

Complaints Resolution Report

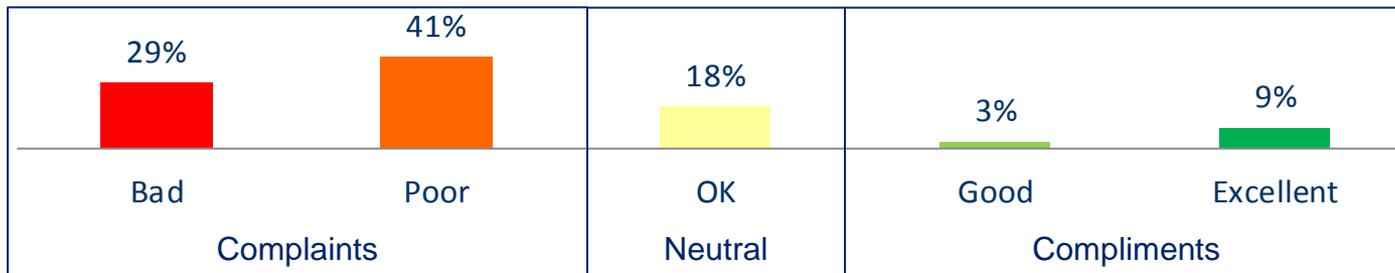
Quarter ended June 30, 2017



Feedback Summary

- During Q1 Fiscal 2018, 5.6 million customers travelled with BC Ferries
 - BC Ferries received 2,318 comments during this period
 - The average time to respond to customers was 4.4 days in Q1 Fiscal 2018

Distribution of Comments by Rating



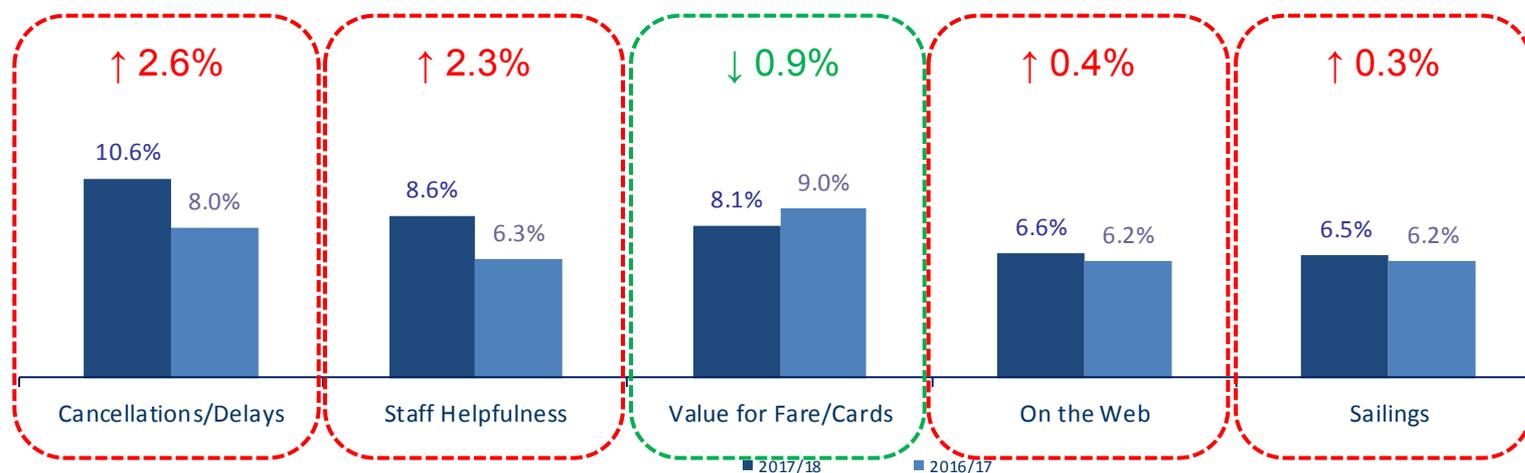
- Customer initiated feedback tends to be negative. Twelve percent of all customer feedback received in Q1 Fiscal 2018 was complimentary
- “Cancellations/Delays” was the top issue: 224 complaints* were made, representing 10% of the total comments received in Q1 Fiscal 2018
 - Top five complaints combined represent 53% of all complaints received in Q1 Fiscal 2018
- “General” comments are excluded from this analysis, along with comments with no rating
 - 178 “General” comments were received, which were made up of Company Information (108), Community Issues (54), Environment (16) and 21 comments were provided with no rating

