



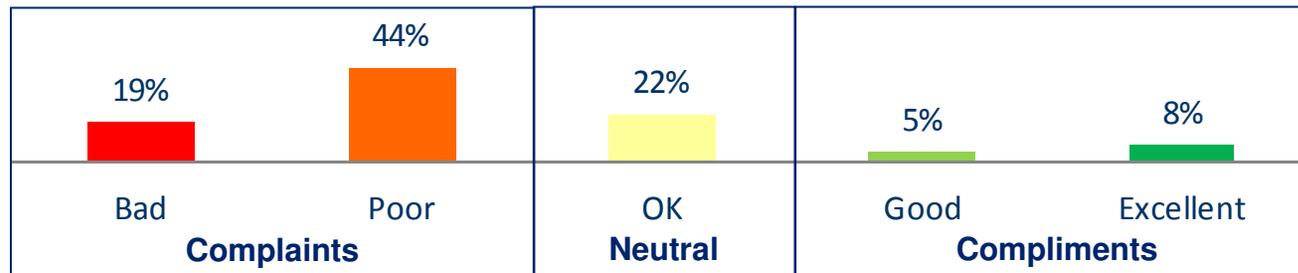
Complaints Resolution Report Fiscal 2012/2013



Feedback Summary

- During the 2012/13 fiscal year 19.9 million customers travelled with BC Ferries.
 - BC Ferries received 8,234 comments in 2012/13

Distribution of Comments by Rating

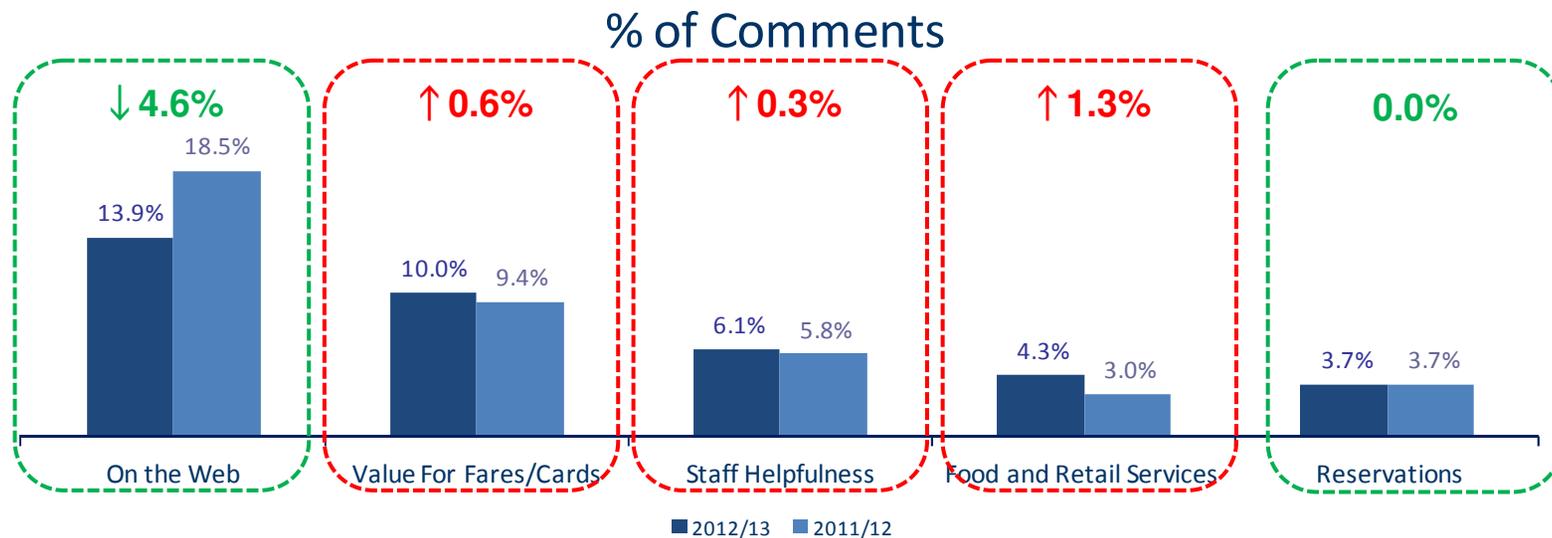


- Customer initiated feedback tends to be negative. Thirteen percent (13%) of all customer feedback received in 2012/13 was complimentary.
- “On the Web” was the top issue: 1,141 complaints* were made, representing 13.9% of the total comments received in 2012/13.
 - Top 5 complaints combined represent 38% of all complaints received in 2012/13
- “General” comments are excluded from this analysis:
 - 922 “General” comments were received which were primarily made up of suggestions (351) and company information (255)

