

Complaints Resolution Report

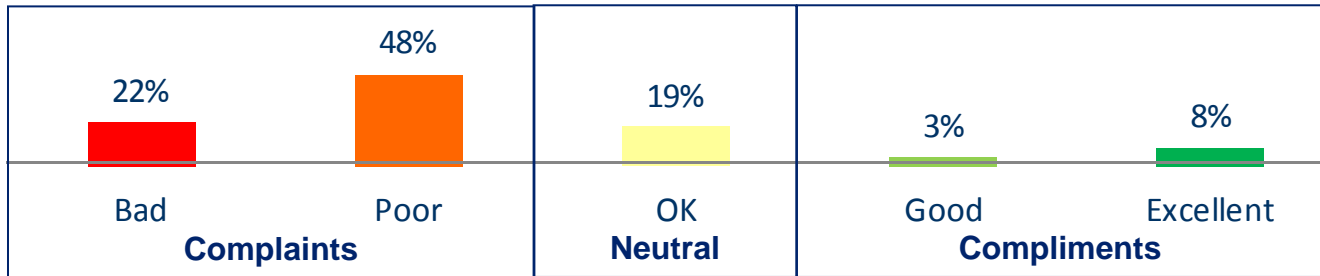
Quarter ended December 31, 2012



Feedback Summary

- During Q3 of the 2012/13 fiscal year 4.2 million customers travelled with BC Ferries.
 - BC Ferries received 2,025 comments in Q3 2012/13.