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q1 Fiscal 2018 = April 1, 2017 to June 30, 2017

Top Complaints*: Corporate

#	Complaint	Q1 Fiscal 2018		Q1 Fiscal 2017	
		Complaints*	% of Comments (n=2,120)	Complaints*	% of Comments (n=2,040)
1	Cancellations/Delays	224	10.6%	163	8.0%
2	Staff Helpfulness	182	8.6%	129	6.3%
3	Value for Fare/Cards	171	8.1%	183	9.0%
4	On the Web	140	6.6%	127	6.2%
5	Sailings	137	6.5%	127	6.2%

% of Comments



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 Note: Q1 Fiscal 2018 = April 1, 2017 to June 30, 2017
 Q1 Fiscal 2017 = April 1, 2016 to June 30, 2016

Sample of Customer Comments:

Complaints

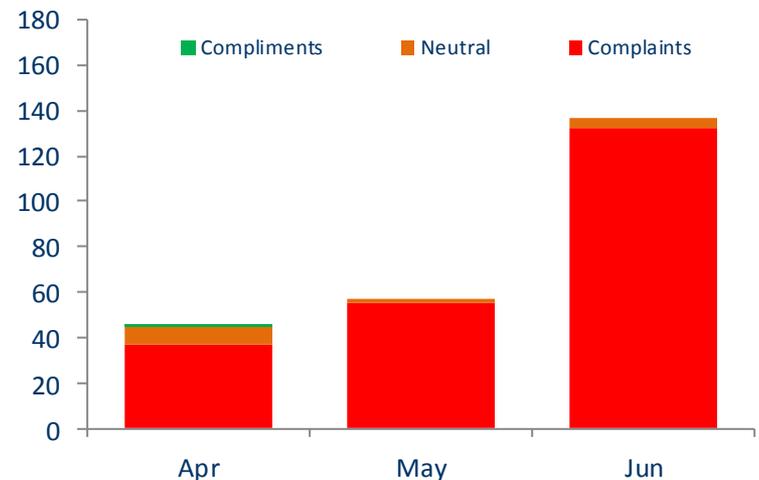
- Customer wrote: "I have been at Swartz Bay since 6 am. You cancelled the 7 am and everyone with a reservation bumped me from the 9 am. That is wrong. If I had known I would have parked my car and walked on the 9 am ferry and still made it to my event. I deserve compensation as I did not receive what I paid for."
- Customer wrote: "Please run extra sailings [on the route connecting Horseshoe Bay and Langdale]! Do you not see that this has become an extremely busy route? A four hour wait is unacceptable on a Wednesday afternoon!"
- Customer wrote: "I understand that delays happen. What I don't understand is how your schedule indicates that the ferry leaves Langdale at 3:15 pm and Horseshoe Bay at 3:50 pm. It's a 40 minute ride. I don't mind what the schedule times are but I do have to plan my life around it. If you have no intention of creating a schedule that is theoretically possible then why post it?"

Compliments

- Customer wrote: "The 7 am sailing was delayed this morning so I missed my meeting in Vancouver; that's called 'life on the Island'. I am writing not to complain, but to compliment one of your agents for her friendly, professional, and helpful assistance in obtaining a refund and directing me as to how to go about exiting the loading lineup in a safe manner. The experience was not fun, of course, but having someone on the phone who was courteous and supportive made it a bit better."

Cancellations/Delays includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Cancellations	67	13	1
Sailings: Delays	157	2	
% of all comments (2,120)	10.6%	0.7%	0%



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Root Cause:

Operational cancellations and delays can be caused by traffic volumes, mechanical issues or adverse weather conditions. Other impacts to service include marine emergencies, medical emergencies, crewing matters and situations that occur during the loading/unloading process (stalled vehicle, lost key, driver not in vehicle, dead battery, etc.).

Lessons Learned:

Sailing cancellations and delays have a significant impact on the routine of BC Ferries' commuting and general customers alike. Every effort must be made to communicate the issue and provide timely information to customers through service notices, Twitter, our website and terminal/onboard announcements. BC Ferries' primary focus is to restore full service as soon as it is safe to do so.

