

Complaints Resolution Report

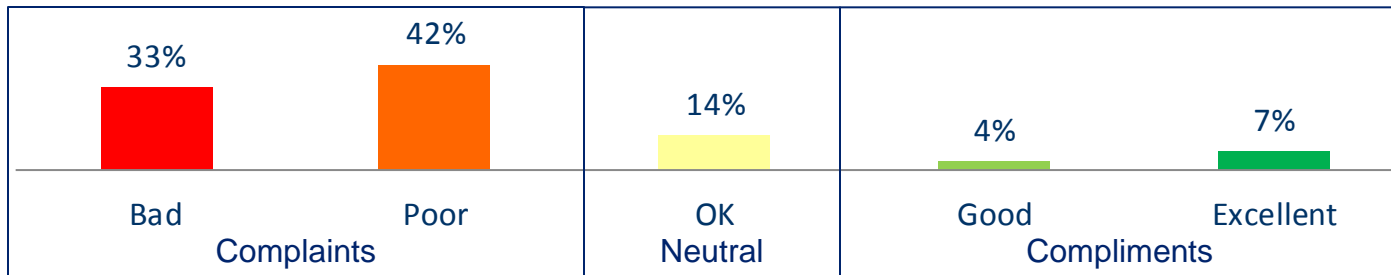
Quarter ended December 31, 2016



Feedback Summary

- During Q3 Fiscal 2017, 4.4 million customers travelled with BC Ferries
 - BC Ferries received 1,769 comments during this period
 - The average time to respond to customers was 7.4 days in Q3 Fiscal 2017

Distribution of Comments by Rating

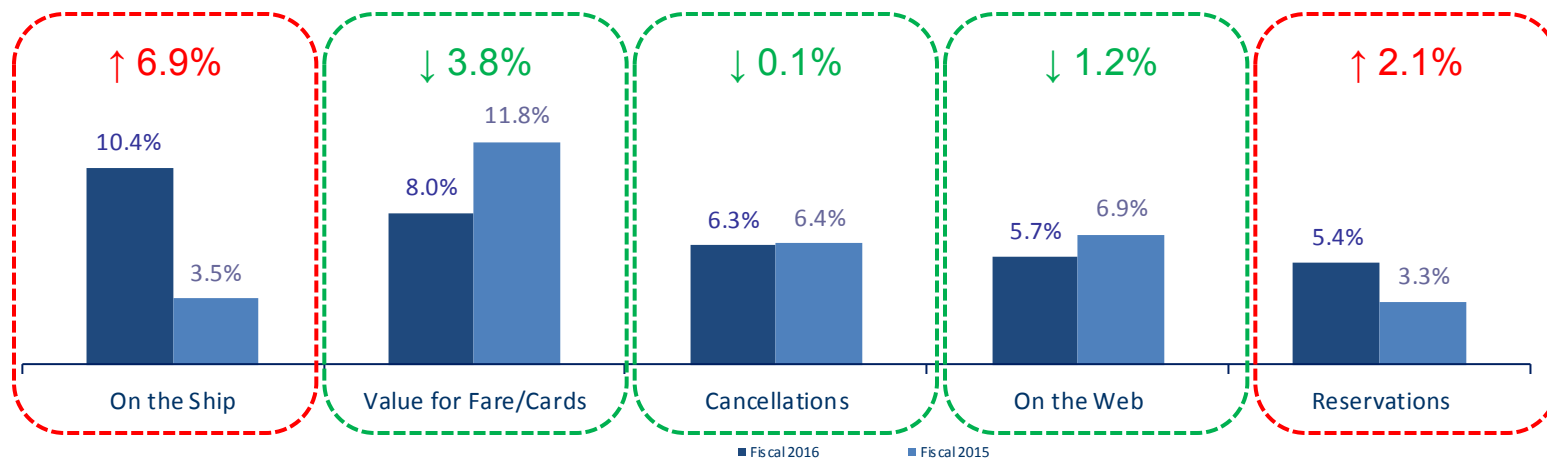


- Customer initiated feedback tends to be negative. Eleven percent (11%) of all customer feedback received in Q3 Fiscal 2017 was complimentary.
- “On the Ship” was the top issue: 175 complaints* were made, representing 10% of the total comments received in Q3 Fiscal 2017
 - Top 5 complaints combined represent 36% of all complaints received in Q3 Fiscal 2017
- “General” comments are excluded from this analysis, along with comments with no rating:
 - 155 “General” comments were received, which were made up of Company Information (92), Community Issues (48), Environment (15) and 20 comments were provided with no rating.

