



# **Fair Trading Commission**

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

**January 1, 2018 - December 31, 2018**

Date: June 20, 2019

## **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 January 1, 2018 to December 31, 2018. 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 currently 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 2018 - 2020 (the Decision) issued by the Commission on September 29, 2017, which took effect from January 1, 2018. 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, the previous Annual Standards of Service report covered a nine (9) month transitional period. Consequently, data from the previous year are included herein 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 apply compensatory credits to the accounts of 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 Standards attract automated prorated credits or automatic compensation. Of the Standards, those that remain subject to customer-initiated claims are GTS 4, GTS 5 and GTS 8. 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 2017 period is shown purely for reference purposes.

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE			
				January 1, 2018 - December 31, 2018		April 1, 2017 - December 31, 2017	
		RC	BC	RC	BC	RC	BC
<b>GTS 1 Installation or Transfer of Service</b>	The time taken between the customer's application for service or transfer of service and the actual installation or transfer of service (from one location to another)	No more than 7 working days <sup>1</sup>	No more than 5 working days	94.75	92.83	N/A	N/A <sup>2</sup>
<b>GTS 2 Fault Repair</b>	The speed with 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.		83.75	87.04	80.07	86.86

<sup>1</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.

<sup>2</sup> GTS 1 only came into effect from January 1, 2018,. Data from any previous year is therefore not applicable.

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE			
				January 1, 2018 - December 31, 2018		April 1, 2017 - December 31, 2017	
		RC	BC	RC	BC	RC	BC
	<b>'Fault' and 'Loss of Service' carry the same definition, which is outlined below.</b>						
<b>GTS 3 Repeated Loss of Service</b>	<p>The reoccurrence of a fault of the same nature, within 30 days of occurrence of the original fault, on C&amp;W's network.</p> <p><b>Loss of service is defined as disrupted or degraded service including, inter alia, no dial tone.</b></p>	Faults should not reoccur within 30 days of repair of first failure.	94.69	94.31	97.53	98.72	
<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.	<p>Acknowledgement within seven (7) working days after receipt of written complaints by Registered Mail.</p> <p>Acknowledgement within five (5) working days for telephone, fax or e-mail complaints.</p> <p>Immediate acknowledgement for complaints submitted in person via official complaint form.</p> <p>Acknowledgement shall include advice as to the date the matter is expected to be resolved in accordance with the requisite Standards</p>	100	N/A	66.86	55.80	
			96.21	98.78	39.74	54.70	
<b>GTS 5 Customer Appointments</b>	Scheduled appointments pertain to visits by C&W's representatives to correct faults on its network up to	<p>All customer appointments should be honoured</p> <p>Appointments may be scheduled: Morning (8:00 a.m.</p>	99.30	96.12	95.68	96.05	

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE			
				January 1, 2018 - December 31, 2018		April 1, 2017 - December 31, 2017	
		RC	BC	RC	BC	RC	BC
	and including the network interface device (NID) or optical network terminal (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 six (6) working hours <sup>3</sup> of C&W's acknowledgement of payment	97.61	93.58	91.01	97.84	
<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	0	N/A	N/A	

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

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE			
				January 1, 2018 - December 31, 2018		April 1, 2017 - December 31, 2017	
		RC	BC	RC	BC	RC	BC
<b>GTS 8 Billing Accuracy</b>	This refers to the incidence of billing errors on customers' individual billing statements.	Billing errors are to be corrected within thirty (30) days of notification by customer.		99.98	100	N/A	N/A <sup>4</sup>

### **GTS 1 - Installation or Transfer of Service (New)**

GTS 1 refers to the time taken between the customer's application for a new service or a transfer of service and the actual installation or transfer of said service. Service installation 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 twelve (12) month period ending December 2018, there were thirty-eight (38) reported breaches in the business category, leading to an average compliance of 92.83%, which is commendable.

#### ***Residential Category***

For the period under review, there were 192 reported breaches in the residential category. This led to an average compliance of 94.75% under this Standard, which is highly commendable.

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<sup>4</sup> GTS 8 is a new Standard that came into effect from January 1, 2018. As such, there is no data from any previous year.

## **GTS 2 - Fault Repair**

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

### ***Business Category***

For the period ending December 31, 2018, C&W reported 480 breaches under this Standard, resulting in an average compliance in this category of 87.04%. This performance level is satisfactory.

### ***Residential Category***

Compliance for the residential segment for the period ending December 31, 2018 averaged 83.75%, with 3,523 breaches. It should be noted here that C&W currently serves 73,300 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 217 reported breaches under this Standard, giving rise to an average compliance of 94.31%, which is commendable.

