



Fair Trading Commission

**ANALYSIS OF CABLE & WIRELESS (BARBADOS) LIMITED
ANNUAL STANDARDS
OF SERVICE REPORT**

April 2016 - March 2017

Date: September 27, 2017

INTRODUCTION

This report is an assessment of the performance of Cable & Wireless (Barbados) Limited (C&W) with respect to both the Guaranteed and Overall Standards of Service for the period April 1, 2016 to March 31, 2017. These Standards apply to the regulated residential and business fixed line services of C&W. The Standards of Service do not apply to C&W's broadband internet, mobile or television services as these are outside the regulatory purview of the Fair Trading Commission (the Commission). C&W's performance was analysed based on the Decision on the Standards of Service for C&W 2014 - 2017.

The assessment is divided into two (2) sections. Section 1 is the assessment of the Guaranteed Standards of Service. These require C&W to make compensatory payments, in the form of account credits, to each individual customer affected by C&W's failure to meet the defined target for the relevant Standard. Included in this section is an assessment of the number of customer claims under the Standards of Service for the period concerned.

Section 2 is an assessment of C&W's Overall Standards of Service. These Standards measure C&W's efficiency in delivering its regulated services to its customers at the national level and can be utilized as a proxy for identifying the overall impact of its performance on its customer base. It is therefore a measure of C&W's efficiency in servicing society's demand for fixed line telecommunications services as it is the dominant provider in the market. The Guaranteed and Overall Standards of Service are differentiated by the fact that customers must be compensated for breaches of the Guaranteed Standards of Service, while for breaches of the Overall Standards of Service, customers receive no compensation.

SECTION 1 - GUARANTEED STANDARDS OF SERVICE

The Guaranteed Standards of Service measure C&W's performance in providing its services to individual customers. Failure to meet these Standards requires that C&W pay compensation to the individual affected customers in the form of credits to their accounts. In a number of instances, breaches of Standards attract automated prorated credits or automatic compensation, which seeks to ensure that customers are not made to pay for services they do not receive. Of the Standards, those which are subject to customer initiated claims are GTS 1A, GTS 4 and GTS 5. Table 1 gives a full explanation of each Standard. Credits are normally applied to customers' accounts in the month following the confirmation of the breach of the Standard.

Table 1: Guaranteed Standards of Service

RC = Residential Customers; BC = Business Customers. Data for the 2015 - 2016 period is shown purely for comparative purposes.

STANDARD	Description	TARGET		AVERAGE % COMPLIANCE			
				April 1, 2016 - March 31, 2017		April 1, 2015 - March 31, 2016	
		RC	BC	RC	BC	RC	BC
GTS 1A Approval of Service	The time it should take for approval of an application from the date of submission	No more than seven (7) working days ¹	No more than five (5) working days	87.49	67.85	44.48	32.66
GTS 1B Installation of Service after Approval	The time it takes between application approval and the actual installation of service where plant is available Installation refers to service up to the demarcation point which is the network interface device (NID) or optical network terminal (ONT)	No more than seven (7) working days	No more than five (5) working days	87.49	67.85	77.84	61.68

¹ "Working Days" refers to Mondays to Fridays from 8:00 a.m. to 4:00 p.m. only and excludes public holidays and weekends. In measuring the response time for targets expressed in terms of working days, the day the complaint is made is excluded. Any other reference to days means calendar days.

