



Fair Trading Commission

DECISION

**Standards of Service for
Cable & Wireless (Barbados) Limited**

2010-2013

No: FTC/URD/2010-02

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TABLE OF CONTENTS

SECTION 1. INTRODUCTION	3
1. BACKGROUND	3
2. LEGISLATIVE FRAMEWORK	5
SECTION 2. THE DETERMINATION.....	7
3. SUMMARY OF REVISIONS	7
4. GUARANTEED STANDARDS OF SERVICE.....	9
5. OVERALL STANDARDS OF SERVICE.....	15
6. GENERAL EXEMPTIONS	18
7. OTHER EXEMPTIONS AND CONDITIONS.....	19
8. MONITORING AND ENFORCEMENT OF STANDARDS	20
9. PUBLIC DISCLOSURE OF INFORMATION	21
10. PUBLIC EDUCATION	21
11. IMPLEMENTATION AND REVIEW.....	22

SECTION 1 INTRODUCTION

1. BACKGROUND

This document sets out the Fair Trading Commission's "Commission" determination and rationale for the continuance of standards of service for the regulated fixed telephony services of Cable & Wireless (Barbados) Limited "Cable & Wireless".

The Utilities Regulation Act, CAP. 282 (URA) provides for the determination of standards of service by the Commission. In discharging this responsibility the Commission sought to be transparent in its decision making processes and issued a consultation paper as mandated by the Fair Trading Commission Act, CAP. 326B (FTCA). The Consultation Paper on the Review of the Standards of Service for Cable & Wireless was issued on October 29, 2008.

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

The Guaranteed Standards of Service require that Cable & Wireless make a compensatory payment to each individual customer who is affected by their failure to meet the defined target for the relevant standard.

The Overall Standards of Service are designed to reflect the overall performance of Cable & Wireless and are not defined by the service which an individual customer receives. There is no compensation to customers for failure to meet overall standards.

The standards also include details of exemptions. Exemptions refer to situations where the Commission considers that failure to meet the standards is outside the control of Cable & Wireless.

Service providers, representatives of consumer interest groups and other interested parties were invited to comment on the paper. The consultation period concluded on November 28, 2008. The Commission received only one written response which was from Cable & Wireless itself.

The Commission analysed data from Cable & Wireless standards of service reports over the period 2006 to the present and met with representatives of the Company. Based on these discussions and meetings, the Commission has revised the Guaranteed and Overall Standards in the standards of service programme as well as some sections of the exemption clauses and monitoring system. This decision gives a full description of the revised standards of service.

These revised standards of service will be applicable from **April 1st 2010 to March 2013.**

2. LEGISLATIVE FRAMEWORK

The functions of the Commission encompass the important aspect of the setting of standards. Section 3(1) of the Utilities Regulation Act, CAP. 282 (URA), states that the Commission shall, in relation to the service provider:-

- (a) *determine the standards of service applicable;*
- (b) *monitor the standards of service supplied to ensure compliance; and*
- (c) *carry out periodic reviews of the rates and principles for setting rates and standards of service.*

The Commission therefore has responsibility for determining and monitoring the standards of service and for carrying out periodic reviews of the standards of service for utilities under its jurisdiction.

Section 4 of the URA notes that in determining standards of service the Commission shall have regard to:-

- (a) *the rates being charged by the service provider for supplying a utility service;*
- (b) *ensuring that consumers are provided with universal access to the service supplied by the service provider;*
- (c) *the national environmental policy; and*
- (d) *such other matters as the Commission may consider appropriate.*

Rule 63 of the Utilities Regulation (Procedural) Rules 2003, S.I. 2003 No. 104 indicates that service standards may include issues such as:-

- (a) *Universality of service;*
- (b) *The provision of new services;*
- (c) *The extension of services to new customers;*

- (d) *The maximum response time permitted for responding to customer complaints; and*
- (e) *Standards related to service qualities which are specific to each sector.*

Under Statutory Instrument (S.I.) 2006 No.5 the Telecommunications (Regulated Services) Order 2006, the following categories of telecommunications services were determined to be subject to regulation by the Commission:

- (a) *International telecommunications services;*
- (b) *Domestic voice telecommunications services;*
- (c) *Services in respect of interconnection charges;*
- (d) *Leased circuits; and*
- (e) *International simple resale*

The consultation related specifically to the review of the standards of service for Cable & Wireless, the only carrier for domestic fixed voice telecommunications services currently operating in Barbados. The standards do not relate to mobile carriers as the Commission does not have jurisdiction to regulate these services.