Top Complaints*: Corporate

#	Complaint	Q3 Fiscal 2017		Q3 Fiscal 2016	
		Complaints*	% of Comments (n=1,595)	Complaints*	% of Comments (n=1,587)
1	On the Ship	175	10.4%	54	3.5%
2	Value for Fare/Cards	134	8.0%	188	11.8%
3	Cancellations/Delays	105	6.3%	101	6.4%
4	On the Web	96	5.7%	110	6.9%
5	Reservations	91	5.4%	53	3.3%

% of Comments



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q3 Fiscal 2017 = October 1, 2016 to December 31, 2016
 Q3 Fiscal 2016 = October 1, 2015 to December 31, 2015

Sample of Customer Comments:

Complaints

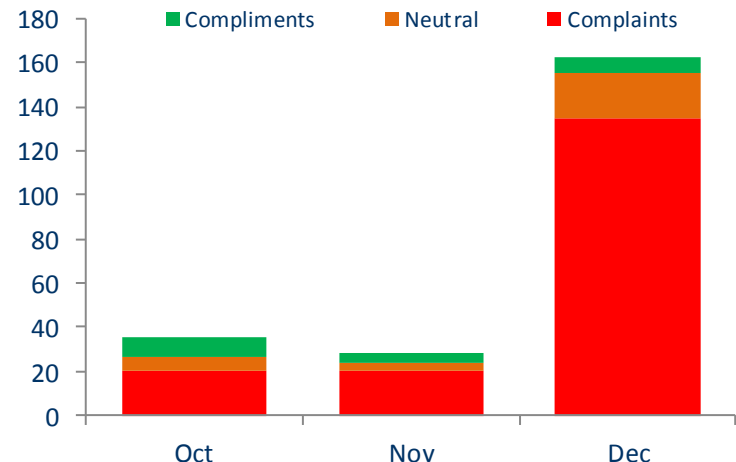
- Customer wrote: "I rarely go upstairs as I prefer to stay with my dogs in the car. If you stop allowing this, will you allow those who prefer to stay in their cars to be parked on other decks if they notify the ticket booth?"
- Customer wrote: "I just read that you plan to ban smoking altogether. This is utterly unreasonable. Already you have ensured that smokers have to brave the howling gale force winds in the most exposed areas of the vessel. Our European visitors will be annoyed with this decision and surreptitious smoking in undesignated areas will become rampant. Please reconsider."
- Customer wrote: "My grandfather is handicapped and we had a reservation that allowed for elevator access. I walked back to the booth to make sure the ticket agent put us in the correct lane. She assured me we were in the correct lane. WE BOARDED LAST WITH NO ACCESS!"

Compliments

- Customer wrote: "This week I traveled on the Duke Point route in both directions. I want to congratulate BC Ferries and their employees for their courtesy and professional conduct. Keep up the good work!"
- Customer wrote: "I am on the Queen of Coquitlam (December 2, 12:30pm ferry) and wanted to say that I'm so pleased with the pet area. It's warm, clean and the kennel area is a great idea. I'm very impressed!"

On the Ship:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Vessel Safety/Security	94	11	6
On the Ship: Accessibility On Board	25	5	3
On the Ship: Outer Decks/Smoking Area	20	4	3
On the Ship: Pet Areas	15	3	3
On the Ship: Cleanliness	10		
On the Ship: Announcements	4	4	3
On the Ship: Washrooms	4	1	
On the Ship: Lost and Found	3	2	2
% of all comments (1,595)	10.4%	1.8%	1.2%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q3 Fiscal 2017 = October 1, 2016 to December 31, 2016

Root Cause:

BC Ferries is working to comply with Transport Canada regulations by limiting passenger access to enclosed (lower) car decks while vessels are in transit. In addition, we are reviewing our no-smoking policy with an eye to offer a smoke free environment to customers and employees in the future. This information was made available to the media prior to BC Ferries publically announcing, resulting in a spike in “On the Ship” complaints and misinformation being shared.