STANDARD	Description	TARGET		AVERAGE % COMPLIANCE			
				April 1, 2016 - March 31, 2017		April 1, 2015 - March 31, 2016	
		RC	BC	RC	BC	RC	BC
GTS 2 Fault Repair	This speed in which faults due to failure of C&W equipment are repaired. Faults due to inside wiring or customer-owned equipment are not included	No more than two (2) days.		90.80	89.11	76.38	84.72
GTS 3 Repeated Loss of Service	The reoccurrence of a fault of the same nature, within 30 days of occurrence of the original fault, on C&W's network. Loss of service is defined as no dial tone	Faults should not reoccur within thirty (30) days of repair of first failure.		96.82	97.79	96.08	97.84
GTS 4 Response to Customer Complaints	This refers to the timeframe in which C&W acknowledges a customer's complaint relating to billing, malfunctioning network, quality of service or similar issues.	Acknowledgement within seven (7) working days after receipt of letters.		n/a ²	n/a ³	80.71	n/a
		Acknowledgement within five (5) working days for telephone, fax or e-mail complaints.		80.77	78.13	53.63	69.41
GTS 5 Customer Appointments	Scheduled appointments pertain to visits by C&W's representatives to correct faults on its network up to and including the NID or ONT, where access to the customer's	All customer appointments should be honoured Appointments may be scheduled: Morning (8:00 a.m. to 12:00 noon) or afternoon (12:01 p.m. to 4:00 p.m.)		83.78	93.30	63.87	92.57

² For the entire year, C&W only showed one month that had actual data reported. 100% compliance was achieved in this month. However, in terms of calculating an accurate average for the year, this data is insufficient.

³ C&W reports that no business letters were received during the period. Business complaints were funneled primarily through sales representatives or the contact centre.

STANDARD	Description	TARGET		AVERAGE % COMPLIANCE			
				April 1, 2016 - March 31, 2017		April 1, 2015 - March 31, 2016	
		RC	BC	RC	BC	RC	BC
	premises is necessary but restricted	<p>This does not include appointments pertaining to customers' premises equipment.</p> <p>Appointments may be rescheduled, however, the customer must be notified at least eight (8) working hours prior to the scheduled appointment.</p>					
GTS 6 Reconnection after Disconnection for Non-Payment	The timeframe in which customers are to be reconnected after settling outstanding balance and reconnection fee. Customers must notify C&W and provide proof of payment. C&W must acknowledge receipt of payment.	Reconnection of the service should occur within eight (8) working hours ⁴ of C&W's acknowledgement of payment		99.76	98.35	100	100
GTS 7 Wrongful Disconnection	<p>This refers to the loss of service due to system errors by the service provider.</p> <p>Not applicable where disconnection arises out of circumstances pertaining to an overdue amount</p>	Reconnection within 1 working hour of notification		27.78	0.00	60.20	66.67

GTS 1A - Approval of Application for Service

⁴ "Working hours" are between 8:00 a.m. and 4:00 p.m. on a working day.

GTS 1A refers to the maximum time it should take for an application for service to receive approval. For this Standard, during the twelve (12) month period ending March 31, 2017, there were 142 breaches in the business service category and nineteen (19) breaches in the residential service category. With 67.85% compliance for business customers, up from 32.66% in the previous twelve (12) month period, and 87.49% compliance for residential customers, up from 44.48% in the previous twelve (12) month period, performance under this Standard indicates a significant and commendable improvement.

GTS 1B - Installation of Service after Approval

Guaranteed Standard GTS 1B refers to the time it takes between the advice that the service application is approved⁵ and the actual provision of service, where plant is available. Installation of service should take no more than five (5) working days for business customers, while residential installations should take no more than seven (7) working days. Compliance with the target in the business category averaged 67.85% for the twelve (12) month period ending March 31, 2017, with 142 breaches. There is room for improvement here. Compliance for the residential service was 87.49% with nineteen (19) breaches. Clearly the reported compliance figures for GTS 1A and GTS 1B are identical. This has been a trend in the reporting over the last twelve (12) months. This did not occur in the previous year and the Commission, having investigated this, found that C&W interprets both Standards as parts of a two (2) week provisioning process. In other words, the entire process should be completed within two (2) weeks if there is to be compliance with both Standards. As it is at present, there are often delays with the approval of application process, as many of the applications, which are delivered by customers to the various sales outlets, do not reach the provisioning teams within the required timeframe. C&W has indicated that this is often due to human error or tardiness. As a result, if the approval process breaches the seven (7) day period, so will the installation process as C&W does not begin counting a separate seven (7) period, but instead continues counting

⁵ It should be noted that 'approval' now refers to whether or not the service is available at the requested location. This is indicated to the customer by way of a letter. In the event that the application is mishandled at the outlet causing enough delay to lead to a breach of the Standard, C&W usually forgoes this letter and simply speaks directly to the customer to set a date for installation.

up to fourteen (14) days. It operates as though each Standard is a part of a two (2) week process instead of separate seven (7) day processes. As a result of this linkage and the delays experienced in the approval stage, the installation stage is breached at the same rate.

