



# **Fair Trading Commission**

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

**January 1, 2019 - December 31, 2019**

March 2020

## INTRODUCTION

The International Telecommunications Union (ITU) defines quality of service (QoS) as the “Totality of characteristics of a telecommunications service that bear on its ability to satisfy stated and implied needs of the user of the service”<sup>1</sup>. QoS measures, such as the Fair Trading Commission’s (the Commission) Standards of Service framework, are meant to ensure that a minimum adequate level of service is provided to customers, especially in markets where there is little competitive incentive for service providers to provide optimal service. 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 Cable & Wireless (Barbados) Limited (C&W) must maintain.

This report evaluates the performance of C&W with respect to both the Guaranteed and Overall Standards of Service for the period January 1, 2019 to December 31, 2019. 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 Commission. C&W’s performance is analysed based on the Decision on the Standards of Service 2018 – 2020 (the Decision) issued by the Commission on September 29, 2017, which took effect from January 1, 2018.

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 its failure to meet the defined target for the relevant Standard. Included in this section is an assessment of the number of customer

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<sup>1</sup> International Telecommunications Union (ITU), *Quality of Service Regulation Manual* (ITU, 2017), 9

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 also referred to as automatic compensation, while those that do not, require customer-initiated claims. 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.

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE			
				January 1, 2019 - December 31, 2019		January 1, 2018 - December 31, 2018	
		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>2</sup>	No more than 5 working days	98.54	97.96	94.75	92.83
<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. 'Fault' and 'Loss of Service' carry the</b>	No more than 2 days.		88.11	89.41	83.75	87.04

<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			
				January 1, 2019 - December 31, 2019		January 1, 2018 - December 31, 2018	
		RC	BC	RC	BC	RC	BC
	<b>same definition, which is outlined below.</b>						
<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 disrupted or degraded service including, inter alia, no dial tone.</b>	Faults should not reoccur within 30 days of repair of first failure.	95.68	94.03	94.69	94.31	
<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 seven (7) working days after receipt of written complaints by Registered Mail.  Acknowledgement within five (5) working days for telephone, fax or e-mail complaints.  Immediate acknowledgement for complaints submitted in person via official complaint form.  Acknowledgement shall include advice as to the date the matter is expected to be resolved in accordance with the requisite Standards	99.82  96.74	100 <sup>3</sup>  62.61	100  96.21	100 <sup>4</sup>  98.78	

<sup>3</sup> The average compliance of 100% recorded here represents five (5) months of the year as there was no data available for the other seven (7). This is therefore not a true annual average but more rightly an indication that C&W's performance is not cause for concern at this time.

<sup>4</sup> This represents just three (3) months out of the year as there was no data available for the other nine (9) months

STANDARD	DESCRIPTION	TARGET		AVERAGE % COMPLIANCE			
				January 1, 2019 - December 31, 2019		January 1, 2018 - December 31, 2018	
		RC	BC	RC	BC	RC	BC
<b>GTS 5 Customer Appointments</b>	Scheduled appointments pertain to visits by C&W's representatives to correct faults on its network up to and including the network interface device (NID) or optical network terminal (ONT), where access to the customer's premises is necessary but restricted	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.)  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.	99.06	96.58	99.30	96.12	
<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>5</sup> of C&W's acknowledgement of payment	99.89	100	97.61	93.58	

<sup>5</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, 2019 - December 31, 2019		January 1, 2018 - December 31, 2018	
		RC	BC	RC	BC	RC	BC
<b>GTS 7 Wrongful Disconnection</b>	<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		71.44 <sup>6</sup>	73.17 <sup>7</sup>	DNA <sup>8</sup>	0
<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.		100	96.52 <sup>9</sup>	99.98	100

### **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

<sup>6</sup> The average compliance of 71.44% recorded here represents six (6) months of the year as there was no data available for the other six (6). This is therefore not a true annual average but more rightly an indication that C&W's performance is not a major cause for concern at this time.

<sup>7</sup> The average compliance of 73.17% recorded here represents six (6) months of the year as there was no data available for the other six (6). This is therefore not a true annual average but more rightly an indication that C&W's performance is not a major cause for concern at this time.

<sup>8</sup> DNA = Data Not Available. This refers to the lack of assessable data for the entire review period.