Distribution of Comments by Rating

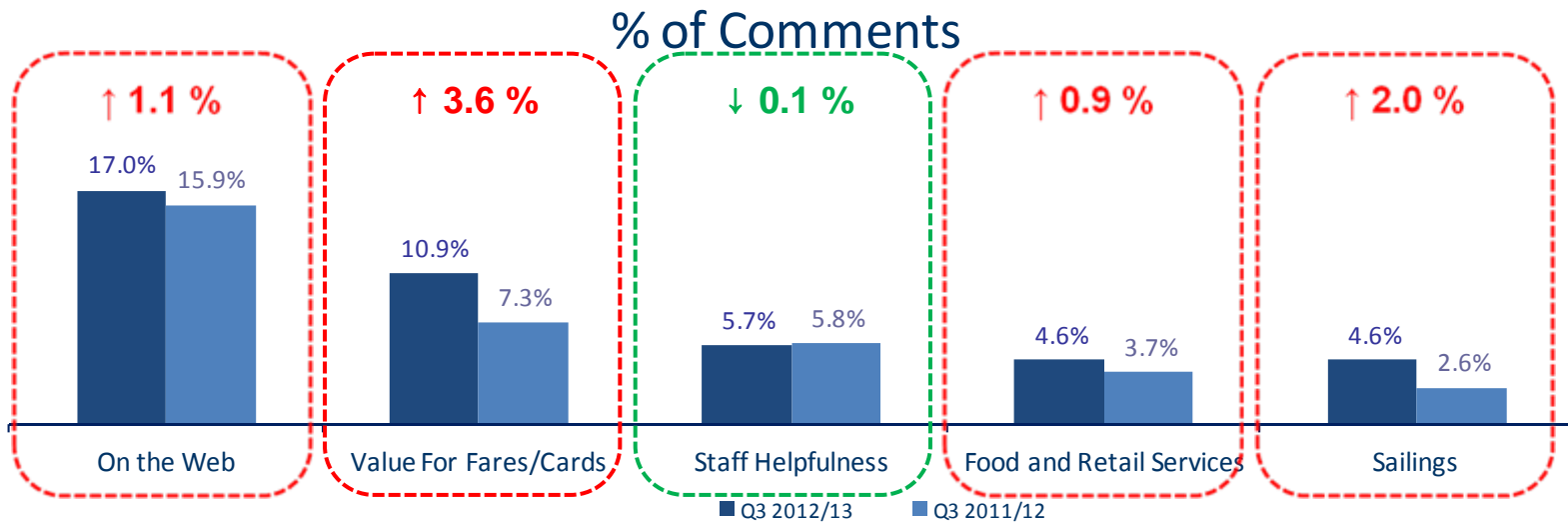


- Customer initiated feedback tends to be negative. Eleven percent (11%) of all customer feedback received in Q3 2012/13 was complimentary.
- “On the Web” was the top issue: 299 complaints* were made, representing 17% of the total comments received in Q3 2012/13.
 - Top 5 complaints combined represent 43% of all complaints received in Q3 2012/13
- “General” comments are excluded from this analysis:
 - 245 “General” comments were received which were primarily made up of suggestions (102) and requests for company information (55)

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q3 2012/2013 = Oct 1st to Dec 31st 2012

Top Complaints*: Corporate

#	Complaint	Q3 2012/13		Q3 2011/12	
		Complaints*	% of Comments (n=1,755)	Complaints*	% of Comments (n=1,976)
1	On the Web	299	17.0%	314	15.9%
2	Value For Fares/Cards	192	10.9%	145	7.3%
3	Staff Helpfulness	100	5.7%	115	5.8%
4	Food and Retail Services	80	4.6%	74	3.7%
5	Sailings	80	4.6%	52	2.6%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q3 2012/2013 = Oct 1st to Dec 31st 2012
 Q3 2011/2012 = Oct 1st to Dec 31st 2011

On The Web

Sample of Customer Comments:

Complaints

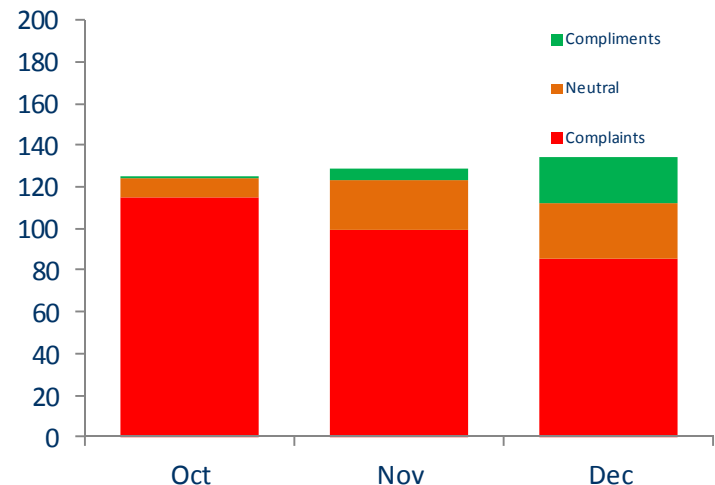
- "I've attempted to make reservations on 3 different computers. Your on-line system appears to be down. The computers hung up each time. I ended up reserving by phone. You appear to have challenges with your website development."
- "I made an online reservation today. I entered in my credit card information, it came back as 'call customer service' because for some reason it didn't accept it. I then tried again and it worked. Now I see that I have two reservations. Why did it tell me it wasn't accepted if it went through?"

Compliments

- "@BCFerries is rocking the twitter feed today. Good work keeping everyone informed! Hopefully the wind dies down so you can take a break"
- "Didn't take a ferry last night, but was sure impressed with @BCFerries social media team and their efforts to keep people informed! #storm"

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Login/Passwords	181	21	0
On the Web: Design and Usability	49	5	0
On the Web: Service Notices	36	5	1
Reservations: Online Reservations	19	1	1
On the Web: Information/General	7	13	13
On the Web: Current Conditions	6	1	14
On the Web: Travel Planning	1	1	0
On the Web: Online Giftshop	0	3	0
% of all comments (1,755)	17.0%	2.8%	1.7%



On the Web

Root Cause:

On May 12, 2011, BC Ferries launched a comprehensive redesign of its website. This included the introduction of a single online reservation channel to replace the two unique channels that had been in place since August 2008. The intention of consolidating the two reservation channels was to remove problems encountered by customers when trying to use a password for one channel to access the other.

