



# **Fair Trading Commission**

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

**April 2017 - December 2017**

June 7, 2018

## INTRODUCTION

The Fair Trading Commission (the Commission) is empowered under the Fair Trading Commission Act, CAP. 326B (FTCA) and the Utilities Regulation Act, CAP. 282 (URA) of the Laws of Barbados to determine, monitor and review Standards of Service applicable to regulated utilities. The role of the Standards of Service framework is to ensure operational consistency and outline the minimum Standards of quality, customer service and reliability that must be met by Cable & Wireless (Barbados) Limited (C&W).

This report evaluates the performance of C&W with respect to both the Guaranteed and Overall Standards of Service for the period April 1, 2017 to December 31, 2017. These Standards apply only to the regulated residential and business fixed line telephony services of C&W and not its broadband internet, mobile or television services, as these are outside the regulatory purview of the Fair Trading Commission (the Commission). C&W's performance is analysed based on the Decision on the Standards of Service 2014 - 2017 but makes reference to the Standards of Service Decision 2018 - 2020 (the Decision) issued by the Commission on September 29, 2017, which took effect from January 1, 2018. It must be noted that this report covers the aforementioned nine (9) month period as opposed to the customary twelve (12) months because in December 2016, C&W changed its financial year-end from March 31 to December 31, in order to be congruent with that of its parent company, Liberty Global. As a result, all of its reporting will now follow a calendar year and this report covers the initial transition period. Data from the previous year will be included for reference but no meaningful comparisons are made since the periods are of different durations.

There are two (2) Sections contained herein. Section 1 provides an assessment of the Guaranteed Standards of Service, which measure C&W's performance in providing its services to individual customers and require C&W to make compensatory payments 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, indicating the number of breaches of the Guaranteed Standards of Service.

Section 2 assesses C&W's Overall Standards of Service. These measure C&W's efficiency in delivering its regulated services to its customers at the national level and can be utilised as a proxy for identifying the overall impact of its performance on its customer base and measuring C&W's efficiency in servicing society's demand for fixed line telecommunications services. 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 are outlined below. Failure to meet these Standards requires that C&W compensate each affected customer via credits to their accounts. In a number of instances, breaches of these Standards attract automatic compensation. Of the eight (8) Guaranteed Standards, those which remain subject to customer initiated claims are GTS 1A, GTS 4 and GTS 5<sup>1</sup>. Table 1 provides details for 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 2016 - 2017 period is shown purely for reference purposes.

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE			
				April 1, 2017 - December 31, 2017		April 1, 2016 - March 31, 2017	
		RC	BC	RC	BC	RC	BC
<b>GTS 1A Approval of Service</b>	The time it should take for approval of an application from the date of submission	No more than 7 working days <sup>2</sup>	No more than 5 working days	15.95	88.88	87.49	67.85
<b>GTS 1B Installation of Service after Approval</b>	The time it takes between application approval and the actual installation of service where plant is available  <b>Installation refers to service up to the demarcation point which is the</b>	No more than 7 working days	No more than 5 working days	55.97	62.88	87.49	67.85

<sup>1</sup> The recent Decision on the Standards of Service for C&W also instituted a new Guaranteed Standard for Billing Accuracy, which requires Customer Initiated Claims. Moreover, GTS 1A and 1B were consolidated into GTS 1, which attracts automatic compensation. These changes came into effect from January 1, 2018.

<sup>2</sup> "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, 2017 - December 31, 2017		April 1, 2016 - March 31, 2017	
		RC	BC	RC	BC	RC	BC
	<b>network interface device (NID) or optical network terminal (ONT)</b>						
<b>GTS 2 Fault Repair</b>	This speed in which faults due to failure of C&W equipment are repaired.  <b>Faults due to inside wiring or customer-owned equipment are not included</b>	No more than 2 days.		80.07	86.86	76.38	90.80
<b>GTS 3 Repeated Loss of Service</b>	The reoccurrence of a fault of the same nature, within 30 days of occurrence of the original fault, on C&W's network.  <b>Loss of service is defined as no dial tone</b>	Faults should not reoccur within 30 days of repair of first failure.		97.53	98.72	96.08	96.82
<b>GTS 4 Response to Customer Complaints</b>	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 7 working days after receipt of letters.		66.86	55.80	80.71	N/A
		Acknowledgement within 5 working days for telephone, fax or e-mail complaints.		39.74	54.70	53.63	80.77
<b>GTS 5 Customer Appointments</b>	Scheduled appointments pertain to visits by C&W's representatives to correct faults	All customer appointments should be honoured  Appointments may be scheduled: Morning (8:00 a.m.		95.68	96.05	63.87	83.78