<sup>9</sup> The average compliance of 96.52% recorded here represents eleven (11) months of the year as there was no data available for the other six (6). This is therefore not a true annual average but more rightly an indication that C&W's performance is not a major cause for concern at this time.

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 2019, there were eight (8) reported breaches in the business category, leading to an average compliance of 97.96%, which is a 5% improvement over the previous year's performance. This is commendable.

### ***Residential Category***

For the period under review, there were fifty-two (52) reported breaches in the residential category. This led to an average compliance of 98.54% under this Standard. This result is approximately 4% higher than performance in the previous year and is highly commendable.

## **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, 2019, C&W reported 357 breaches under this Standard, resulting in an average compliance in this category of 89.41%. This performance level is satisfactory as it represents a 2% increase over the previous year's performance

### ***Residential Category***

Compliance for the residential segment for the period ending December 31, 2019 averaged 88.11%, with 2,175 breaches. Performance under this Standard for the period has been satisfactory as it represents a 4% improvement over the previous year's performance.

### **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 207 reported breaches under this Standard, giving rise to an average compliance of 94.03%, which is commendable as it remained essentially the same as the previous year's performance.

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

Compliance in the residential category for the period ending December 31, 2019, was 95.68%, with the number of reported breaches at 790. This performance is commendable there was an improvement of 1% over the previous year's performance. 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 QoS. 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, there were 123 breaches, resulting in average compliance of 62.61%. Previous data indicated poor performance under this

category, leading the Commission's Staff to investigate further. During this investigation, C&W revealed that the response time to customer complaints, in terms of acknowledgement, was negatively affected by a failure to record data accurately. Ostensibly, the relevant agents had not recorded actual acknowledgements of complaints, but in fact, the dates when each event was marked completed. C&W indicates that these agents have been instructed in the correct method of capturing the required data. For letter-based complaints, there were no breaches at all for the year 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 i.e. zero out of zero is indeterminate and not 100%. Hence, DNA 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 two (2) breaches for letter-based complaints, with an average compliance of 99.82%. For telephone/email-based complaints, C&W has reported 296 breaches for an average compliance of 96.74%. This level of compliance is commendable in both instances, as performance remained stable when compared to the previous year.

### **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 96.58% for the period under review, with 120 breaches of the Standard. Performance remained stable when compared with the previous year.

### ***Residential Category***

Compliance for this category, for the period under review, averaged 99.06% with 171 breaches, which is essentially the same as the previous year's performance. 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, 2019, C&W reports no breaches and thus compliance in this category averaged 100%. Staff considers this performance commendable.

### ***Residential Category***

C&W's reporting indicates an average compliance of 99.89% with 60 breaches under this Standard. Again, performance has been 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, 2019 there were sixteen (16) breaches under this Standard. Consequently, C&W reported an average compliance of 73.17%. However, this represents data for just six (6) months of the year and as such, a true twelve (12) month average cannot be computed. It must be noted that in the fourth quarter, performance was unsatisfactory because of a high number of cases requiring investigation before corrective action could be taken. Despite this, Staff opines that this is not a major concern due to C&W's usually exemplary record of performance under this Standard.

### ***Residential Category***

For the period under review, there were twenty-four (24) breaches in this category. While C&W reports an average compliance of 71.44%, note that this is representative of just six (6) months several periods during the year and as such, a true twelve (12) month average cannot be computed. It must be noted that in the third quarter, performance was unsatisfactory because C&W's automated disconnection system underwent some technical changes during which there was an error. This error was not recognized until it impacted customers and led to delays in service restoration. All customers were appropriately compensated. C&W continues to be prudent in ensuring that instances of wrongful disconnection are kept to a minimum. While in each instance, a true average could not be computed based on the general methodology employed in this report, C&W reported 303 instances of wrongful disconnection for the year, across both categories, with just 40 breaches. This suggests that overall, the performance shows no cause for concern.

### **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 three (3) breaches of this Standard in the business category and C&W reports an average compliance of 96.52%. However, this represents eleven (11) months of the year as there were no instances to measure in one particular month. As such, a true one year average cannot be computed.

### ***Residential Category***

In the residential category, for the period ending December 31, 2019 there were zero breaches, giving an average compliance of 100%. Under both categories, C&W's

performance was satisfactory and in line with historical performance. This is confirmed due to there been 3,876 billing issues raised for the year with just three (3) total breaches.