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: 2012/13 = April 1, 2012 to March 31, 2013

Top Complaints*: Corporate

#	Complaint	2012/13		2011/12	
		Complaints*	% of Comments (n=8,234)	Complaints*	% of Comments (n=9,005)
1	On the Web	1,141	13.9%	1,665	18.5%
2	Value For Fares/Cards	827	10.0%	844	9.4%
3	Staff Helpfulness	499	6.1%	524	5.8%
4	Food and Retail Services	356	4.3%	271	3.0%
5	Reservations	303	3.7%	329	3.7%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: 2012/13 = April 1, 2012 to March 31, 2013
 2011/12 = April 1, 2011 to March 31, 2012

On The Web

Sample of Customer Comments:

Complaints

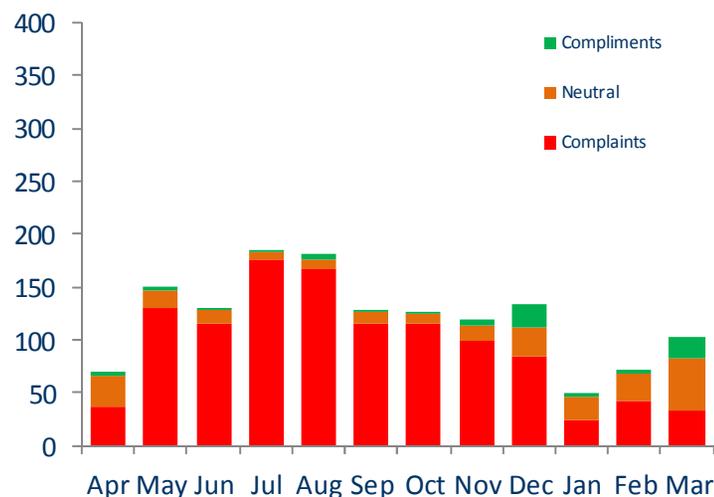
- "I tried numerous times today to use the online reservations tab on your web site but every time I selected to show availability the web page locked up and I had to close out and log back in. I finally found a link on your home page that allowed me to book but honestly if there was another option for me I would not have booked with BC Ferries because of the extra 45 minutes it took me to complete this task. I'm sure others are having the same issue."
- "I am no longer able to access my Experience Card. I get a message that I need to enable cookies but I have a) made www.bcferrries.com "save" and to allow cookies at all times, b) temporarily reduced my security settings so that cookies are allowed. Neither of these have worked. Any suggestions? I am using the newest version of Internet Explorer."

Compliments

- "It was a delay for the Lions Gate due to an accident that put us behind. You had nothing to do with us missing the ferry. Your website and tweets were great."
- "Kudos to @BCFerries for getting us home last night through some nasty weather! And for such a great twitter feed."

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Login/Passwords	586	115	12
On the Web: Design and Usability	287	24	4
Reservations: Online Reservations	114	6	3
On the Web: Service Notices	64	25	3
On the Web: Information/General	42	37	26
On the Web: Travel Planning	23	9	3
On the Web: Current Conditions	21	4	15
On the Web: Online Giftshop	4	13	8
% of all comments (8,234)	13.9%	2.8%	0.9%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: 2012/13 = April 1, 2012 to March 31, 2013

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, a number of releases and “spot fixes” were implemented with varying degrees of success. The ultimate answer, arrived at following extensive technical review and heuristic evaluation, was to change the overall design and user workflow of the online reservation system and update the server infrastructure of the website as a whole.

Both initiatives were completed successfully on April 30, 2013, with the launch of a more efficient and intuitive website experience.