SECTION 2 THE DETERMINATION

3. SUMMARY OF REVISIONS

Having considered all responses, analysed the data relating to Cable & Wireless and publicly available information on telecommunications standards of service, and compared standards from regional and extra- regional jurisdictions, the Commission believes that:

- the continued existence of Guaranteed and Overall Standards of Service for regulated fixed telephone services is appropriate;
- exemptions from the standards of service are appropriate under force majeure and other specified conditions.

The standards of service developed are specific to Cable & Wireless and are mandatory. The following sections set out the amendments to the Guaranteed and Overall Standards of Service and will be implemented from **April 1st 2010**. This will allow for the Commission to educate the public and for Cable & Wireless to sensitise its customers, prepare its staff and systems for the administration of these revised standards of service.

3.1 Changes to the Guaranteed Standards of Service

The Commission has made changes to the standard of service for Installation (Standard GTS1) due to the several complaints from customers concerning the lack of timely response to customers' applications for land line telephone service. The installation standard has been split into two new standards: GTS1A which represents the approval/non-approval after the submission of an application and GTS1B which represents the period of time the company has for installation of the telephone service after the approval phase. The Commission believes that these two

new standards of service should reduce the number of complaints concerning the installation of new telephone services.

3.2 Changes to the Overall Standards of Service

The Commission in this determination has made two additions to the Overall Standards of Service to address response time by Cable & Wireless Customer Service Centre. It is anticipated that this will reduce the time that the customer has to wait before receiving service from a service centre representative.

3.3 Reconciliation of Customer Payments

The Commission has determined that automated reconciliation is to be introduced along with quarterly reconciliation of customer accounts for **two** of the Guaranteed Standard of Service. It is anticipated that this will reduce the percentage of customers eligible for compensation but who do not receive compensation because of failure to submit a claim.

The Commission advises that the revisions will be in place by April 2010. This is to allow Cable & Wireless time to modify their information systems to allow for automated reconciliation.

3.4 Changes to Monitoring and Enforcement of Standards

The Commission has determined that a change in the method of claims reporting was necessary. Currently, the quarterly reporting information submitted by Cable & Wireless does not include reports on the number of customer claims. This is currently done only on an annual basis. This will be changed and the quarterly reports on the Standards of Service will now include claims reports.

4. GUARANTEED STANDARDS OF SERVICE

STANDARD	SERVICE CATEGORY	TARGET	COMPENSATORY PAYMENT
GTS1A (NEW)	APPROVAL OF APPLICATION FOR SERVICE This refers to the time it should take for approval of an application form from submission to approval.	Residential customers - no more than 7 working days Business customers no more than 5 working days	Refund of applicable installation fees
GTS1B (NEW)	INSTALLATION OF SERVICE, AFTER APPROVAL. This refers to the time it takes between the advice that the application is approved and the actual provision of service where plant is available. Service installation refers to installation up to the demarcation point which is the network interface device (NID)	Residential customers - no more than 7 working days Business Customers - no more than 5 working days.	Refund of first month's bill. Automated Compensation
GTS2	FAULT REPAIR The speed with which faults due to failure of the service provider's equipment or systems are repaired. Faults due to inside wiring or customer owned equipment are not included.	<u>Dry Season</u> Residential - 12 working hours Business - 8 working hours <u>Wet Season</u> Residential - 40 working hours Business - 16 working hours Dry season - Dec. 1 to May 31 Wet season - Jun. 1 to Nov. 30	Refund of BDS\$15 to residential customers and BDS\$30 to business customers on breach of the target time. An additional BDS\$15 for each additional 12 or 40 working hours for residential customers, an additional BDS\$30 for each additional 8 or 16 working hours for business customers as dictated by the season. Compensatory Payment (NEW) - Compensatory payments are now to be prorated on an hourly basis after target time has elapsed.