### ***Residential Category***

Compliance in the residential category for the period ending December 31, 2018, was 94.69%, with the number of reported breaches at 1,178. This performance is commendable as these compliance levels are customary for C&W under this Standard.



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

This Standard stipulates the maximum allowable time in which C&W shall acknowledge a customer's complaint relating to billing, malfunctioning network or quality of service. An acknowledgement occurs when C&W communicates to the customer orally, in writing or electronically that it has received their complaint. For both residential and business customers, acknowledgement of telephone, fax or email complaints shall occur within five (5) working days of receipt of complaint. Acknowledgement of complaints forwarded by registered mail shall occur within seven (7) working days of receipt of the complaint. Complaints delivered to C&W's head office on its approved official complaint form must be acknowledged immediately.

#### ***Business Category***

As it relates to telephone/email-based complaints, the number of breaches was twelve (12), resulting in average compliance of 98.78%. For letter-based complaints, there were no breaches and as a result, C&W has reported 100% compliance. However, for a number of months there were no instances from which to judge whether a breach occurred. Hence, N/A is indicated here in lieu of a percentage compliance figure, as it would be mathematically impossible to compile a true twelve (12) month average.

#### ***Residential Category***

C&W has reported no breaches for letter-based complaints, with an average compliance of 100%. However, Staff of the Commission notes anecdotal evidence from a number of customers who have claimed they did not receive any timely acknowledgement of their written complaints. The Decision, however, stipulated that for this Standard, C&W is judged based on letters sent via registered mail due to the uncertainty in determining whether a regular letter is received.

For telephone/email-based complaints, C&W has reported 890 breaches for an average compliance of 96.21%. This level of compliance is commendable.

## **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 96.12% for the period under review, with 144 breaches of the Standard.

### ***Residential Category***

Compliance for this category, for the period under review, averaged 99.30% with 153 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 six (6) working hours of notification of payment.

### ***Business Category***

For the period ended December 31, 2018, C&W reports compliance in this category averaged 93.58%, with eight (8) breaches. However, this is based on just eleven (11) months of data as for one month there were no instances that could have been breached. Since a true twelve (12) month average is not possible, Staff finds it prudent to report N/A under this category of the Standard.

### ***Residential Category***

C&W's reporting indicates an average compliance of 97.61% with 479 breaches under this Standard. This performance 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, 2018 there was one (1) instance of wrongful disconnection and this was not reconnected within the stipulated period. This led to an average compliance of 0%. Despite this, Staff acknowledges that this was the only occurrence for the year and thus this is not a major concern at this time.

### ***Residential Category***

For the period under review, this category saw no instances of wrongful disconnection, and consequently, there was no data from which to assess breaches and no meaningful average compliance percentage can be computed. As a result, Staff indicates N/A under this category of the Standard. C&W continues to be prudent in ensuring that instances of wrongful disconnection are kept to a minimum.

## **GTS 8 - Billing Accuracy**

This Standard provides for the monitoring of errors on customers' individual billing statements and stipulates that any billing errors must be corrected within thirty (30) days of notification by the customer.

### ***Business Category***

For the period under review, there were no breaches of this Standard in the business category, for an average compliance of 100%.

### ***Residential Category***

In the residential category, for the period ending December 31, 2018 there was one (1) breach of the standard, giving an average compliance of 99.98%. Under both categories, C&W's performance was commendable.

## Customer Claims Summary

Customers are compensated by direct credit to their accounts for breaches of Guaranteed Standards of Service. C&W recorded 7,316 instances in total where compensation was deemed eligible for the twelve (12) month period ending December 31, 2018. Of these, 7,162 customers received compensation for breaches of the Guaranteed Standards for the same period. The percentage of eligible customers actually receiving compensation was 97.90% and the percentage of eligible compensation actually paid was 128.14%, as seen in Table 2. These proportions are commendable. Actual compensation paid was significantly higher than eligible compensation for the period. This occurs when compensation that was previously due is paid in the current period in addition to that which is currently due.