Lessons Learned:

Implementing the single access online reservation service proved to be a highly complex undertaking, particularly in terms of aligning customer accounts associated with the ten-year-old Reserved Boarding on the Internet (RBI) service. There were also a number of performance and account validation issues that did not emerge during the testing conducted, nor with external customer focus groups and staff.

Action Taken:

Since the May 2011 launch, there have been eight subsequent releases plus a number of “spot fixes” aimed at correcting problems with the website.

Another release aimed at improving accessibility and functionality was attempted but proved unsuccessful due to technical issues stemming from aging infrastructure.

Following extensive technical review and heuristic evaluation, BC Ferries has decided to change the look and feel of the online reservation system. This will eliminate a number of issues identified during customer usability tests and result in an efficient, intuitive website experience.

Quality assurance testing is currently underway for the improvements, which will be released in 2013.

Value For Fares/Cards

Sample of Customer Comments:

Complaints

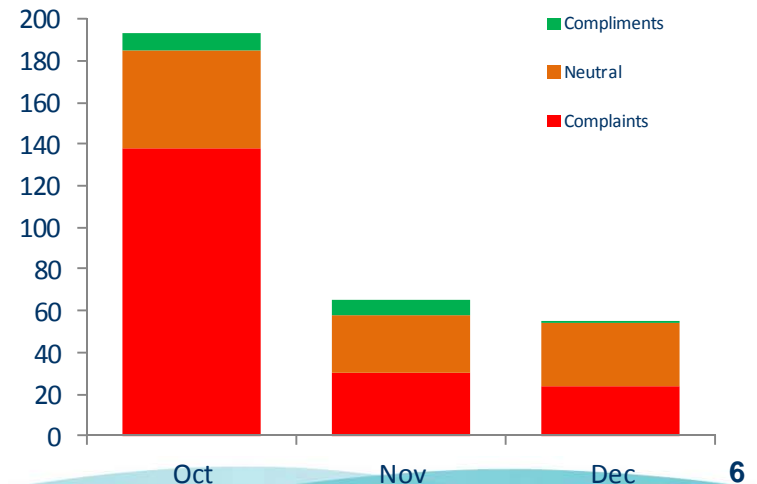
- "The reason I don't cross over from Victoria to Vancouver anymore is your high prices. Plain and simple. We used to cross over 10 to 15 times a year. Now we MIGHT go over once a year. Raise your prices all you want, it won't bring in extra profit, it'll only decrease your profit."
- "BC Ferries should have student pricing; as in one passenger + car deal. All you would have to do is show your student card and then the ticket booths could give you a 30% - 50% discount its up to you, but please BC Ferries I would like to be able to afford to go home once in a while."
- "I traveled to Vancouver this past weekend. When I went to pay for my car and passenger with my debit card I was told you do not accept them. I then had the embarrassment of having to ask my passengers to assist with payment. When we got up on deck I was shocked to find that you had at least two bank machines and while I did not see it personally no doubt there are debit machines at most if not all of your cash registers onboard. What's with no debit machines at the ticket booth? Any merchant doing business in the industrialized world utilizes debit cards. Why don't you?"

Compliments

- "I make 5-6 ferry trips a month usually during the week. My husband makes four trips a week, always on weekends. We are active seniors. I suggest that seniors pay full fare as usual on weekends and 5\$ per trip weekdays. I love the ferry. The staff are courteous and helpful."

Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Value for Fares Paid	74	4	7
Fares: Other Fares	49	29	3
Fares: Coast Card	15	16	0
Fares: Experience Card	15	23	2
Fares: Errors	11	3	0
Fares: Discount Fares	9	13	3
Fares: Credit/Debit Card	7	1	0
Fares: Refunds	6	13	0
Fares: Frequent Travel	5	3	0
Fares: Promotions	1	0	1
% of all comments (1,755)	10.9%	6.0%	0.9%



Value For Fares/Cards

Value for Fares:

Root Cause:

On June 2, 2011, the *Coastal Ferry Amendment Act* (Bill 14) was enacted. Among other things, Bill 14 established a price cap for the first year of the Performance Term Three with an increase for each route group on April 1, 2012 of 4.15% from the weighted average of the tariffs payable as at March 31, 2012. BC Ferries implemented tariff increases April 1, 2012 to the new levels authorized. The April 1, 2012, price cap and tariff increases were moderated by incremental funding provided from the Province.

Lessons Learned:

There is anecdotal evidence that the increase in fares has caused customers to limit discretionary travel. A report provided by InterVISTAS Consulting Inc., acknowledges some minor price elasticity, but notes that there are other causal factors affecting ridership.

Value For Fares/Cards

Action Taken:

Value for Fares:

BC Ferries continually looks for opportunities to help moderate fare levels through ensuring an effective and efficient operation. BC Ferries implemented a major cost containment initiative in 2011, and has, since then, continued to focus on cost savings and other initiatives that ensure the company operates as efficiently as possible, without compromising safety, and within the constraints of the service level requirements set by the provincial government in the Coastal Ferry Services Contract. Independent reviews of BC Ferries recently conducted by the provincial Comptroller General and the British Columbia Ferries Commissioner have found BC Ferries to be efficient and well run. Improvements in productivity and operational efficiency will continue to be pursued where such do not compromise safety or reliability of service. The price caps set by the Commissioner for performance term three incorporate a significant productivity challenge to the Company over the performance term.

BC Ferries also actively pursues opportunities to generate revenue from ancillary lines of business. In this regard, the company's retail and catering operations onboard its vessels and at its terminals, as well as its drop trailer service and vacation packages, are important contributors in terms of generating incremental revenue that is being re-invested in the company which helps to keep fares down.

On January 24, 2012, the British Columbia Ferries Commissioner issued his report to the British Columbia Minister of Transportation and Infrastructure as to how the Coastal Ferry Act could be amended to balance the interest of ferry users with the financial sustainability of BC Ferries. The report made 24 substantive recommendations covering a wide range of ferry related issues. In May 2012, the Province responded to the Commissioner's recommendations, enacting the Coastal Ferry Amendment Act 2012 (Bill 47). On May 9, 2012, the Province announced the introduction of amendments to the Act, as well as payment of \$25 million relating to fiscal 2012 and a further \$54.5 million over the following four fiscal years to reduce the pressure for higher fares. As well at that time government announced its intention to make significant adjustments to service levels, and to do so within the context of discussions with communities about trade-offs among service adjustments, fare increases and potential community contributions. The government is expected to release a report on its consultation process.

Value For Fares/Cards

Root Cause:

Debit Cards:

The current technology available for processing debit cards makes this method of payment unsuitable for processing customers at vehicle and passenger ticket booths due to the time taken per transaction. To accept debit payments with the current technology would inevitably lead to sailing delays.

Lessons Learned:

Debit payment is a widely accepted method of payment and we recognize customer's expectation to use it at BC Ferries' ticket booths.

Action Taken:

Debit cards can be used for the purchase of foot passenger tickets at self serve kiosks at the Tsawwassen, Swartz Bay, Horseshoe Bay, Departure Bay, Duke Point and Campbell River terminals.

ATM machines are available at select terminals and vessels.

BC Ferries will continue to monitor possible improvements to the technology of debit card processing and will consider this method of payment if the through put per customer concern can be eliminated.

The BC Ferries website lists the accepted payment options for each terminal on the fares page of all routes.