STANDARD	SERVICE CATEGORY	TARGET	COMPENSATORY PAYMENT
GTS 3	<p>REPEATED LOSS OF SERVICE</p> <p>This refers to the recurrence of a fault of the same nature, within 30 days of occurrence of the original fault, on the service provider's network.</p> <p>Loss of service is defined as no dial tone.</p>	<p>Faults should not reoccur within 30 days of repair of first failure.</p>	<p>Refund of BDS\$15 to residential customers and BDS\$30 to business customers for repeated loss of service, due to the service provider's equipment, within 30 days of original fault.</p>
GTS4	<p>RESPONSE TO CUSTOMER COMPLAINTS</p> <p>This refers to the time frame in which a service provider acknowledges a customer's complaint relating to billing, malfunctioning network, quality of service or similar issues.</p>	<p>Acknowledgement within 5 working days for telephone, fax or email complaints. 7 working days after receipt for written complaints forwarded by post.</p> <p>Acknowledgement should include a commitment as to the date investigations would be completed.</p>	<p>Refund of BDS\$15 to residential customers and BDS\$30 to business customers on breach of the target time.</p>
GTS5	<p>CUSTOMER APPOINTMENTS</p> <p>These scheduled appointments pertain to visits by the service provider's representatives to correct faults on the service provider's network up to and including the network interface device, where access to the customer's premises is necessary but restricted.</p> <p>This does not include appointments pertaining to customers' premises equipment (CPE) or internal wiring.</p>	<p>All customer appointments should be honoured.</p> <p>Morning (8:00 a.m. to 12:00 noon) or afternoon (1:00 p.m. to 4:00 p.m.) appointments may be scheduled.</p>	<p>Refund of BDS\$15 to residential customers and BDS\$30 to business customers (subject to 15 minutes grace period i.e. 12:15 p.m. for morning appointments and 4:15 p.m. for afternoon appointments) for missing agreed appointment.</p> <p>The service provider may reschedule an appointment; however the customer must be notified at least 8 working hours prior to the scheduled appointment.</p>

STANDARD	SERVICE CATEGORY	TARGET	COMPENSATORY PAYMENT
GTS6	<p>RECONNECTION AFTER DISCONNECTION FOR NON-PAYMENT</p> <p>This refers to the timely reconnection of a customer's service after payment of overdue amounts following notification to the service provider, where appropriate, and their acknowledgement of receipt of payment.</p> <p>Where the overdue amount and reconnection fee is paid at an authorized payment point that is not on-line such as the post office or some banks, the customer is required to notify the Company and provide proof of payment through a receipt number in order to effect timely reconnection.</p>	<p>Reconnection of the service should occur within 8 working hours of acknowledgement of payment.</p>	<p>Compensation in the amount equal to the reconnection fee.</p> <p>Automated Compensation</p>
GTS7	<p>WRONGFUL DISCONNECTION</p> <p>This refers to situations where customers are deprived of service due to system errors by the service provider.</p> <p>This standard is not applicable where disconnection arises out of circumstances pertaining to an overdue amount, specifically the service provider's non-acknowledgement of payment.</p> <p>Where the overdue amount is paid at an authorized payment point that is not on-line such as the post office or some banks, the customer is required to notify the Company and provide proof of payment through a receipt number in order to effect timely reconnection.</p>	<p>Reconnection within 1 working hour of notification.</p>	<p>Automatic minimum payment of BDS\$15 to residential customers and BDS\$30 to business customers. Following this, if the service is not reconnected within 1 working day of the customer's report of wrongful disconnection compensation shall continue to accrue based on pro-rating of the month's line rental fee.</p>

Unless otherwise stated working hours are defined as 8:00 a.m. to 4:00 p.m. Mondays to Fridays. Weekends and bank holidays are excluded.