Value For Fares/Cards

Sample of Customer Comments:

Complaints

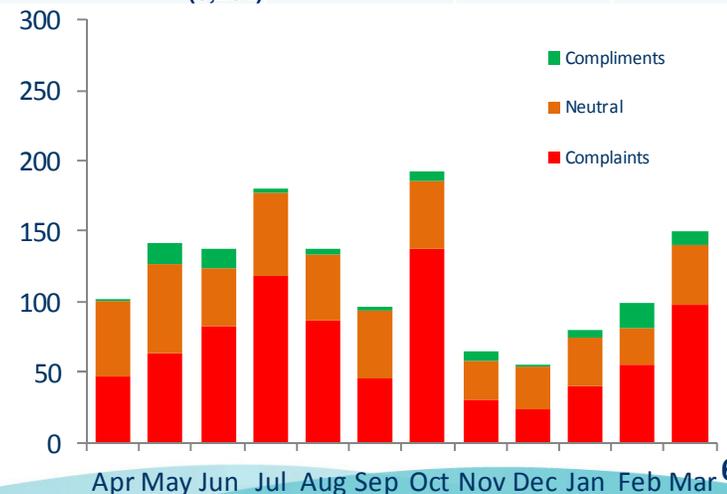
- “Your continued price increases are criminal. The more you raise your prices, the less people can use your service. Congratulations, I will be relocating to the city from the Sunshine Coast as I can no longer afford your services. Better raise your price again.”
- “I don’t understand why you get to decide how much money we load onto our Experience Cards and why there needs to be a minimum? Obviously we are going to load the correct amount needed onto the card. What if we don’t need to load \$105 on the card? This is just another lovely reason why my hate for BC Ferries is growing! Sincerely, Stranded because of ferry costs.”
- “How about some Coast Saver savings? Too costly to use the ferry on a whim, lower the cost, raise the ridership, pretty simple.”

Compliments

- “I really appreciate that you no longer have over height prices from Tsawwassen-Swartz Bay. It makes a difference for me because I travel with a motor home occasionally. Thank you!”
- “I am very thankful that your DSI [Disabled Status Identification] program accepts other documentation instead of having to go through my family physician who charges me for each form that requires filling out. As you can understand, when on disability all of the pennies count.”

Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Value for Fares Paid	268	24	16
Fares: Experience Card	114	89	11
Fares: Discount Fares	110	71	8
Fares: Other Fares	106	89	21
Fares: Coast Card	74	109	8
Fares: Errors	48	20	0
Fares: Refunds	34	74	4
Fares: Promotions	32	25	20
Fares: Credit/Debit Card	20	4	2
Fares: Frequent Travel	17	11	2
Fares: SailPass/CirclePac	4	3	0
% of all comments (8,234)	10.9%	6.3%	1.1%



*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: 2012/13 = April 1, 2012 to March 31, 2013

Value For Fares/Cards

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 (PT3) 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. On September 30, 2012, the British Columbia Ferries Commissioner (Commissioner) issued Order 12-02 which established the price cap increases for the remainder of PT3: 4.1% at April 1, 2013; 4.0% at April 1, 2014; and 3.9% at April 1, 2015. BC Ferries implemented tariff increases April 1, 2013 to the new levels authorized.

Overall, the price cap increases reflect the capital investment in ships, terminals, and Information Technology BC Ferries has had to make. It also reflects significant increases in operating costs related to items outside the control of the Company. This includes an approximate 260% increase in fuel costs since 2003, as well as significant increases in insurance premiums, property taxes, utilities, benefits program rates, contractual labor costs, and regulated labor requirements. The rigidity of the current structure of the Coastal Ferry Service Contract (CFSC) with the Province has also contributed to the level of the price caps and tariffs experienced.

Minimum buy-in level for Experience™ Card discount: The option of pre-purchasing fares in order to gain access to discounted fares was established in conjunction with the commuter route designation in place since 1961 for all Gulf Islands and since 1972 for the Sunshine Coast. While the Experience Card™ replaced the pre-paid paper books of 5 or 10 ferry tickets in 2008, the principle of pre-purchasing fares for discounted travel remained intact with the added benefit of the Experience™ Card being applicable to all routes with commuter discounts. In addition, the Experience™ Card provides registered customers with loss protection, which was not available with the pre-paid paper books. The minimum buy-in level generally increases with the annual price cap adjustment, and is established at a minimum to cover two round trips for car and driver on any route which has an Experience™ Card discount. The logic for this is simply that the card is intended for frequent users, and two round trips is the most basic level of 'frequent'.