Staff Helpfulness

Sample of Customer Comments:

Complaints

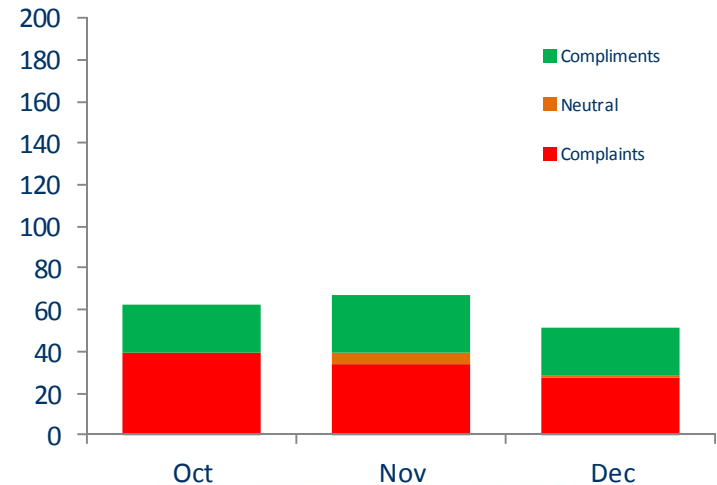
- "Apparently cleaning the ferry around me sitting on it is more important than my comfort. Happy to take my money but have a feeling as a customer I am pretty inconvenient. Wouldn't be so bad if I didn't commute 5 days a week back and forth to Nanaimo and Vancouver...pretty disappointing."
- "I'm a 68 year old Island resident who uses the ferry regularly. Today, on the Queen of Nanaimo I was horrified to be addressed by a young woman serving food in the cafeteria as "young lady". I am writing to request that you give your employees a little training in the proper way to address seniors. It is never terms of address like "honey, dear, sweetie" or heaven forbid, the worst of all "young lady". Such labels are patronizing, condescending and totally lack the respect that older people are entitled to...."
- "Staff member closed the window with 6 cars in line behind me (I was next in line). It took me another 15 minutes to change lines and pay for passage in another line. We nearly missed our sailing (third last car on). This was on October 7th."

Compliments

- "Thanks to Galiano-based @BCFerries employee **** who went way out of her way to track down one of our guest's lost iPhone. Solid!"
- "I think it's wonderful that you have the wheelchair service and it's amazing that someone who's 95 can still travel on her own with the service. "

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Check-In: Staff Helpfulness	43	1	8
Inside the Terminal: Staff Helpfulness	26	1	15
On the Ship: Staff Helpfulness	22	2	46
Outside the Terminal: Staff Helpfulness	5	0	0
On the Phone: Information Accuracy	2	1	0
On the Phone: Resolution of Issues	1	1	0
On the Phone: Agent Helpfulness	1	0	5
% of all comments (1,755)	5.7%	0.3%	4.2%



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 Note: All data is for Q3 2012/2013 (Oct 1st to Dec 31st 2012)

Staff Helpfulness

Root Cause:

Communication issues, ticketing errors, misunderstandings, inappropriate behavior by employee leading to customer dissatisfaction.

Lessons Learned:

Customer feedback has given us an opportunity to identify areas of improvement in customer service and ongoing customer service training and coaching is required.

Action Taken:

Complaints regarding employees are investigated on a case by case basis. The customer is sent a response with an apology.

Where communication is the issue, information is provided to the customer to assist in preventing further confusion. In the case of inaccurate information or inappropriate behavior by an employee, corrective action is taken with the employee and the customer is contacted to correct the misunderstanding.

Positive feedback is also shared with the employees.

Food and Retail Services

Sample of Customer Comments:

Complaints

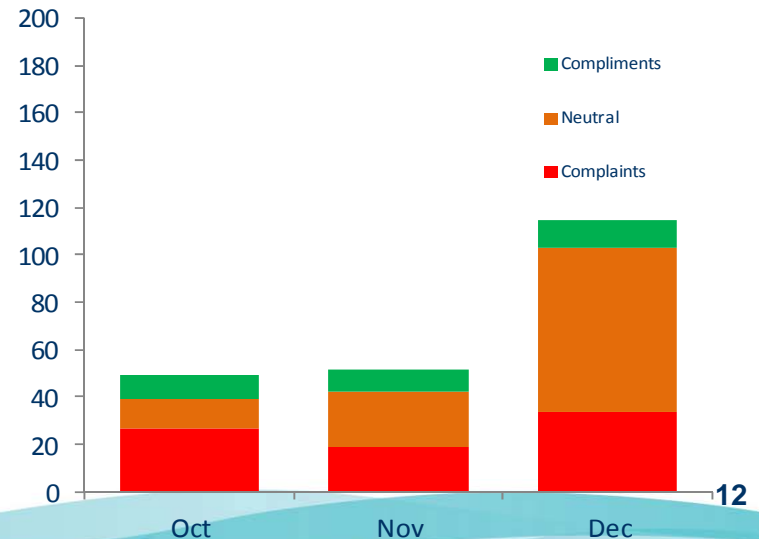
- “BC Ferries could save money in a big way if you discontinued the restaurant/cafeteria section. You don't need that aspect for an hour and forty minute ride. And half the time the line up is so long you don't have a decent time frame to eat your meal.”
- “Your Wi-Fi service is pointless, sitting in the line-up I can't get to my own website for a legitimate BC business that anyone can access from a domain that I've had for well over a decade. You are taking this way too far. Besides, it's my computer that you say you are protecting ... shouldn't that be my business?”
- “Why don't you or your food provider (White Spot) get a clue about gluten free. Your food has always been sub standard but it gets worse every year. You must assume that as long as people are trapped on your ferries they will eat anything. By the way, White Spot hit it's peak in the 1970's...”

Compliments

- "Hi there, delighted to hear you are now carrying gluten free products. My husband is celiac and we normally carry all our own food on the ferry. It will be great to be able to BUY something... and know it is OK to eat. That burrito sounds good! Many thanks.”
- "Hello, Please pass on my thanks to whomever contributed to making poutine available on the ferries. I'm from BC originally, but I developed a taste for it on a few trips out east and always lamented that it's harder to find here. I was on the ferry today and was very pleasantly surprised (I hope it stays on the menu :)."

Reservations includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	38	39	5
Food and Retail Services: Food Selection/Quality	17	9	10
Food and Retail Services: Food Value	7	1	0
Food and Retail Services: Retail Selection	6	31	7
Food and Retail Services: Retail Value	5	8	0
Food and Retail Services: Staff Helpfulness	3	0	7
Food and Retail Services: Lounge/Buffer/Coffee Bar	2	2	1
Food and Retail Services: Online Giftshop	2	14	2
% of all comments (1,755)	4.6%	5.9%	1.8%



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 Note: All data is for Q3 2012/2013 (Oct1st to Dec 31th 2012)

Food and Retail Services

Amenities / Food Services:

Revenues from food and retail activities are re-invested in the company and are an important contributing factor to keeping fares down. Catering employees form an integral part of the safe manning levels dictated by Transport Canada to ensure sufficient and well trained staff to operate the lifesaving equipment in case of an emergency. Accordingly, food and retail activities increase the efficiency of these employees, thus reducing pressure on fares.

Root Cause:

Amenities / Wi-Fi:

On July 5, 2010 BC Ferries started the pilot project for a complimentary Wi-Fi service to allow customers to browse the web or check e-mail while travelling with BC Ferries. This service is now available at the Swartz Bay, Tsawwassen, Departure Bay, Horseshoe Bay and Langdale terminals as well as onboard select vessels that travel to and from these terminals.

A standard global filtering service is restricting access to websites tagged as displaying inappropriate content. Furthermore, streaming websites are restricted in order to allow all customers shared access to the limited wireless bandwidth available on our networks for basic web browsing and e-mail usage. To allow streaming media would impact other customer's ability to use the free resource efficiently.

Lessons Learned:

Customers need to be kept informed of the restrictions that do apply to the free Wi-Fi service to avoid disappointment.