GTS 2 - Fault Repair

The Guaranteed Standard for Fault Repair requires that faults, which are due to failure of C&W equipment, are corrected in no more than two (2) days. Compliance for the residential segment for the twelve (12) month period ending March 31, 2017 averaged 90.80%, while that for the business segment was 89.11%. The total number of breaches recorded for residential customers for the period was 2,264, while that for business customers was 432. Performance under this Standard has improved commendably from last year's numbers, which were 76.38% and 84.72% for residential and business categories, respectively.

GTS 3 - Repeated Loss of Service

The Guaranteed Standard for Repeated Loss of Service requires that there be no repeat loss of service for the same fault on C&W's network within thirty (30) days of a repair being done for either residential or business service. Compliance for business customers for the period ending March 31, 2017 was 97.79%, while the number of breaches was recorded at eighty-three (83). Performance for residential customers was 96.82% and the recorded number of breaches totalled 771 for the same period. This level of performance is in line with that of the previous year and is indeed commendable.

GTS 4 - Response to Customer Complaints

C&W's acknowledgement of complaints delivered by fax, telephone or email, which must occur within five (5) working days for residential customers, was 80.77% for the twelve (12) month period ending March 31, 2017. The number of breaches in this instance was recorded at eighty-one (81). Compliance in respect of business service complaints faxed, emailed or called in to C&W for the current year averaged 78.13%, with breaches

for business service totalling four (4). The level of compliance shows commendable improvement over the previous year's figures, which were 53.63% and 69.41% for residential and business categories respectively. In respect of the complaints delivered by letter, where acknowledgement is required within seven (7) working days, for the entire year in the residential category, C&W only showed one month that had actual data reported. 100% compliance was achieved in this month. However, in terms of calculating an accurate average for the year, this data is insufficient. Additionally, C&W reports that no business letters were received during the period. Business complaints were funneled primarily through sales representatives or the contact centre.

GTS 5 - Customer Appointments

This Standard covers scheduled appointments by C&W's agents to correct faults on the network where access to customer premises is necessary but restricted. Appointments are to be kept but may be rescheduled upon notifying the customer at least eight (8) hours prior to the scheduled appointment. Compliance for residential service averaged 83.78%, up from 63.87% for the previous year, with 3,933 breaches for the twelve (12) month period ending March 31, 2017. The business segment's average compliance was 93.30% as at March 31, 2017, up from 92.57%. There were 273 breaches for this period. This level of performance remains commendable.

GTS 6 - Reconnection after Disconnection (for non-payment)

The Guaranteed Standard of Service for Reconnection after Disconnection for non-payment requires that both residential and business customers be reconnected within eight (8) working hours of notification of payment. For the residential service, compliance averaged 99.76% with twenty-nine (29) breaches for the year ended March 31, 2017. For the business service, compliance averaged 98.35% with just one (1) breach for the same period. While last year's compliance figures were at 100% for both categories, this year's compliance remains highly satisfactory.

GTS 7 - Wrongful Disconnection

The Guaranteed Standard for Wrongful Disconnection - GTS 7 - requires that any loss of service due to errors, system based or otherwise, by C&W be reconnected within one (1) hour of notification by the customer. For the period ending March 31, 2017 there were six (6) breaches of the Standard for residential customers and only one (1) case of wrongful disconnection for business customers, which did breach the target. This led to 27.78% and 0.00% compliance, respectively. When asked to provide an explanation for the poor performance under this Standard, C&W indicated that for the entire period there were just ten (10) instances of wrongful disconnection across both customer classes, with seven (7) breaching the target. C&W contends that in cases where a customer claims wrongful disconnection, invariably an investigation is necessary which has the potential to be protracted and render meeting the target time impossible. As a result, C&W endeavours to keep occurrences of wrongful disconnection to a bare minimum so as to lessen the potentially negative effect on the customer base.