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE				
				April 1, 2017 - December 31, 2017		April 1, 2016 - March 31, 2017		
		RC	BC	RC	BC	RC	BC	
	on its network up to and including the NID or ONT, where access to the customer's premises is necessary but restricted	to 12:00 noon) or afternoon (12:01 p.m. to 4:00 p.m.)  This does not include appointments pertaining to customers' premises equipment.  Appointments may be rescheduled, however, the customer must be notified at least 8 working hours prior to the scheduled appointment.						
<b>GTS 6 Reconnection after Disconnection for Non-Payment</b>	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 8 working hours <sup>3</sup> of C&W's acknowledgement of payment	91.01	97.84	100	99.76		
<b>GTS 7 Wrongful Disconnection</b>	This refers to the loss of service due to system errors by the service provider.  Not applicable where disconnection arises out of circumstances pertaining to an overdue amount	Reconnection within 1 working hour of notification	N/A	N/A	60.20	27.78		

### GTS 1A - Approval of Service

<sup>3</sup> "Working hours" are between 8:00 a.m. and 4:00 p.m. on a working day.

GTS 1A stipulates the maximum time allowed between submission of an application for service and its eventual approval. Approval 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.

#### *Business Category*

For this Standard, during the nine (9) month period ending December, 2017, there were sixty-three (63) reported breaches in the business category, leading to an average compliance of 88.88%, which is commendable.

#### *Residential Category*

For the period under review, there were 3,317 reported breaches in the residential category. This large number of breaches and the resultant average compliance of 15.95% under this Standard is highly unsatisfactory.

C&W cites system errors related to the billing migration of May 2017 as the reason for unusually lengthy response times and poor compliance under this Standard observed for the period ending December 31, 2017. C&W claims that subsequent to its billing migration, the new system did not differentiate between new installations and customer migrations. New installations receive letters of approval while migrated customers are contacted via telephone. Therefore, since the system included the migrations among the dataset for this Standard the data was skewed negatively on the residential side. As the billing migration is now complete, it is expected that this problem will be rectified by the next reporting period.

#### **GTS 1B - Installation of Service**

GTS 1B stipulates the maximum time allowed between notification that the service application is approved 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.

### *Business Category*

The total number of reported breaches for the period under review was 146 giving an average compliance of 62.88%. This is indicative of a need to improve performance in the timeliness of these installations.

### *Residential Category*

In the residential category there were 1,980 reported breaches of this Standard for the period under review, giving an average compliance of 55.97%. As previously indicated, these installations include both migrations and new installations. Given that the criteria for the Standard refers only to the installation time for new installations, this system error skewed the data negatively.

## **GTS 2 - Fault Repair**

This Standard requires that faults, which are due to failure of C&W's equipment, are corrected in no more than two (2) days.

### *Business Category*

For the period ending December 31, 2017, C&W reported 406 breaches under this Standard, resulting in an average compliance in this category of 86.86%. This performance level is satisfactory.

### *Residential Category*

Compliance for the residential segment for the period ending December 31, 2017 averaged 80.07%, with 4,046 breaches. It should be noted here that C&W currently serves 74,871 residential fixed line customers. Performance under this Standard for the period has been satisfactory.

## **GTS 3 - Repeated Loss of Service**



The Guaranteed Standard for Repeated Loss of Service requires that there be no repeat occurrences of 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.

#### *Business Category*

During the period under review, there were forty-one (41) reported breaches under this Standard, giving rise to an average compliance of 98.72%, which is commendable.

#### *Residential Category*

Compliance in the residential category for the period ending December 31, 2017, was 97.53%, with the number of reported breaches at 483. This performance is commendable as these compliance levels are customary for C&W under this Standard.

### **GTS 4 - Response to Customer Complaints**

This Standard refers to the timeframe in which C&W acknowledges a customer's complaint relating to billing, malfunctioning network, quality of service or similar issues. For both business and residential categories, C&W's acknowledgement of complaints delivered by fax, telephone or email, must occur within five (5) working days, while complaints delivered via letter must be acknowledged within seven (7) working days.

#### *Business Category*

C&W's performance under this Standard continues to be less than satisfactory. As it relates to telephone/email-based complaints, the number of breaches was ninety-two (92), resulting in average compliance of 54.70%. For letter based complaints the number of breaches was five (5), with an average compliance of 55.80%. The average overall compliance is the average of the monthly reported compliance percentages. This has the potential to present data interpretation problems as follows: The month of July saw four (4) complaint letters written, three (3) of which breached the target, leading to compliance of 25% for that month. Similarly, August saw one (1) letter written. This single instance was breached resulting in compliance of 0% for the month. In September, there were fifty-

five (55) letters written and only one breach, leading to compliance of 98.18% for that month. The average of these monthly percentages for the July to September quarter is 41.06%, which suggests a situation where C&W was in breach way more than it was compliant. However, in actuality there were five (5) breaches of sixty (60) instances. This method of computation can lead to a skewed perspective if there is a small number of overall instances with the bulk of them concentrated in one month. Consequently, while the computation of quarterly averages has merit, a more granular analysis of breaches versus instances must also be done to ensure the accuracy of the results.