With increased demand and limited space for staging vehicles at our terminals, we are challenged with offering consistent service to those customers requiring elevator access on our vehicle decks.

Lessons Learned:

Premature release of information to the public through media channels created numerous customer concerns regarding a possible change to existing policies.

Consistency and communication are key when it comes to offering customers the option to be loaded close to an elevator. Varied customer needs, volume and limited deck space close to an elevator make this expectation a challenge for our employees to deliver.

Action Taken:

The implementation of Transport Canada’s regulation to limit passenger access to closed vehicle decks while in transit is on-hold at this time while BC Ferries and Transport Canada work together to resolve outstanding details.

The no-smoking policy change consideration is in accordance with the Tobacco & Vapour Products Control Act and Regulation. We are currently reviewing our policy to offer a smoke free environment in the future. The Province recently changed regulations regarding smoke free zones from 3 to 6 metres away from a door or opening window. This proves challenging on our vessels. We will be making a formal announcement regarding our smoking policy later this year.

BC Ferries Accessibility Committee meets bi-annually to review accessibility issues to identify and implement improvements. Internally, we continue to work on improving communications between the ticket booth agent, the tower controller and loading officer to ensure persons requiring assistance are loaded with elevator access as expected.

Value for Fare/Cards

Sample of Customer Comments:

Complaints

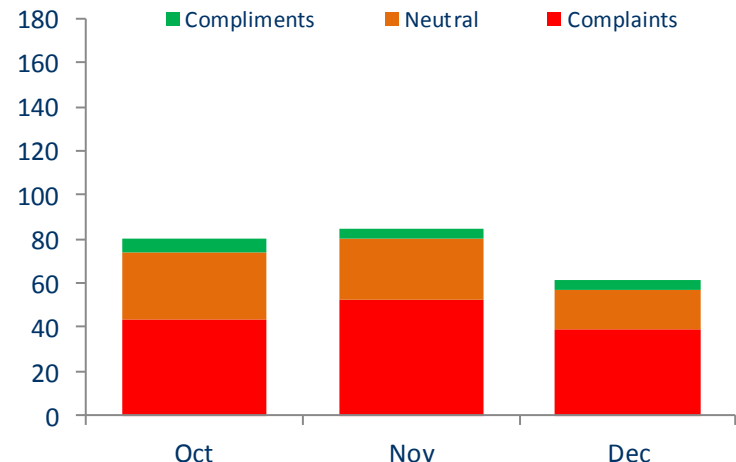
- Customer called to share that she travelled from Powell River to Comox on the 8:05am sailing. She believes that the advertising for the 50% off Standard Vehicles promotion is misleading as she feels Powell River falls under the Northern Routes and, therefore, the savings offered should be on all sailings.
- Customer called to explain that he was reserved on a Southern Gulf Island sailing that was part of the 50% off Standard Vehicles promotion. The sailing was cancelled due to weather and he believes that it is "really poor" of BC Ferries to not honor/extend the discounted rate to the later sailing that he was rebooked on.

Compliments

- Customer wrote: "I am really pleased to see you offering discounted rates for non-peak sailings. Special commercial rates would help too. You get so much bad feedback from people, so I want to say that I have used your ferries regularly for 54 years now and I have always been very impressed with the service. The public does not understand that to meet peak demand would require more ferries and infrastructure that would sit idle most of the year. It's a balance. BC Ferries is very well run. I love hearing tourists on the top deck speaking so positively about their experience. Bottom line - good work, from a very regular and happy customer."
- Customer tweeted: "Thank you for the month of discounted vehicle rates. I was happy to take advantage of it this past weekend."