Customer Claims Summary

Customers are compensated by direct credit to their accounts for breaches of Guaranteed Standards of Service. C&W recorded a total of 8,201 instances where compensation was deemed eligible for the period ending March 31, 2017. Of these, there were 3,045 customers who received compensation for breaches of the Guaranteed Standards for the same period. The Commission is considering the implementation of stricter public education requirements to be followed by C&W so as to improve the ratio of eligible to actual compensation given. These stricter requirements include C&W's obligation to publish the Table of Guaranteed Standards of Service on its website and to include the weblink to the Table of Guaranteed Standards of Service on customers' utility bills. Also being considered is the adjustment of the reporting requirements such that C&W would be submitting the value of compensation attributable to each Guaranteed Standard. The percentage of eligible customers actually receiving compensation, improved marginally from 30.91% in the previous year to 31.72% in the current reporting period. This proportion is still unsatisfactory.

Table 2: Customer Claims Summary April 2016 - March 2017

CATEGORY	No. of Customers
Number of Customers Eligible for compensation	8,201
Number of Claims Received	3,045
Percentage of eligible customers receiving compensation	31.72%

The disparity between the number of customers eligible for compensation and the number of customers actually receiving compensation has been a chronic problem which appears in C&W's reporting. The aforementioned adjustments to the public education requirements are meant to remedy this situation.

SECTION 2 - OVERALL STANDARDS OF SERVICE

Table 3: Overall Standards of Service

STANDARD	DESCRIPTION	TARGET	AVERAGE % COMPLIANCE	
			April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
OTS 1	Fault Repair	80% of faults should be repaired within a twenty-four (24) hour period.	94.86	90.10
OTS 2	Repeated Loss of Service	No more than 5% of faults should reoccur within thirty (30) days of repair of first failure.	96.96	96.27
OTS 3	Working Payphones	At least 95% of the public payphones should be in working order daily.	n/a ⁶	100.00
OTS 4	Trunk Blocking	At least 95% of the calls should be completed during peak traffic.	n/a	n/a
OTS 5	Billing Accuracy	Billing errors must be no more than 0.5% of the total bills issued.	99.97	99.92
OTS 6	Customer Service Response Time	At least 80% of calls must be answered within sixty (60) seconds of being handed off by the Interactive Voice Response (IVR) system to the service representative queue.	69.44	n/a

Overall Standards assess C&W's countrywide performance in its provision of domestic fixed line services and are not associated with compensation to individual customers. However, where a breach persists, the Commission may, at its discretion, invoke Section

⁶ This Standard achieved 100% compliance during period October to December, 2016 only. For the other quarters under review, C&W collected no payphone activity reports and consequently, a meaningful yearly average is not possible here. NB: C&W no longer utilizes an automatic Payphone Management System as the revenue from payphones does not support the cost. It instead relies on manual report from G4S coin processing, which carries a yearly fixed cost.

43 of the Fair Trading Commission Act, CAP. 326 (FTCA) and Sections 31 and 38 of the Utilities Regulation Act, CAP. 282, (URA), which allow for the imposition of fines.

C&W's performance was generally satisfactory for the period ending March 31, 2017. Targets were met with the exception of OTS 6. Explanations for the lack of data for OTS 3 and OTS 4 are provided in the discussions below.

OTS 1 - Fault Repair

The target for this Standard is that at least 80% of the faults should be repaired within the first twenty (24) hours of it being reported. For the twelve (12) months ending March 31, 2017, the average was 94.86%, which is well above the acceptable minimum requirement.

OTS 2 - Repeated Loss of Service

This Standard refers to the repeated or frequent loss of phone service resulting from a fault of the same nature, within thirty (30) days of the occurrence of the original fault, due to problems on C&W's network. The target for this Overall Standard is 95% compliance. The average for the twelve (12) month period ending March 31, 2017 was 96.96% and therefore above the minimum acceptable level of performance.