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:

- A CoastSaver Fares promotion was offered on the Tsawwassen – Swartz Bay, Tsawwassen – Duke Point and Horseshoe Bay – Departure Bay routes, Friday through Monday from May 25 - June 25, 2012.
- Effective July 20, 2012 the fuel surcharge was reduced and as per November 20, 2012 BC Ferries was in a position to eliminate the fuel surcharge altogether.
- For the introduction of British Columbia's new Family Day long weekend, BC Ferries offered free travel for all children 11 years of age and under from Friday, February 8, 2013 through to Monday, February 11, 2013.
- BC Ferries is continuing to grow the non-tariff revenue through catering, retail, drop trailer business and vacation packages, generating revenue that can be re-invested into the company to help keep fares down.
- BC Ferries has continued its aggressive cost containment program with the result that in 2012/13, operating expenses, excluding fuel costs, were \$27.2 million below previously planned levels as outlined in BC Ferries' published business plan for the year.
- 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 makes 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 \$25.0 million relating to 2011/12 and a further \$54.5 million over the following four fiscal years to reduce the pressure for higher fares. As well, government announced its intention to make 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 Province solicited public input to develop strategies to support a vision for connecting coastal communities. BC Ferries provided technical assistance and subject matter support through the process. The process concluded in December 2012 and in March 2013, the Province released its report summarizing the public input it received.
- Amendments to the CFSC, which took effect April 1, 2012, included target net savings of \$30 million from service level adjustments over PT3. Savings of \$4 million will be realized through service level adjustments on three of the major routes. Adjustments in service levels to realize the remaining \$26 million in savings were to be identified by June 30, 2013. Through a subsequent amendment to the CFSC the deadline for identifying the additional service level adjustments was extended to March 31, 2014. Funding of \$7.1 million was received from the Province to compensate BC Ferries for this deferral. Ferry service levels are a public policy decision of the Province and the Company will await direction from the government regarding future adjustments to service levels to achieve the remaining \$18.9 million in net savings, and the resulting impact on fares.

Staff Helpfulness

Sample of Customer Comments:

Complaints

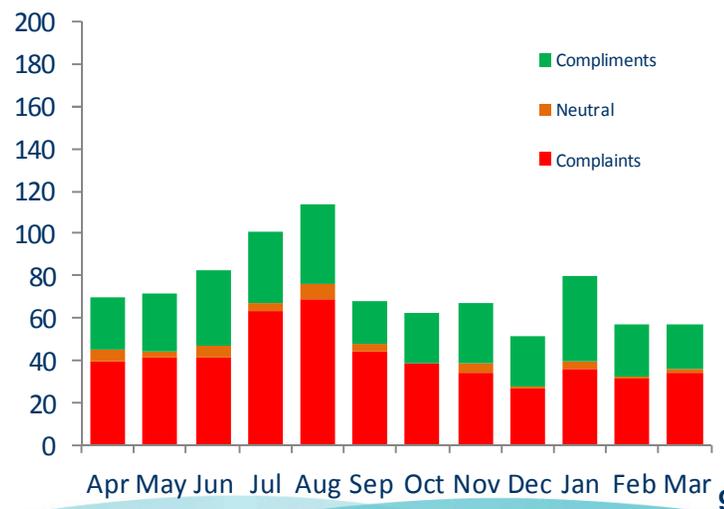
- “I was travelling with my baby and I asked a ferry worker on the ship to help me and they advised me they couldn’t and to give them a minute. Upon waiting for 5 minutes and watching them text I walked away in frustration without any help.”
- “The cashier from Victoria to Salt Spring was very rude and unhelpful. We didn’t know that we had to buy a “pass” to get our connecting ferry and she charged us another \$54 after already paying \$100 for our previous ferry. Very frustrating!!!”
- “Clerk at check in was on phone. Didn’t assist me. Told me sailing had closed yet I had made 10 min cut off. I requested I walk on once cars loaded, employee refused again.”