#### *Residential Category*

There were forty-nine (49) reported breaches for letter-based complaints, with an average compliance of 66.86% and 6,943 breaches for telephone/email-based complaints, for an average compliance of 39.74%. C&W explains that complaints related to non-regulated services were erroneously included in the data for this Standard were. Additionally, a large number of the complaints stemmed from the issues caused by the billing migration of May 2017.

In the Decision, the Commission instituted a series of measures aimed at facilitating an improved level of compliance by C&W, in terms of acknowledgement of customer complaints. It involves the development of an official complaints procedure, which must be submitted to the Commission for approval.

#### **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.

#### *Business Category*

Average compliance was 96.05% for the period under review, with 112 breaches of the Standard.

*Residential Category*

Compliance for this category, for the period under review, averaged 95.68% with 727 breaches. This level of performance remains commendable for both categories.

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

This Standard requires that both residential and business customers be reconnected within eight (8) working hours of notification of payment.

*Business Category*

For the period ended December 31, 2017, compliance in this category averaged 97.84%, with forty-seven (47) breaches.

*Residential Category*

C&W's reporting indicates an average compliance of 97.59% with 908 breaches under this Standard. However, the Staff of the Commission found, based on the C&W's monthly data set, that the correct average compliance was 91.01% for the nine (9) month period ending December 31, 2017. Despite this discrepancy, the performance in each category is commendable.

**GTS 7 - Wrongful Disconnection**

This Standard 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.

*Business Category*

For the period ending December 31, 2017 there were no instances and thus no breaches of the Standard for this category. C&W's reporting indicates an average compliance of 100% for this category but the Staff of the Commission notes that this would not be

mathematically correct. A percentage is a ratio and a ratio of zero to zero is simply zero. Since there was no observable data to analyse Staff determines this as not applicable or N/A.

### *Residential Category*

For the period under review, this category saw just eleven (11) instances of wrongful disconnection, all of which breached 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 minimum to lessen the potentially negative effect on the customer base. In its reporting, C&W attributes a value of 77.78% to the average compliance for this category. This, however, is mathematically incorrect as, for the nine-month period; all of the instances that occurred breached the target. As they all occurred in one quarter, computing an average compliance over three (3) quarters with this data set would produce a highly skewed result. Hence, Staff assigns a value of N/A to this category.

### **Customer Claims Summary**

Customers are compensated by direct credit to their accounts for breaches of Guaranteed Standards of Service. C&W recorded 19,376 instances in total where compensation was deemed eligible for the nine (9) month period ending December 31, 2017. Of these, 7,378 customers received compensation for breaches of the Guaranteed Standards for the same period. The percentage of eligible customers actually receiving compensation was 38.1% as seen in Table 2. This proportion is still unsatisfactory.

The Commission, in the Decision, implemented stricter public education requirements to be followed by C&W 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 include the weblink to the Table of Guaranteed Standards of Service on customers' utility bills. Additionally, it was proposed that the

reporting requirements be adjusted such that C&W be required to submit the value of compensation attributable to each Guaranteed Standard. These measures took effect from January 1, 2018.

**Table 2: Customer Claims Summary April 1 2017 - December 31 2017**

<b>CATEGORY</b>	<b>No. of Customers</b>
Number of Customers Eligible for compensation	19,376
Number of Claims Received/Compensation Paid	7,378
Percentage of eligible customers receiving compensation	38.1%

**Table 3: Customer Claims Summary April 2016 - March 2017**

<b>CATEGORY</b>	<b>No. of Customers</b>
Number of Customers Eligible for compensation	8,201
Number of Claims Received/Compensation Paid	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 4: Overall Standards of Service**

STANDARD	TARGET	AVERAGE % COMPLIANCE	
		April 1, 2017 to December 31, 2017	April 1, 2016 to March 31, 2017
<b>OTS 1 Fault Repair</b>	80% of faults should be repaired within a 24 hour period.	91.87	94.86
<b>OTS 2 Repeated Loss of Service</b>	No more than 5% of faults should reoccur within 30 days of repair of first failure.	97.69	96.96
<b>OTS 3 Working Payphones</b>	At least 95% of the public payphones should be in working order daily.	N/A	N/A <sup>4</sup>
<b>OTS 4 Trunk Blocking</b>	At least 95% of the calls should be completed during peak traffic.	N/A	N/A
<b>OTS 5 Billing Accuracy</b>	Billing errors must be no more than 0.5% of the total bills issued.	99.71	99.97
<b>OTS 6 Customer Service Response Time</b>	At least 80% of calls must be answered within 60 seconds of being handed off by the Interactive Voice Response (IVR) system to the service representative queue.	86.11	69.44

<sup>4</sup> This Standard achieved 100% compliance during the 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 utilises an automatic Payphone Management System, as the revenue from payphones does not support the cost. It instead relies on a manual report from G4S coin processing, which carries a yearly fixed cost.