4.1 Automated Reconciliation of Compensatory Payments for GTS1B and GTS6 (New)

The compensatory system as it now exists is manual. During the review of the standards of service the Commission looked into the feasibility of moving to a fully automated system of compensatory payment. In view of the considerable investment required in terms of upgrades to software and hardware to make an automated payment system fully functional, the Commission after consultation with Cable & Wireless recommended that Cable & Wireless undertake batch processing on a quarterly basis. This would entail the disbursement of compensation payments to customers who were entitled but who had not claimed.

Under such an arrangement the Company would identify customers eligible for compensation and credit their accounts. The Commission determined that this batch processing would only apply to Installation (GTS1B), and Reconnection after Disconnection for Non-payment (GTS6). These two categories were chosen because the affected customers can be easily identified and cost related to information system revisions minimised.

Cable & Wireless however indicated that on further study of the issue, manual batch processing of claims would also incur significant cost in terms of additional labour needed to implement such a system for quarterly reconciliation of claims. As a consequence, implementation of an automated compensatory payment system was preferred. Cable & Wireless further advised that the advantage that automation offered was that processing can be done on a quarterly or monthly basis. Further automation should eliminate errors in the processing of claims that the current system generates.

The implementation of automated processes would enable those customers who should have qualified for compensation but have not claimed to receive compensation without having to submit a paper claim. Examination of information submitted by Cable & Wireless in regards to claims indicates that approximately

80% of those eligible for compensation did not receive any, since they failed to submit claims.

The Commission has determined that for standards of service for Installation (GTS1B), and Reconnection after Disconnection for Non-payment (GTS6) there will be automatic claims processing. Customers should receive a credit to their account when the Cable & Wireless system identifies them as qualifying for compensation in their monthly processing. The time frame between the failure to meet Standards of Service GTS1B and GTS6 and receipt of the credit should be no longer than three months.

4.2 Manual System Compensation

For the avoidance of doubt customers will have to submit manual claims forms for all other breaches of Guaranteed Standards of Service and Cable & Wireless will continue to make available, claim forms for those customers who wish to claim using the manual system. Customer claim forms shall also be available on the Company's website. Customer claims must be submitted within 3 months of the event giving rise to the claim and Cable & Wireless must accept or deny the claim within 2 months. If after investigation a customer's claim is accepted, Cable & Wireless will adjust the following month's telephone bill by crediting the appropriate compensatory payment to the customer's account. If the claim is denied Cable & Wireless must inform the customer on what basis the decision was made.

All compensatory payments will be made as credits on the customer's next bill after the claim has been accepted. The customer has the right to make a complaint to the Commission if he/she considers that he/she has been wrongfully denied compensation.

4.3 Prorating

The Commission also made changes to the method of compensation for breaches of the Fault Repair Standard of the Guaranteed Standards of Service (GTS2). Previously persons affected by breaches to this standard were refunded in the amounts of residential customers BDS\$15 and business customers BDS\$30 on breach of the target time. If faults went beyond the target residential customers were refunded in the amount of \$15 for each additional 12 or 40 working hours Cable & Wireless was in breach of the target as dictated by the wet or dry season. Business customers were refunded in the amount of \$30 for each additional 8 or 16 working hours for breach of the standard as dictated by the wet or dry season.

The Commission found that compensation to customers for Cable & Wireless' failure to meet the target under the old method disadvantaged consumers. Customers could only receive additional compensation if Cable & Wireless failed to resolve the situation after an additional full block of time (for example 12 or 40 working hours) had passed.

Compensation will now be prorated each hour Cable & Wireless is in breach of the target. If Cable & Wireless has failed to meet the target time the customer will be compensated for each hour Cable & Wireless is in breach of the target.

5. OVERALL STANDARDS OF SERVICE

The Commission will be implementing two new standards for Overall Standards in the Standards of Service 2010 - 2013 programme. Customers have been complaining about the length of time that is required before they can reach a human voice response when they call Cable & Wireless' 1-800 number. The new Standards OTS6 and OTS7 will address these concerns and minimize customer delay.