Action Taken:

BC Ferries has a plan to 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.

BC Ferries welcomed the first two (of three) new Salish Class vessels to the fleet during Q1 Fiscal 2018: the *Salish Orca* on the Powell River/Comox route began service May 16 and the *Salish Eagle* serving the Tsawwassen/Southern Gulf Islands route began service June 21. These vessels are dual-fuel (capable of operating on either natural gas or ultra-low sulphur marine diesel) and will provide an increase in safe, cost effective and reliable service to these routes.

BC Ferries recognizes the challenges on the routes using Horseshoe Bay terminal. The configuration of the terminal limits the Company's operational flexibility, particularly during periods of high traffic. BC Ferries' initiatives to continue to improve on-time performance have included adjusting and/or expanding sailing schedules, adjusting crewing schedules and refining vehicle loading processes during peak periods. In the longer term, upgrades to the terminals will be required. In the immediate term, BC Ferries commenced a public engagement process (involving a range of activities including focus-group workshops, an online survey, intercept surveys at Langdale and Horseshoe Bay terminals, and presence at community events and public spaces) to look at schedule options. This broad engagement effort will explore options for schedule changes with the public, with the goal of improving the reliability of sailing times for routes out of Horseshoe Bay.

Sample of Customer Comments:

Complaints

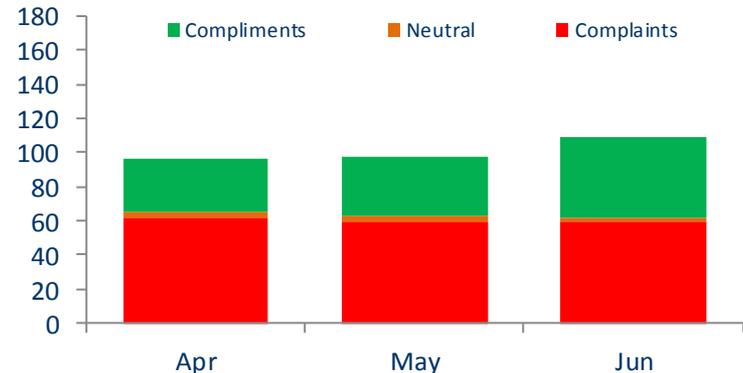
- Customer called to complain that his party missed their check in time at Swartz Bay because the ticket agent was chatting and traffic was moving twice as fast in the neighboring lanes. He was very upset that staff members were not available to speak to at the terminal. He would like to see more effort from BC Ferries to ensure reserved customers who arrive on time can get checked in on time.
- Customer called upset about her experience inside the Seawest Lounge. She stated that the employee managing the lounge had no control over the passengers and it became very noisy.

Compliments

- Customer wrote: "I have experienced very pleasant ferry trips between the mainland and Vancouver Island. On occasion I have lost or misplaced my belongings. The help I have received has been kind, helpful and very efficient. I applaud you for the culture you have created in this, in what I imagine can be a very challenging service. Thanks to all who make my journeys events to anticipate with pleasure."
- Customer messaged on Instagram: "I want to say thank you to your crew. On Sunday I was riding my old Vespa from Swartz Bay to Tsawwassen and caught the 10 am sailing. When it was time to depart the ferry I struggled to get the engine fired on my old scooter... my legs were rubber and I couldn't get it started... your deckhands recognized my situation and helped me."

Staff Helpfulness includes:

Group/Attributes	Complaints	Neutral	Compliments
Inside the Terminal: Staff Helpfulness	106	4	47
On the Ship: Staff Helpfulness	35	3	47
Outside the Terminal: Staff Helpfulness	21	1	6
On the Phone: Information Accuracy	14		
On the Phone: Agent Helpfulness	6		13
% of all comments (2,120)	8.6%	0.4%	5.3%



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Staff Helpfulness

Root Cause:

Communication issues, ticketing errors, misunderstandings and inappropriate behavior by employees can lead to customer dissatisfaction.

Lessons Learned:

BC Ferries identifies areas for improvement in customer service through ongoing customer feedback, complaints and suggestions received through all comment channels.