Overall Standards assess C&W's countrywide performance in its provision of domestic fixed line telephony services and are not associated with compensation to individual customers. However, where a breach persists, the Commission may, at its discretion, invoke Section 43 of the FTCA and Sections 31 and 38 of the URA, which allow for the imposition of fines.

C&W's performance was generally satisfactory for the nine (9) month period ending December 31, 2017 as all targets were met. Explanations for the lack of data for Working Phones (OTS 3) and Trunk Blocking (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 being reported. For the nine (9) months ending December 31, 2017, the average was 91.87%, 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 nine (9) month period ending December 31, 2017, was 97.69% 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, no payphone report data was available for the year and as such, the calculation of a true yearly average would be mathematically impossible. As there were no reports, no assessment on the number of breaches is possible. This in itself does not warrant a compliance of 100%. Staff has determined that N/A be assigned here in lieu of a value.

#### **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 provides this data. Due to advancements in technological efficiency and updates to other Standards, the Commission is confident that this Standard is no longer necessary. In the Decision, therefore, the Commission determined that this Standard be discontinued.

#### **OTS 5 - Billing Accuracy**

This reflects the accuracy of C&W's billing system as given by the information presented. The target for this requires that no more than 0.5% of the bills be inaccurate. The average percentage compliance for the nine (9) month period ending December 31, 2017, was 99.71%, which satisfies the required performance under this Standard. Please note that C&W reported average compliance of 99.63% which, based on the data submitted over the year, would be inaccurate.

#### **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 86.11% compliance under this Standard for the nine (9) month period ending December 31, 2017, which is satisfactory. Please note that C&W reported average compliance of 75.43% which, based on the data submitted over the year, would be inaccurate.

C&W has indicated that the compliance figures submitted are based on its internal Key Performance Indicator (KPI), which requires 70% of calls to be answered within forty (40) seconds. This data is not in accordance with the Commission's approved target for the Standard. C&W claims that its internal KPI is more stringent, implying that this is



justification for its use in favour of the Commission's target. Via correspondence dated July 17, 2017, the Commission indicated that C&W is required to calibrate its systems to allow it to comply with data submission requirements pursuant to the Commission's approved target. The Commission required a response indicating a plan for corrective action by July 31, 2017. C&W has ignored this directive, as no response has been forthcoming. Appropriate action will be taken to address the matter.

## 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, 2017 to December 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. According to the Decision, Trunk Blocking (OTS 4) shall be discontinued effective January 1, 2018. 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 Decision proposes that the Standard for Working Payphones (OTS 3) is 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 acknowledges that the use of the payphone has greatly waned since the proliferation of the mobile phone. Consequently, despite the need to maintain the Standard, the Commission seeks to lessen the regulatory burden by reducing the target for this Standard from 95% to 75% of payphones required to be working on a daily basis. Moreover, C&W's reported data for OTS 3 indicated zero total reports and zero instances exceeding the target, yet the reported percentage compliance was 100%. From a mathematical perspective, a ratio of zero to zero does not give 100%. There appears to be a need for the Commission to stipulate how this information should be reported. Furthermore, C&W continues to disregard the Commission's reporting requirements under Customer Service Response (OTS 6) by utilising its own internal KPI

measurements. This is a breach of the Decision on the Standards of Service 2014 - 2017 and steps shall be taken to ensure compliance.

In terms of the Guaranteed Standards of Service, several of these were negatively affected by technical issues caused by the billing system migration of May 2017. Of particular concern was the poor performance of Approval of Service (GTS 1A). This however is mitigated by the fact that in the Decision, the Commission determined that GTS 1A and 1B would be consolidated into one new Standard i.e. Installation of Service (GTS 1). Moreover, C&W has advised that support teams are in the process of resolving all issues, with many solutions already in place. The billing migration is completed and is not expected to affect future performance.

The Commission shall be indicating to C&W that compliance with the Decision on the Standards of Service 2014 - 2017 and the recent Decision requires that adequate systems be established to ensure the provision of the required data. To do otherwise constitutes a breach of the same. The Commission will continue to monitor the Standards of Service and expects to see overall improvement by the start of the next financial year.