Compliments

- “We wish to express our thanks and praise for a recent trip on BC Ferries. The voyage was on the MV Klitsa and the crew did an excellent job in customer service and made everyone feel welcome aboard!”
- “Today on the Powell River – Comox run I locked keys in van. The great staff made my day with a little help. Great crew! Big thanks!”

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Check-In: Staff Helpfulness	194	8	44
Inside the Terminal: Staff Helpfulness	148	13	103
On the Ship: Staff Helpfulness	106	12	163
Outside the Terminal: Staff Helpfulness	20	1	3
On the Phone: Information Accuracy	19	3	0
On the Phone: Agent Helpfulness	9	3	27
On the Phone: Resolution of Issues	3	2	1
% of all comments (8,234)	6.1%	0.5%	4.1%



*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: 2012/13 = April 1, 2012 to March 31, 2013

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

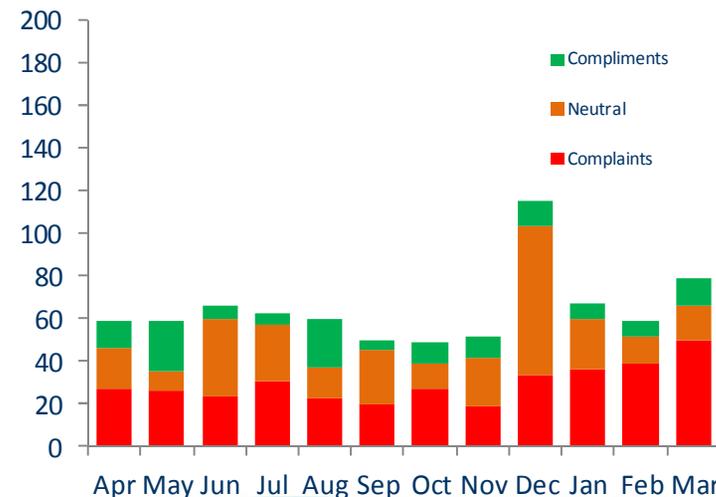
- "Can't imagine experiencing pirates in coastal waters? Try buying lunch on BC Ferries. \$16 for frozen and fried!"
- "We travel to Nanaimo and back to Horseshoe Bay fairly regularly. Often it is during meal time. The menu is very limited and it would be good to see a regular or daily special or variation from the same old same old."
- "Why are Skype and UTube blocked? There are technical tutorials I would like to watch while sitting for an hour waiting for the ferry. Thank you."

Compliments

- "Your gluten free burrito is delicious! Also today's coastal café service onboard this super busy boat was wonderful!"
- "I was on the 5pm sailing from Tsawwassen to Swartz Bay on March 11/2013. It had been about 10 years since I had been to the Pacific Buffet for a dinner meal but one of my friends had said the food had really changed. I was very impressed. The roast beef was perfect. The Padang prawns were spicy and delicious. The salmon bone free and perfect and the best mashed potatoes. The salad bar and dessert bar looked great but after seeing the main course options, I didn't want to bother with anything else. I've been missing out! Will be back to the PB next week!"

Reservations includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	163	80	21
Food and Retail Services: Food Selection/Quality	87	34	26
Food and Retail Services: Food Value	30	2	1
Food and Retail Services: Staff Helpfulness	28	2	16
Food and Retail Services: Lounge/Buffer/Coffee Bar	17	11	9
Food and Retail Services: Retail Value	15	20	3
Food and Retail Services: Retail Selection	13	103	57
Food and Retail Services: Online Giftshop	3	34	3
% of all comments (8,234)	4.3%	3.5%	1.7%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: 2012/13 = April 1, 2012 to March 31, 2013

Food and Retail Services

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

Root Cause:

Food Selection/Cost:

Food services onboard BC Ferries are offered within a high cost venue including costs not traditionally required for restaurants such as vessel upkeep, life saving equipment, crew training in emergency evacuation, etc. Therefore food services onboard are offered at a slightly higher price when compared to fast food venues on land.

Consumer behavior demonstrated loyalty towards favorite menu items and in the past BC Ferries was hesitant to remove such items in favor of new and unproven menu options.

Lessons Learned:

Through customer feedback BC Ferries has recognized that frequent customers are expecting more frequent changes to the menu options.