Action Taken:

Complaints are reviewed and investigated on a case by case basis. Customers receive a response either in writing or verbally with an apology and an explanation of the policy or event. Every effort is made to avoid further confusion by clarifying misunderstandings of policy or procedure. Employee complaints are shared with the appropriate management team if deemed necessary for follow up with the employee.

Compliments are shared with the individual management team so that the employee may be recognized for their efforts.

Social media channels are monitored and responded to in a timely manner to keep up to date on emerging issues and trends.

Four customer service focused videos were completed in Q1 of Fiscal 2018 and made available for training purposes as a reference/reminder of how BC Ferries' employees can work to enhance the customers' travel experience.

*Note:

Improvements in customer service were once again reflected in the number of staff compliments received, most notably for "On the Ship: Staff Helpfulness" and "On the Phone: Agent Helpfulness" where compliments exceed complaints.

Value for Fare/Cards

Sample of Customer Comments:

Complaints

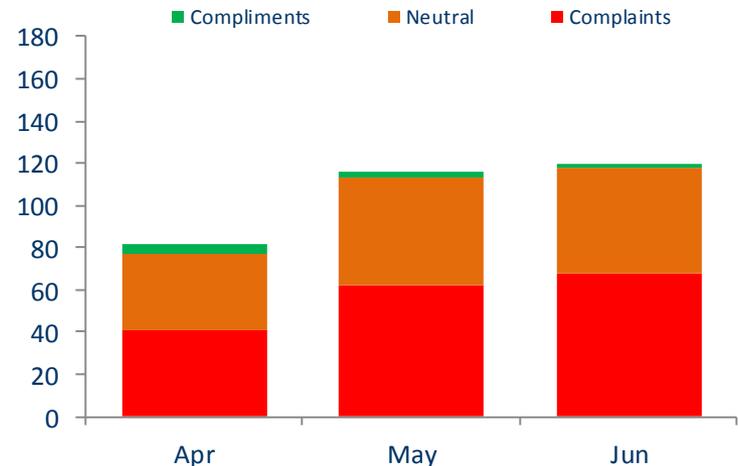
- Customer wrote: "Why are you charging \$2.70 per foot for a vehicle and \$4.98 per foot over 20 feet? When I returned home to Sechelt, my holiday was quickly destroyed by your overpriced fare for additional length."
- Customer wrote: "Your present costs are getting closer to reasonable but you still have a ways to go. The \$39 for vehicle and driver should be reduced further and extended to more timeslots. Once combined with non-refundable reservation fees, it becomes ridiculously expensive to travel with my [recreational vehicle]... please continue the trend toward affordable prices."
- Customer emailed: "Have you ever considered a discounted fare for bereavement travel? I had to travel on the ferry the day my mother passed away to see her and it would be nice if BC Ferries (like many airlines) gave some consideration for travelers in that situation."

Compliments

- Customer wrote: "Thank you for the excellent passenger fare discount deal last month. I ride the ferry several times a week so I sure enjoyed it."
- Customer wrote: "I wanted to thank you for offering the \$49 Sunrise and Sunset fare discounts between Horseshoe Bay and Nanaimo. It's a wonderful promotion and I'll be doubling my use of BC Ferries due to this fare and telling my friends as well. The only suggestion I would make would be to advertise it more as I had no idea it existed and came upon it accidentally."

Value for Fare/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Errors	48	17	
Fares: Discount Fares/Promotions	43	39	10
Fares: Value for Fares Paid	36	13	
Fares: Experience Card	29	38	
Fares: Credit/Debit Card	9	3	
Fares: Assured Loading Card	6	27	
% of all comments (2,120)	8.1%	3.8%	0.5%



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Root Cause:

Underlying our customers' views on value for fares are perceptions of fare affordability, service quality, efficiency and travel certainty. Changes in tariffs, whether they be system-wide adjustments or targeted discounts and promotions, will generate significant customer feedback on the overall value proposition of the BC Ferries travel experience.

Lessons Learned:

Fare affordability remains a primary concern for our customers. We continuously look for efficiencies as well as other opportunities to contain costs and increase ancillary revenue to reduce the upward pressure on fares. Promotions offered have been well received and further pricing initiatives are planned to continue with testing the variable pricing model, as part of the Fare Flexibility and Digital Experience Initiative.