**Customer Claims Summary**

Customers are compensated by direct credit to their accounts for breaches of Guaranteed Standards of Service. C&W recorded 4,404 instances in total where compensation was deemed eligible for the twelve (12) month period ending December 31, 2019. Of these, 4,055 customers received compensation for breaches of the Guaranteed Standards for the same period. The percentage of eligible customers actually receiving compensation was 92.1%, down slightly from 97.90% in the previous year, and the percentage of eligible compensation actually paid was 205.3%, up from 128.14% in the previous year, 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 2019 - December 31 2019**

CATEGORY	No. of Customers
Eligible Compensation	4,404
Number of Rebates	4,055
Percentage of eligible rebates granted/Percentage of due compensation paid	92.1%

**Table 3: Customer Claims Summary January 1 2018 - December 31 2018**

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

## SECTION 2 - OVERALL STANDARDS OF SERVICE

**Table 4: Overall Standards of Service**

STANDARD	TARGET	AVERAGE % COMPLIANCE	
		January 1, 2019 to December 31, 2019	January 1, 2018 to December 31, 2018
<b>OTS 1 Fault Repair</b>	80% of faults should be repaired within a 24-hour period.	82.32	68.38
<b>OTS 2 Repeated Loss of Service</b>	No more than 5% of faults should reoccur within 30 days of repair of first failure.	95.04	94.62
<b>OTS 3 Working Payphones</b>	At least 95% of the public payphones should be in working order daily.	DNA	DNA
<b>OTS 4 Fault Incidence</b>	No more than three (3) faults per one hundred (100) subscribers per month.	1.65	1.9
<b>OTS 5 Billing Accuracy</b>	Billing errors must be no more than 0.5% of the total bills issued.	99.68	99.60
<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.	50.91	78.96

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, 2019 as all targets were met with the exception of Customer Service Response Time (OTS 6). Explanations for this and the lack of data for Working Payphones (OTS 3) 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 twelve (12) months ending December 31, 2019, the average was 82.32%, which is a 14% improvement over the previous year's performance. This is satisfactory since C&W has demonstrated an ability to overcome poor performance and meet established targets.

### **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, 2019, was 95.04%. This is essentially the same level of performance as the previous year and remains within the target.

### **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 DNA 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 monthly fault rate of no more than 3%). Average compliance was reported as 1.65%, (or 98.35%), which is acceptable and within the approved limit. It is a marginal improvement over the previous year's performance.

#### **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, 2019, was 99.68%, which remained stable when compared with the previous year and 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 50.91% compliance under this Standard for the twelve (12) month period ending December 31, 2019. This is unsatisfactory, as it represents a fall of 28% from the previous year's performance. By way of explanation, C&W indicated that during the latter half of 2019, the decline in response time was attributable to the quantum of outage complaints, due to copper theft, in combination with a move to a new contact centre in Guyana. This would suggest that C&W's customer response system was somewhat overwhelmed by the outages occasioned by the theft of the copper lines and unprepared for the teething issues associated with moving its contact centre. The Commission' Staff will continue to monitor this situation with a view to having C&W improve its level of preparedness for these types of events.

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. However, 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.

## **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, 2019 to December 31, 2019, 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 Customer Service Response Time (OTS 6), due in large part to a growing number of complaints from the public about C&W's customer service systems in general. C&W contends that its ability to meet the targets was negatively impacted by a high incidence of outages due to copper theft and unforeseen teething issues associated with moving its contact centre to Guyana. However, C&W assures the Commission that these issues will improve as these initial problems are solved. This situation will be monitored as, should it continue, there would then be potential grounds for the application of a penalty. As it relates to OTS 3, with the imminent review of the Standards of Service, Staff opines that it is prudent to assess the utility of maintaining this Standard, given the waning importance of the payphone due to the ubiquity of the mobile phone.

In terms of the Guaranteed Standards of Service, performance was commendable in most instances. C&W performed admirably in essentially all Standards and explained any difficulties such that there is little need for serious concern. Staff however opines that there is still a need for greater public education by C&W on a number of issues such as, *inter alia*, the use of the registered mail service for complaints sent through the post.