Action Taken:

The BC Ferries website provides information about the complimentary Wi-Fi service as well as a list of Frequently Asked Questions to assist customers who encounter difficulties with the service.

Food and Retail Services

Gluten free food options:

Root Cause:

The rising number of customers with various food sensitivities have led to a higher demand in specific food options.

Lessons Learned:

Through customer feedback BC Ferries has recognized an increased demand of food options for special dietary needs.

Action Taken:

BC Ferries is actively monitoring the various dietary needs and when possible is responding by adding items to the food selection. New menu options are tested for quality, value and feasibility while monitoring demand and the potential for increased waste.

In July 2012 BC Ferries conducted a survey regarding gluten free food items. Working closely with customers we were able to identify on how best to satisfy the need for gluten free food items.

In November 2012 we were able to complement the vegetarian and vegan options with several gluten free options.

Sailings

Sample of Customer Comments:

Complaints

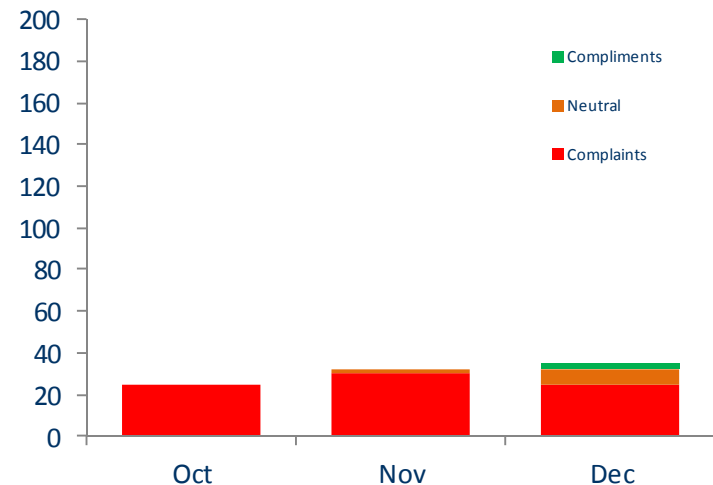
- "I find it odd that you chose to revert back to the winter schedule on the Bowen run when you knew there would be a berth closure and a refit in October. The current performance is atrocious. Seems like there was no real contingency planning for these events."
- "We travelled from Fulford Harbour to Swartz Bay on the 7:50 am sailing on time, and we sat in the bay waiting for the ferries coming in for 25 minutes. Why are we having to wait for them when we are on time and they are late?"

Compliments

- "I am delighted to see that you have re-scheduled your maintenance for Sunday instead of for Saturday, many thanks!!!"
- "I am quick to complain so I want to be just as quick to commend your staff on the service we received in Powell River on the 15th of December. Due to bad weather and mechanical problems the first sailing from Powell River was at 2045 and we had literally waited since 0800 at home until 1600, and then after learning that the 1500 sailing was coming over we waited at the terminal. The delays were unavoidable but we were pleasantly surprised to receive a complimentary pass for our next trip from the unfailingly pleasant terminal staff. Thank you very much!"

Loading/Unloading includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Cancellations	30	6	3
Sailings: Delays	50	3	0
% of all comments (1,755)	4.6%	0.5%	0.2%



Sailings

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 mechanical issues, medical emergencies, marine emergencies and delays caused by weather.

Lessons Learned:

Sailing delays have an adverse affect on the daily life of our many commuting customers. If sailings have to be cancelled or the vessel has to be taken out of service, every effort must be made to 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. However 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.

Ongoing maintenance of vessels and terminal facilities is standard procedure to maintain assets and to provide seamless service.

In a specific example, the *Queen of Capilano* was removed from service on the Horseshoe Bay – Bowen Island route from October 14 - November 18, 2012 in order to perform regulatory maintenance which occurs every two years. As in previous years, the *Bowen Queen* was the replacement vessel and customers were informed of the change on October 4, 2012 via Service Notice.