Value for Fare/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Discount Fares/Promotions	38	35	10
Fares: Experience Card	36	18	1
Fares: Errors	30	6	1
Fares: Assured Loading Card	18	11	2
Fares: Value for Fares Paid	9	4	1
Fares: Credit/Debit Card	3	3	
% of all comments (1,595)	8.0%	4.6%	0.9%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q3 Fiscal 2017 = October 1, 2016 to December 31, 2016

Root Cause:

The 50% off Standard Vehicles promotion was offered from November 14, 2016 to December 18, 2016 in effort to balance capacity with demand by encouraging customers to travel on off-peak sailings. While some Northern routes offered the promotion on all sailings, in order to accomplish the shift in traffic, the discount was communicated and advertised as “on select sailings” on other routes.

Lessons Learned:

Customers continue to respond positively to promotions offered. The 50% off Standard Vehicles promotion, offered in November and December of Q3, was well received. Further promotions are being planned so that we can continue to test the variable pricing model, as part of the Fare Flexibility and Digital Experience Initiative.

Action Taken:

During Q3 of Fiscal 2017, BC Ferries offered the following promotion from November 14 to December 18, 2016:

- South Coast Routes (Metro Vancouver, Vancouver Island, Sunshine Coast, Southern Gulf Islands and Northern Gulf Islands) - standard vehicle fares discounted by 50% Monday to Thursday, Saturdays and Sundays on select sailings.
- North Coast Routes (Inside Passage, Haida Gwaii, Discovery Coast Connector and Skidegate – Alliford Bay) - standard vehicle fares discounted by 50% on all sailings.

The Fare Flexibility and Digital Experience Initiative will offer greater flexibility to our customers when booking and provide them with the option to purchase discounted fares at off-peak travel times. In return, this will work to balance BC Ferries’ traffic to more efficiently manage loads.

Cancellations/Delays

Sample of Customer Comments:

Complaints

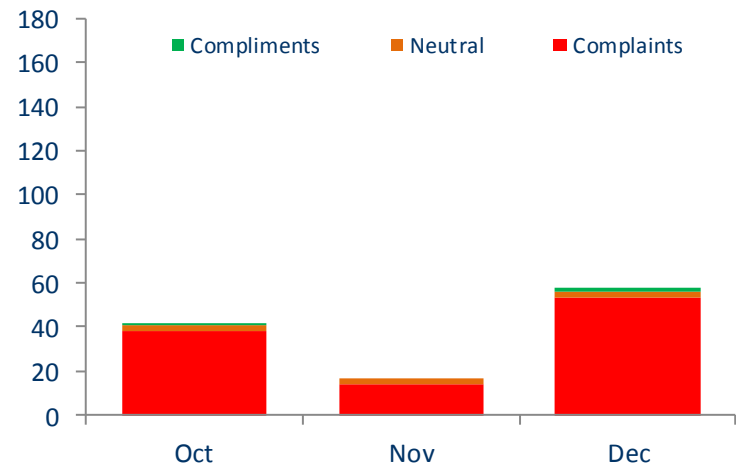
- Customer wrote: "I have been riding the Horseshoe Bay/Departure Bay route every Thursday on the 7:00/7:30pm sailing since May, and almost without exception, the ferry has been 30 minutes or more late due to "peak demand". You know how many vehicles a full ferry can accommodate so why don't you schedule your turnaround time to accommodate a full load? These constant delays are unacceptable. It's not a mystery how many vehicles a ship can hold at 100% capacity. Schedule accordingly!"
- Customer wrote: "All sailings on December 26 were cancelled and when we arrived an hour early the following day, the sailing was full, (we were also unable to make a reservation). We had to wait 4 hours and on top of that the ferry was more than 30 minutes late. It's ridiculous that BC Ferries is not more prepared for these situations. No planning was done to add additional sailings or later sailings on December 26 once the winds calmed down."

Compliments

- Customer wrote: "I want to thank BC Ferries' staff for the great service you provided on Friday. We are very lucky to have the ferry to serve the Vancouver to Victoria route. Everything was great and I'm very grateful!"
- Customer wrote: "We arrived at the Swartz Bay terminal just before the 3:00pm sailing to Tsawwassen and mentioned we had a family emergency. Your staff were kind enough to give us priority boarding instead of having to wait for the 5 o'clock sailing. Their kindness was truly appreciated and should be rewarded."