**Table 2: Customer Claims Summary January 1 2018 - December 31 2018**

CATEGORY	No. of Customers
Eligible Compensation	7,316
Number of Rebates	7,162
Percentage of eligible rebates granted/Percentage of due compensation paid	97.90

**Table 3: Customer Claims Summary April 1 2017 - December 31 2017**

CATEGORY	No. of Customers
Eligible Compensation	19,376
Number of Rebates	7,378
Percentage of eligible rebates granted/Percentage of due compensation paid	38.1%

## SECTION 2 - OVERALL STANDARDS OF SERVICE

**Table 4: Overall Standards of Service**

STANDARD	TARGET	AVERAGE % COMPLIANCE	
		January 1, 2018 to December 31, 2018	April 1, 2017 to December 31, 2017
<b>OTS 1 Fault Repair</b>	80% of faults should be repaired within a 24-hour period.	68.38	91.87
<b>OTS 2 Repeated Loss of Service</b>	No more than 5% of faults should reoccur within 30 days of repair of first failure.	94.62	97.69
<b>OTS 3 Working Payphones</b>	At least 95% of the public payphones should be in working order daily.	N/A	N/A
<b>OTS 4 Fault Incidence</b>	No more than three (3) faults per one hundred (100) subscribers per month.	1.9	N/A
<b>OTS 5 Billing Accuracy</b>	Billing errors must be no more than 0.5% of the total bills issued.	99.60	99.71
<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.	78.96	86.11

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 twelve (12) month period ending December 31, 2018 as all targets were met with the exception of OTS 1 Fault Repair, Explanations for this and the lack of data for Working Payphones (OTS 3) are provided in the discussions below. Technically, compliance for OTS 6 did fall below the required level. However, this situation is also addressed 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 twelve (12) months ending December 31, 2018, the average was 68.38%, which is well below the acceptable minimum requirement. Upon investigation, C&W has given the following reasons for the decline in performance:

- A number of network and cabling issues experienced during the period in question.
- Delays in works slated for exterior infrastructure due to inclement weather.
- An influx of reports during the period due to inclement weather.
- Holidays during November and December.

C&W also cited as reasons, its inability to suspend reports when customers are unreachable and the reassignment of work to clear "old network tickets". However, these reasons are unacceptable as it is expected that C&W would fine tune its systems to ensure compliance with the Standards of Service. Additionally, the inability to suspend reports when customers cannot be reached has not normally been mentioned as an issue prior to this point, suggesting that C&W has found ways to handle this in the past. Despite this, C&W advises that many of the issues have been resolved and that average repair time is currently a bit over twenty-four (24) hours.

## **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 December 31, 2018, was 94.62%. While this is nominally below the minimum acceptable target, the discrepancy is marginal and if it were rounded up, the target would be met.

## **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 75%. C&W's report indicates that no data for payphones was submitted for the twelve (12) month period under review and as such this is recorded as 'N/A' for the period. 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 reports from G4S coin processing, which carries a yearly fixed cost.

## **OTS 4 - Fault Incidence**

This measures the percentage of faults occurring on C&W's network. The minimum acceptable level of performance is no more than three (3) faults per 100 subscribers per month (i.e. a fault rate of no more than 3%). Average compliance was reported as 1.93%, (or 98.07%), which is acceptable and within the approved limit. Please note that this annual figure is an average of the monthly reported figures and not an aggregate measure for the entire year.

## **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 twelve (12) month period ending December 31, 2018, was 99.60%, 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 78.96% compliance under this Standard for the twelve (12) month period ending December 31, 2018, which is satisfactory.

The Commission has been advised that C&W actually uses an internal Key Performance Indicator (KPI) of 70% of calls to be answered within forty (40) seconds. C&W has failed to accurately implement the Commission's required target. The Commission is satisfied that since C&W's KPI is more stringent, the results indicating compliance therewith, automatically indicate compliance with the Commission's Standard OTS 6.



## **SUMMARY**

This report assessed the performance of C&W as it relates to the Standards of Service set by the Commission. With respect to both the Guaranteed and Overall Standards of Service for the period January 1, 2018 to December 31, 2018, Staff concludes that overall C&W's performance was generally satisfactory. The one major point of concern was its failure to meet the target for OTS 1 Fault Repair. C&W contends that its ability to meet this target was negatively impacted by a number of cabling and network issues as well as inclement weather in the latter months of 2018. However, C&W assures the Commission that these issues have essentially been corrected and average repair times have improved to just over twenty-four (24) hours.

In terms of the Guaranteed Standards of Service, performance was commendable in most instances. C&W performed admirably in such Standards as GTS 1, GTS 3, GTS 5, GTS 6 and GTS 8. Although C&W's performance under GTS 4 was commendable, a number of customers continue to claim that their written complaints are not met with timely acknowledgement. This may be mitigated by greater public education by C&W as to the use of the registered mail service for complaints sent through the post.