Overall Standard of Service Customer Response Time (OTS6) refers to the time it takes for a customer service representative to respond to a customer service call. The target for this standard of service states that at least 80% of calls must be answered by a customer service representative within 60 seconds of being handed off by the IVR (Interactive Voice Response) System to the service representative queue.

Overall Standard of Service IVR Response Time (OTS7) refers to the time it takes for the IVR to respond to calls made by customers to the C&W 1-800 number. The target for this standard states that at least 80% of calls to the customer service number must be answered by the IVR within 30 seconds of making the call.

Overall Standards of Service 2010

STANDARD	SERVICE CATEGORY	TARGET
OTS	<p>FAULT REPAIR</p> <p>The speed with which faults due to failure of the service provider's equipment or systems are repaired. Faults due to inside wiring or customer owned equipment are not included.</p>	80% of faults should be repaired within a 24 hour period.
OTS 2	<p>REPEATED LOSS OF SERVICE</p> <p>This refers to the repeated or frequent loss of phone service of the same nature, within 30 days of the occurrence of the original fault, and due to problems on the service provider's network.</p> <p>Loss of service is defined as the absence of a dial tone.</p>	No more than 5% of faults should reoccur within 30 days of repair of first failure.
OTS3	<p>WORKING PAYPHONES</p> <p>The number of payphones which are fully functional on a daily basis.</p>	At least 95% of the public payphones should be in working order daily.
OTS4	<p>TRUNK BLOCKING</p> <p>This is the percentage of originated calls on a single network which have been successfully completed during designated peak traffic periods.</p>	At least 95% of the calls should be completed during peak traffic.
OTS5	<p>BILLING ACCURACY</p> <p>This reflects the accuracy of the service provider's billing system as given by the information presented.</p> <p>A billing error may be a mistake on a monthly statement defined as:</p> <ul style="list-style-type: none"> ▪ Charges for a product or service that list the wrong date or amount, or is not in keeping with the officially communicated rates or prices; ▪ Charges for products and/or services not requested and/or delivered; ▪ Mathematical or calculation errors; ▪ Failure to send a bill to the customer's current address provided the service provider receives notification of a change of address, in writing, at least 30 days before the billing period ends. 	Billing errors must be no more than 0.5% of the total bills issued.

STANDARD	SERVICE CATEGORY	TARGET
	Billing errors do not include charges due to fraud or faulty customer equipment. They also do not include the reflection of overdue amounts on subsequent bills if that amount was paid after the due date or pertain to format or frequency.	
OTS 6 (NEW)	CUSTOMER SERVICE RESPONSE TIME This refers to the time it takes for a representative to respond to customer service call from the time the phone rings.	At least 80% must be answered by a service representative within 60 seconds of being handed off by the Interactive Voice Response (IVR) System to the service representative queue.
OTS 7 (NEW)	IVR RESPONSE TIME This refers to the time it takes for the Interactive Voice Response (IVR) System to respond to a customer call.	At least 80% of calls to the customer service number must be answered by the IVR within 30 seconds of making the call.

6. GENERAL EXEMPTIONS

The Commission is of the view that Cable & Wireless is not required to make compensatory payments where conditions outside of its control make it impossible to meet the targets of the Guaranteed Standards of Service.

The conditions for exemptions from standards are as follows:

- Acts of God;
- Riot;
- Civil commotion;
- Strikes, lockouts, and other industrial actions;
- Acts of terrorism;
- War;
- Blockades;
- Insurrections;
- Epidemics;
- Landslides;
- Hurricanes;
- Lightning;
- Earthquake;
- Storms;
- Floods;
- Trade restrictions;
- Inability to obtain any requisite Government permits; and
- Breakdown of machinery or equipment or any other force or cause of similar nature not within the control of Cable & Wireless and which by the exercise of diligence it is unable to avoid, prevent or mitigate.