Action Taken:

From time to time customers express concerns about the extra charge for additional length vehicles. In 2010, following extensive consultation with the Ferry Advisory Committees, BC Ferries responded to customers' concerns about being charged for vehicles over 7 ft. (2.13 m) in length, many of which are over height, by eliminating the over height fare on most routes. At the same time, the per foot charge for additional length (over 20 ft. or 6.1 m) was aligned with the commercial per foot rate. While this resolution has not completely satisfied all concerns, it was arrived at after extensive consultation with community representatives.

During Q1 of Fiscal 2018, BC Ferries offered the following promotions:

- "Sunrise and Sunset Savings" (May 18 to September 15, 2017)
Savings offered on early morning and late evening sailings on routes between Vancouver/Vancouver Island and Vancouver/Sunshine Coast
- "Size Up the Savings" (June 3 to October 1, 2017)
50% savings, at \$3.25 per additional foot, on extra length passenger vehicles. Offered on selected sailings between Tsawwassen/Swartz Bay and Tsawwassen/Duke Point

Sample of Customer Comments:

Complaints

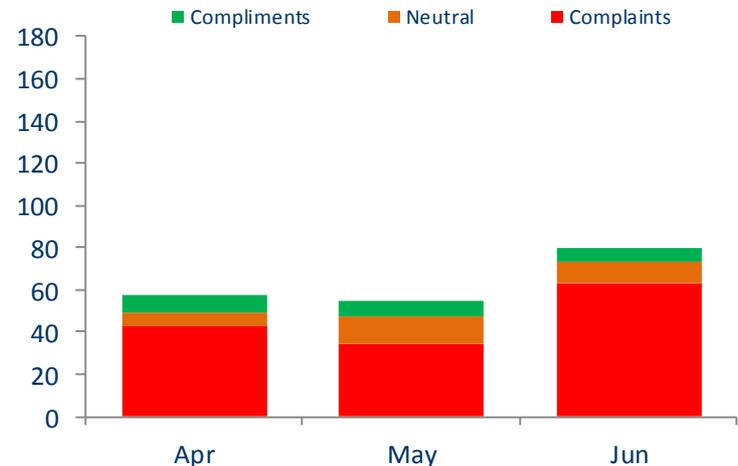
- Customer wrote: "Your reservation site appears to be poorly designed. When I attempted to book a return trip, a portion of the trip was not available and your system would not allow me to proceed without selecting an option. This does not make any sense."
- Customer wrote: "Why don't you have an app or a mobile friendly site? It is very difficult to get information off your site using a mobile phone."
- Customer wrote: "I am currently sitting on the ferry from Langdale to Horseshoe Bay, and there is a 30+ minute delay. But there is no mention of this on your website. Even the 'Current Conditions' and 'Terminals at a Glance' pages say the ferries are on time. These pages should be updated to be more accurate."

Compliments

- Customer called to say that she really enjoyed the updates she received on the *Salish Raven's* journey from Poland. She has friends who also followed the vessel's movements daily and they all appreciated receiving the news.
- Customer wrote: "I want to compliment you on your service notices during the mechanical issues with the *Queen of Nanaimo*. While this was very disruptive, we understand that unanticipated things happen. You did an excellent job of keeping travelers informed very quickly - it is appreciated!"

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
Design and Usability	37	2	1
Information/General	30	12	7
Current Conditions	19	2	2
Online Reservations	19	7	8
Login/Passwords	14		1
Travel Planning	14	5	2
Service Notices	7	1	3
% of all comments (2,120)	6.6%	1.4%	1.1%



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Root Cause:

Themes emerging from incoming customer feedback have touched on user interface design; mobile friendly options; the need for better trip planning and fare calculating tools; lack of context related to promotional fare offers; 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.

Lesson Learned:

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

Action Taken:

BC Ferries is investing in the implementation of two key business strategies – the Fare Flexibility and Revenue Management Strategy and the Digital Experience Strategy – which together will modernize how BC Ferries sets pricing, sells travel and manages capacity utilization of sailings.