Cancellations includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Delays	74	4	2
Sailings: Cancellations	31	5	1
% of all comments (1,595)	6.3%	0.5%	<0.2%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q3 Fiscal 2017 = October 1, 2016 to December 31, 2016

Root Cause:

Operational delays are often caused by situations that occur during the loading or unloading of the vessels (stalled vehicles, lost key, driver not in vehicle, etc.). Other impacts on service include medical emergencies, marine emergencies, adverse weather conditions and mechanical issues.

Lessons Learned:

Sailing delays and cancellations have a significant impact on the routine of our many commuting customers. If sailings have to be cancelled or a vessel has to be taken out of service, every effort must be made to keep the customer informed and restore service as soon as it is safe to do so.

Action Taken:

BC Ferries has a Service Interruption Plan that helps guide employees in managing delays and cancellations of service. Each incident is reviewed and managed on a case by case basis to ensure the needs of the specific communities and customers are taken into consideration. The primary focus is always the restoration of full service as soon as possible.

Sample of Customer Comments:

Complaints

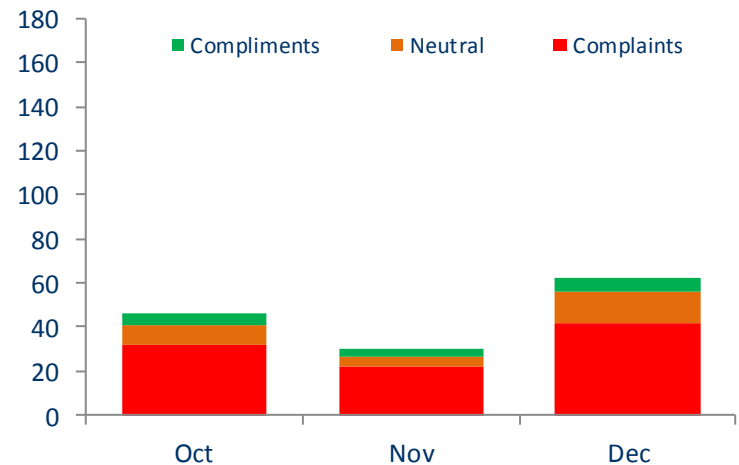
- Customer called to express that he is not happy that the signs on the highway and the website "Current Conditions" page doesn't display the right percentage of sailing volume. The sign said that the next two sailings were available, however, when they got to the terminal the sailings were full.
- Customer wrote: "It would be nice if the fares were posted on the website, instead of on a cumbersome PDF that contains 99% information that is not relevant to my travel plans. It could be linked to the schedule information and provide just the fares needed. Maybe a handy over-length calculator. It's murder using that PDF on a handheld device. It would be handy for BC Ferries too, as you could just update the fares without republishing a PDF."

Compliments

- Customer tweeted a comment about the storm/delays/cancellations that occurred on October 14 saying that our twitter team did a great job throughout the day.
- Customer wrote: "Thank you for providing great on-line planning tools such as the "busy sailings calendar" and Current Conditions. We were able to plan our trip to Vancouver for the busy Thanksgiving long weekend in a way that allowed us to completely avoid the crowds, without having to wait on either end. I know you make this look easy to a point where people think it is easy, but I understand the challenges associated with transporting as many people as you do! Thank you and well done!"

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Information/General	29	11	4
On the Web: Design and Usability	17	5	2
On the Web: Current Conditions	16		
On the Web: Travel Planning Reservations: Online Reservations	11	4	5
On the Web: Service Notices	11	4	2
On the Web: Login/Passwords	6	2	1
On the Web: Login/Passwords	6	1	1
% of all comments (1,595)	5.7%	1.6%	0.9%



Root Cause:

Themes emerging from incoming customer feedback have touched on user interface design; the need for better trip planning and fare calculating tools; site accessibility with certain browsers, operating systems and devices; and timing of e-mail notifications about service interruptions.

