

## Standards of Service Review - Why it is Important

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Standards of Service regulation has been in place in Barbados since 2006. The Fair Trading Commission (Commission) conducted a review of these standards in 2009 and will be undertaking another review later this year. Both Cable & Wireless (Barbados) Limited (C&W) and the Barbados Light & Power Company Limited (BL&P) have Standards of Service agreements with the Commission. Section 3(1) of the Utilities Regulation Act Cap.282 and Section 3 of the Fair Trading Commission Act Cap.326B require the Commission to determine applicable standards of service and monitor compliance.

In the case of C&W, these standards were introduced as a result of the liberalisation of the Barbados telecommunications market and the introduction of the Price Cap regulation in 2005. This development is not unusual since many countries regionally and internationally implemented such regulations as their domestic markets liberalised. The concern at the time was that the quality of service for landline customers may deteriorate, as prices in other telecommunications service dropped due to increased competition from other service providers. Standards were also introduced for the BL&P at the same time.

The purpose of a standards programme is to, ensure that a minimum quality of service is maintained, provide incentives for improvement of that quality, create conditions for customer satisfaction, monitor service quality and generally protect the interest of consumers.

The regulation of quality of service standards provides for compensation for breaches of these standards. This is to be seen not only as a means by which customers should receive some compensation for the inconvenience of being without their utility service, but also as a way of improving the responsiveness of service providers to customers' needs. It is considered that regulation should not be unduly harsh by placing unreasonable monetary requirements on service providers. Indeed, the service provider should take care of customer needs such that customer complaints are speedily resolved, and only those complaints that cannot be settled at the company level should be referred to the regulator.

The Commission believes that members of the public should pay close attention to the upcoming review process for the current standards. It will involve the circulation of a Standards of Service consultation document which will contain information concerning the performance of the two utility companies in regard to both the Guaranteed and Overall standards during the past three years. It may also contain proposals for the introduction of new standards, the removal of standards which are no longer necessary and adjustments to exemption clauses.

Many customers are not aware that such exemption clauses exist in the Standards of Service Decisions of both utility service providers. This matter came into sharp focus when Tropical Storm Tomas struck Barbados in October 2010. A substantial number of customers were without service for several months after the storm passed, as there was significant damage to the telephone infrastructure in the country. Compensatory payments to customers for the company's failure to meet the guaranteed standards of service were suspended as a result of the force majeure clause that was in effect for a four-week period as their situation was due to an event which C&W could not avoid or prevent. Such clauses are customary in most standards of service arrangements between regulator and service provider and were meant to

deal with situations beyond the utility's control, such as storm, earthquake or other acts of nature.

Over the last six years, customers have become more familiar with the operation of the service agreements, and have been exercising their rights in respect of the Guaranteed Standards of Service compensation in particular. Participation in the standards review process will enable customers to be further educated about the operations of the standards provisions and how they function. For example, when making a complaint for breaches of any of the guaranteed standards customers should note the name of the representative to whom they spoke and request the tracking number for the complaint. This will enable them on any subsequent occasion to get information when checking on the progress of their complaint and will also help in the event that the matter has to be reported to the Commission.

Members of the public are more aware of their rights as consumers of goods and services and as such, customers have become accustomed to a situation where these services should function with as little disruption as possible.

The Standards of Service regime was designed to ensure that a high quality of service is maintained in the landline and electricity services. With that in mind, the Commission will continue to highlight the importance of members of the public contributing to the Standards of Service review process later this year. It is your collective responsibility to inform the Commission of what standards are expected from our service providers.