BC Ferries plans to replace its existing website and its rigid and inflexible platform with a new e-commerce site with commercial strength, multi-channel, secure e-commerce software that will enable purchases through a device of the customer's choosing – mobile, tablet or computer. Successful delivery of the Digital Experience Strategy will require BC Ferries to continuously deliver timely content, products and services through mobile devices and social channels. Both the new e-commerce site and decision support system will be consistent with industry standards in design and usability. In the meantime, BC Ferries added mobile friendly schedules to their website during Q1 of Fiscal 2018 to simplify access for cellphone and tablet users.

Sample of Customer Comments:

Complaints

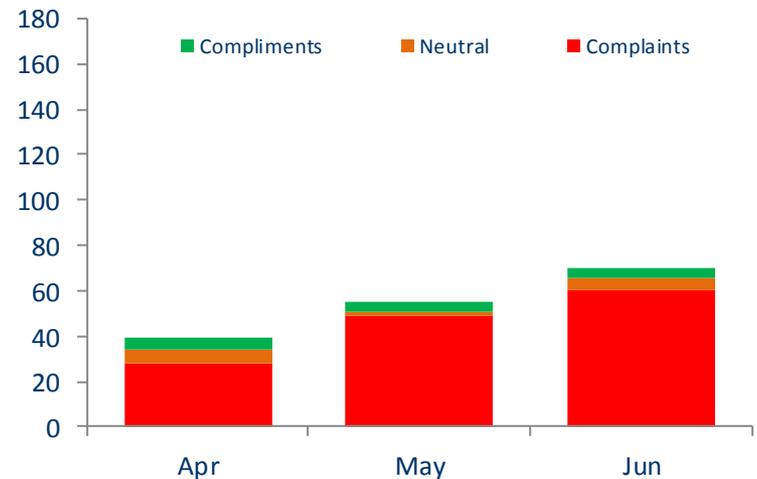
- Customer called to express frustration regarding the lack of available sailings to the Sunshine Coast. Customer is a resident and business owner on the Sunshine Coast who travels frequently to Vancouver. He said that with heavy traffic volumes, the frequency of sailings should be increased so people aren't waiting in Horseshoe Bay for hours trying to get home. He asked for some sort of structure to be put in place for residents so they can travel with less stress.
- Customer wrote: "It is amazing that BC Ferries remains in business when it struggles with basic scheduling. I've had a five hour wait at Horseshoe Bay."
- Customer called to book a reservation between Skidegate and Prince Rupert. He was unhappy with the frequency of sailings on this route and would like to know why the service seems to have been reduced.

Compliments

- Customer posted on Facebook: "Thanks to the BC Ferries staff at Langdale, Horseshoe Bay and on the *Queen of Surrey* last night who worked an extra sailing to allow those of us who didn't get on the last scheduled sailing to get home after a lovely long weekend!"
- Customer tweeted: "HUGE THANKS to the *Island Sky* crew. They waited 15 minutes so cars caught by Langdale delay didn't have to wait three hours for the next ferry."

Sailings includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Frequency of Sailings	86	10	7
Sailings: Making Connections	27	2	1
Sailings: Loaded on Sailing of Choice	24	2	5
% of all comments (2,120)	6.5%	0.7%	0.6%



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Root Cause:

Passenger traffic levels during Q1 of Fiscal 2018 have been the highest BC Ferries has experienced in the past 20 years and vehicle traffic levels were the highest the company has ever experienced as compared to the same quarter in prior years. This overall increase in traffic has affected the ability of customers to travel on the sailing of their choice.

Lessons Learned:

High traffic volumes have had an adverse affect on our customers' travel plans. Every effort must be made to continue focusing on improving the customer experience through increased communication, offering dependable service, providing additional sailings during peak periods and continuing to shift demand to underutilized sailings through promotional offers.

Action Taken:

BC Ferries continues to engage local communities and customers to collect feedback which allows them to identify needs of specific routes. BC Ferries was pleased with the strong engagement level in response to the Sunshine Coast and Bowen Island process regarding the Horseshoe Bay-Langdale and Horseshoe-Bay Bowen Islands routes.

BC Ferries continues to invest earnings in services and infrastructure in order to provide an improved customer experience. New vessels were introduced during Q1 Fiscal 2018, additional sailings were added and promotional programs offered allowed BC Ferries to shift demand to previously underutilized sailings which worked to reduce overloads for passenger vehicles by seven percent on the major routes, despite the higher traffic levels.