Many of these issues continue to stem from technological limitations. The current website is built on an aged platform that predates the diversity of browsers, devices and social media channels that define user experience expectations today.

Lessons Learned:

Ongoing customer feedback has helped us prioritize issues to be addressed going forward. Account accessibility, browser and mobile device compatibility, travel planning tools, usability refinements and timeliness of e-mail notifications remain at the top of the list.

Action Taken:

Issues identified through customer feedback channels have been earmarked for resolution as part of the Fare Flexibility and Digital Experience Initiative.

Sample of Customer Comments:

Complaints

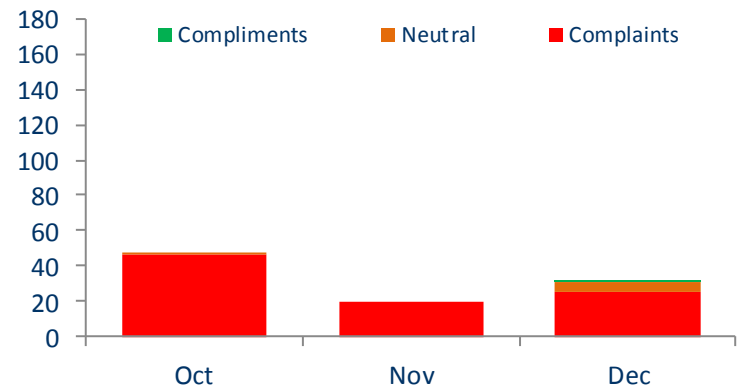
- Customer wrote: "I had a reservation and arrived at the terminal 3 minutes late due to traffic and had to wait in line for the ticket agent. By the time I got to the ticket booth, 6 minutes had gone by. I was told that my reservation was null and void. It seems a little harsh given the delay at the ticket booth."
- Customer called to express that he was not happy that his reservation was not honored when he booked over-height and arrived under-height.
- Customer wrote: "You are running the ferries 140 minutes late and I still have to show up per my scheduled reservation time or I lose my reservation? WOW!"
- Customer emailed to say that he finds our reservation change options inefficient and limiting.

Compliments

- Customer wrote: "We had to cancel reservations due to health issues. The agent was most courteous and helpful."

Reservations includes:

Group/Attribute	Complaints	Neutral	Compliments
Reservations: Availability	12		1
Reservations: Cost	4	1	
Reservations: Flexibility/Changes	17	3	
Reservations: Policies	58	4	
% of all comments (1,595)	5.4%	<0.5%	<0.1%



Reservations

Root Cause:

To allow sufficient time for safe loading of vessels, BC Ferries implemented a 30 minute cut-off for reservation redemption at the ticket booth. This reservation cut-off is historic and has been in place for many years.

Infrequent travelers who book a reservation will often overlook the importance of the 30 minute cut-off and other reservation related policies. It is imperative that customers are made fully aware of reservation policies at the time of booking to avoid disappointment upon arrival at the ticket booth.

Lessons Learned:

Clear communication is in place via the following channels: reservation terms and conditions, reservation confirmation e-mail, FAQ's (Frequently Asked Questions) on the website, through the IVR system, and during the booking process with our Customer Sales and Service Representatives. Communication through these channels is reviewed annually to ensure the messaging is effective and delivered consistently to customers during time of booking.

Action Taken:

Complaints are investigated to determine if an error on behalf of BC Ferries led to the customer's dissatisfaction:

- If an error is identified, the reservation fee will be refunded to the customer and corrective training action will be taken with the employee.
- If it is determined that the issue is related to unclear written communication, the collateral material will be reviewed and improved. In this case, the customer will also receive a refund of the reservation/change fee.
- If the policy was clearly communicated at the time of booking and no error has been made, a thorough explanation of the reason for the policy will be provided to create an increased awareness of the complexity of loading a vessel and maintaining on time departures.

BC Ferries will be implementing the Fare Flexibility and Digital Experience Initiative that will offer greater flexibility to our customers when booking, incorporating the reservation fee into the fare structure.