of contractor risk management. The [National Association of Professional Background Screeners](#) reports that 95% of employers conduct them, often through third-party providers. But a one-time check at hiring is no longer enough.

Continuous monitoring fills the gap between standard re-screen cycles, flagging issues such as DUIs, theft, or assaults that might otherwise go unnoticed. Effective screenings pull from multiple sources: criminal databases (local, national, international), sex offender registries, driving records, financial histories, and even social media.



Insurance Monitoring

Contracts often require specific coverage, and a single lapse can void agreements or trigger penalties. Manual oversight across multiple contractors is unreliable. Automated monitoring tracks expirations and provides alerts before policies lapse, preventing costly disruptions.



License and Certification Tracking

Technicians handling refrigerants, chemicals, or specialized equipment must hold valid credentials. Missing a renewal or failing to document training can result in fines or service interruptions. Automated license tracking centralizes documentation, issues reminders, and keeps pace with regulatory changes.



Badging and Credentialing

Customer confidence depends on visible proof of contractor identity.

Surveys show 1 in 5 consumers feel unsafe letting a service provider into their home, and 35% remain uneasy even after the visit. Photo badges—especially with QR codes linking to verified profiles—reinforce safety, build trust, and signal professionalism.



What to Look for in a Compliance Solution

Compliance is too specialized to leave to general administrators or scattered manual processes. Third-party platforms offer clear advantages: objective standards, near real-time results, continuous updates on changing regulations, and secure recordkeeping that stands up in audits or litigation.

The most effective solutions are fully integrated with service management platforms, avoiding the inefficiencies and blind spots that come from juggling multiple point tools.

Key capabilities to prioritize include:

- ✓ Seamless integration with dispatch and workforce systems
- ✓ Real-time monitoring and reporting
- ✓ Continuous background checks, not just periodic reviews
- ✓ Proven accuracy and compliance expertise
- ✓ Up-to-date regulatory alignment
- ✓ Access to deep databases across criminal, financial, and licensing records
- ✓ Secure photo badging and credential verification



Why Integration Matters

Point solutions for background checks, insurance, or licenses often fail to communicate with each other, creating gaps and redundancies. A fully integrated compliance solution offers consistency, accuracy, and efficiency, while reducing the likelihood of oversights.

That is why [ServicePower and PlusOne Solutions](#) have partnered to deliver an end-to-end field service and compliance platform, providing:

- ✓ Built-in background screening and monitoring
- ✓ Automated insurance and license management
- ✓ Credentialing and photo badging
- ✓ Seamless integration with dispatch and workforce management

The result is a contractor network that is qualified, credentialed, and continuously compliant, ensuring every technician at a customer's door meets the highest standards of safety, professionalism, and trust.

Because in field service, compliance isn't optional—it's the difference between risky business and smart business.



As a global leader in field service management, our solutions are designed and built with a focus on providing your customers with an exceptional experience, while delivering operational efficiencies and digital transformation capabilities. Our secure and flexible solutions provide organizations with the ability to optimally manage their workforces, while increasing revenue, improving the customer experience, and reducing costs.

“ServicePower has been a game changer for us through the years. Its automated AI-powered scheduling improves our workforce productivity and customer satisfaction daily, with every customer interaction, resulting in increased profitability for Siemens.”

- Pre-Job Process Owner, Siemens

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