Action Taken:

In order to determine customers' interest, BC Ferries offered additional White Spot menu items onboard vessels servicing the Departure Bay – Horseshoe Bay route on a trial basis and conducted a survey after completion of the trial. Customer feedback was positive and BC Ferries gradually expanded the popular White Spot menu options onboard vessels servicing the Swartz Bay – Tsawwassen, Departure Bay – Horseshoe Bay and the Duke Point – Tsawwassen routes starting April 17, 2013.

The renewed partnership with White Spot enables BC Ferries to offer greater flexibility to make periodic changes to the menu options in future.

Reservation General

Sample of Customer Comments:

Complaints

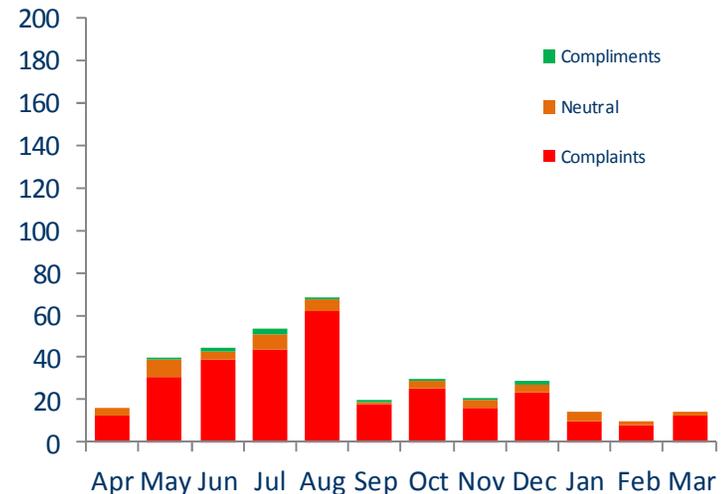
- "I made a reservation yesterday, then called today in an attempt to change it to 2 hours earlier. You'd like an extra \$9 for the change? Brutal! Not only will I not make this change, I WILL NOT make future reservations outside of expected busy times..."
- "Why do I need to be at the terminal 45-60 minutes before the sailing when I have a reservation? If I can be at the terminal 60 minutes before the sailing I do not need a reservation. I want a reservation because I will arrive 15 minutes before a sailing."
- "I had reservations for the 6:00 pm ferry leaving from Tsawwassen to Swartz Bay and arrived 15 minutes late and the lady at the booth would not accept my reservation. I missed the ferry. The reason for my e-mail is to express tremendous disappointment with which I felt I have been treated."

Compliments

- "I appreciate the option to be able to speak to an agent."
- "I made a reservation to travel from Tsawwassen – Village Bay to pick up my father who had had a motorcycle accident. It turned out that he had to come back earlier to go to the hospital... I phoned back a couple of hours after making the reservation to cancel it. I explained the situation and the staff member was very kind and helpful and cancelled my reservation and then extended his hope that everything would work out..."

Reservation General includes:

Group/Attribute	Complaints	Neutral	Compliments
Reservations: Policies	106	14	1
Check-In: Reservations	69	7	4
Reservations: General	32	11	1
Reservations: Flexibility/Changes	30	2	0
Reservations: Cost	27	1	1
Reservations: Availability	20	9	0
Reservations: Booking with an Agent	10	1	5
Reservations: Automated Phone Reservations (IVR)	9	1	0
% of all comments (8,234)	3.7%	0.6%	0.1%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: 2012/13 = April 1, 2012 to March 31, 2013

Reservation General

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.

A fee to change reservations was implemented in December 2007 as an enhancement to the previous strict “no refund / no changes” policy.

Infrequent travellers, booking a reservation, will often overlook the importance of the 30 minute cut-off. Customers who miss the reservation cut-off are often surprised their reservation won't be honored and they must travel on standby. Customers requiring a change to an existing reservation sometimes express disappointment with the additional cost.

Lessons Learned:

It is imperative that customers are made fully aware of reservation policies at the time of booking to avoid disappointment at the time of travel.

Action Taken:

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

Each complaint made will be investigated to determine if an error on behalf of BC Ferries led to the customer's dissatisfaction. This includes the possibility of employee not following procedures or customer service agents being unclear about policies at time of booking:

- 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.

With the roll out of the new Express Reservation system on April 30, 2013, improvements have been made on how policy information is displayed online.