7. OTHER EXEMPTIONS AND CONDITIONS

The Commission is cognisant that other circumstances may exist from time to time which might impede Cable & Wireless' ability to meet the prescribed standards of service. In such circumstances, where a customer is dissatisfied with Cable & Wireless' application of an exemption, that customer may seek the Commission's guidance. Thereafter, the Commission may authorise Cable & Wireless' action or require it to honour the claim.

The existing situations which might fall into this category may include but are not limited to the following:

- where Cable & Wireless is requested by a public authority to provide emergency communication to assist in emergency action and the provision of such services restricts the connection of a customer to a specified service or the rectification of a fault or service difficulty;
- where Cable & Wireless is prevented from providing a connection to a specified service, or the rectification of a fault or service difficulty due to the service provider being unable to obtain lawful access to the land or a facility;
- where a law of Barbados prevents Cable & Wireless from complying with the service standard;
- after following Cable & Wireless credit and disconnection guidelines, the customer has not paid applicable charges and remains disconnected;
- where the customer is required to pay a charge to the service provider for the connection to the service or for the use of the service; and
- where Cable & Wireless has reasonable grounds to believe that the customer would be unwilling or unable to pay the charge as it becomes due.

The Commission has added the following new Exemptions and Conditions:

- Where there is a negligent and willful act by the customer;
- Where the breach is due to malfunction of customer owned equipment;
- Where Cable & Wireless is unable to gain access to the customer's premises at the time agreed with the customer for such access.

8. MONITORING AND ENFORCEMENT OF STANDARDS

Cable & Wireless is required to submit quarterly regulatory reports. These reports shall include information on:-

- The number of breaches under each guaranteed service category;
- The actual average time taken to respond to and /or rectify issues referred to under each guaranteed service category;
- The percentage level of compliance of each overall service category;
- The number of customer claims; and
- Details of any extenuating circumstances that would have prohibited Cable & Wireless from achieving the targets of the overall standards.

Cable & Wireless is required to submit annual reports. These reports shall include information on:

- The number of customers eligible for compensation during the previous financial year;
- The total value of compensation;
- The number of customers who actually received compensation; and
- The value of compensation received by customers;

The Commission reserves the right to conduct independent investigations that seek to determine the extent to which Cable & Wireless is meeting the standards of service.

It is expected that where an overall standard is not met Cable & Wireless will provide an explanation to the Commission. Where Cable & Wireless continually fails to meet an overall standard, particularly to the point where service is severely hampered, and it appears that Cable & Wireless has not made a reasonable effort to rectify the breach, section 43 of the FTCA and sections 31 and 38 of the URA may be invoked. Both Acts make provisions for the imposition of penalties when Cable & Wireless is deemed not to be in compliance with prescribed standards of service.

9. PUBLIC DISCLOSURE OF INFORMATION

Information pertaining to the level of compliance, by the Company, of the prescribed guaranteed and overall standards of service will be made available to the public on an annual basis on the FTC website www.ftc.gov.bb.

10. PUBLIC EDUCATION

Cable & Wireless shall make available to its customers a detailed list of the approved guaranteed and overall standards of service. This list shall include information on the service categories, target times, and compensatory payments where applicable. Cable & Wireless' is to make known to the public its fault reporting process and the appropriate contact numbers. Cable & Wireless shall also widely publicise the means through which compensation for breaches may be sought. The Commission will seek to further educate the public as to their rights and responsibilities as they relate to these newly developed standards.

11. IMPLEMENTATION AND REVIEW

The Standards of Service for Cable & Wireless are mandatory and as herein outlined will become effective on **April 1st 2010**. These standards are subject to a formal Commission review every **three** years, at which time amendments to the standards, target times or compensatory payments may be made.

Dated this 22nd day of February 2010

Original Signed by

Neville V. Nicholls
Chairman

Original Signed by

Prof. Andrew Downes
Deputy Chairman

Original Signed by

Gregory Hazzard
Commissioner

Original Signed by

Trevor Welch
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Ms. Monique Taitt
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