OTS 3 - Working Payphones

This Standard refers to the number of payphones which are fully functional on a daily basis. The compliance target for working payphones is 95%. C&W's report quoted compliance for this Standard as 100% for the year. However, that compliance was achieved in the October - December quarter only. No payphone report data was available for any of the other quarters and as such the calculation of a true yearly average would have been skewed and inaccurate.

OTS 4 - Trunk Blocking

This is the percentage of calls which originated on a single network which have been successfully completed during designated peak traffic periods. The minimum acceptable level of performance for this standard is 95%. There was no data submitted for the current

reporting period because C&W's Network Monitoring Centre was moved to Jamaica and this new centre no longer provided this data. At present the Commission is considering the discontinuation of this Standard. Due to advancements in technological efficiency and updates to other Standards, the Commission is confident that this Standard is no longer necessary.

OTS 5 - Billing Accuracy

This reflects the accuracy of C&W's billing system as given by the information presented. The compliance rate for this requires that no more than 0.5% of the bills be inaccurate. The average percentage compliance for the period ending March 31, 2017 was 99.97%, which satisfies the required performance under this Standard.

OTS 6 - Customer Service Response

This Standard stipulates the target for the time taken by a customer service representative to answer a call after it is handed off by the IVR. At least 80% of the calls must be answered within sixty (60) seconds of hand-off from the IVR system. C&W achieved 69.44% compliance under this Standard for the period ending March 31, 2017, which is unsatisfactory. The Commission has commenced discussions with C&W on the corrective actions which must be instituted to effect improved performance under this Standard.

SUMMARY

This report assessed the performance of C&W as it relates to the Standards of Service set by the Commission. Using both the Guaranteed and Overall Standards of Service for the period April 1, 2016 to March 31, 2017, it was found that overall C&W's performance was generally satisfactory. C&W was unable to supply information on all six (6) of the Overall

Standards. As previously mentioned, the Commission is considering the discontinuation of Trunk Blocking - OTS 4 - be discontinued. The Commission recognises that complaints and reported breaches related to this Standard have been few. In addition to this, the improvements in existing Standards, technological efficiency (i.e. greater reliability of fibre optics over copper wire) and the potential regulatory cost that would be incurred should this Standard be continued, suggest that its retention is no longer prudent. Similarly, the Commission considers that the Standard for Working Payphones ought to be maintained owing to Section 33(1) (b) of the Telecommunications Act, CAP 282B of the Laws of Barbados, which states:

“There shall be a universal service obligation which is an obligation imposed on the Universal Service Carrier designated by the Minister under section 34(1), to ensure that payphones are reasonably accessible to all people in Barbados.”

The Commission, however, acknowledges that the use of the payphone has greatly waned due to the proliferation of the mobile phone.

C&W experienced challenges with meeting the expected performance levels for Wrongful Disconnection - GTS 7 - and states that the breaches of this Standard are due to the fact that claims for wrongful disconnection usually require thorough investigation. This may at times be a lengthy process, causing the time for resolution of the matter to breach the one (1) hour target. C&W, however, indicates that its main focus is to ensure that the instances of wrongful disconnection are kept to a minimum. Despite the low compliance rate, the total number of reported instances for the year was just ten (10), which suggests that there was a very low impact on the overall customer base. In terms of the business segment of GTS 1A and GTS 1B, performance indicates a marked improvement over the previous year. Additionally, the Commission is considering the amalgamation of these Standards into Installation or Transfer of Service - GTS 1 and expects continued improvement. The overall performance of all other Guaranteed Standards of Service met expectations.

A thorough analysis of past Standards of Service review indicates that there have been a number of breaches by C&W. According to Section 38(c)(i) and (ii) of the Utilities

Regulations Act Cap. 282 of the Laws of Barbados (URA) the Commission has a discretionary power to issue an order imposing penalties and to prescribe amounts to be paid to a consumer where a Service Provider breaches the Standards of Service. A consultation on the applicability of penalties for breaches of the Standards of Service is expected in the near future.