

Complaints Resolution Report

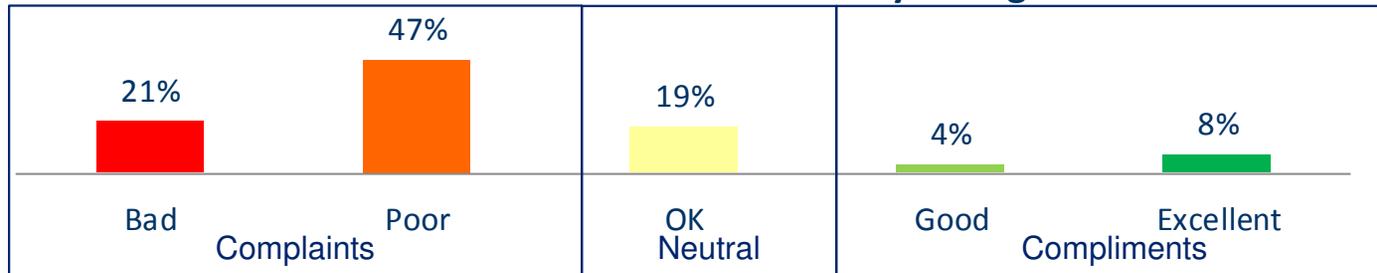
Quarter ended December 31, 2015



Feedback Summary

- During Q3 Fiscal 2016 4.3 million customers travelled with BC Ferries
 - BC Ferries received 1,759 comments in Q3 Fiscal 2016
 - The average time to respond to customers was 4.7 days in Q3 Fiscal 2016

Distribution of Comments by Rating



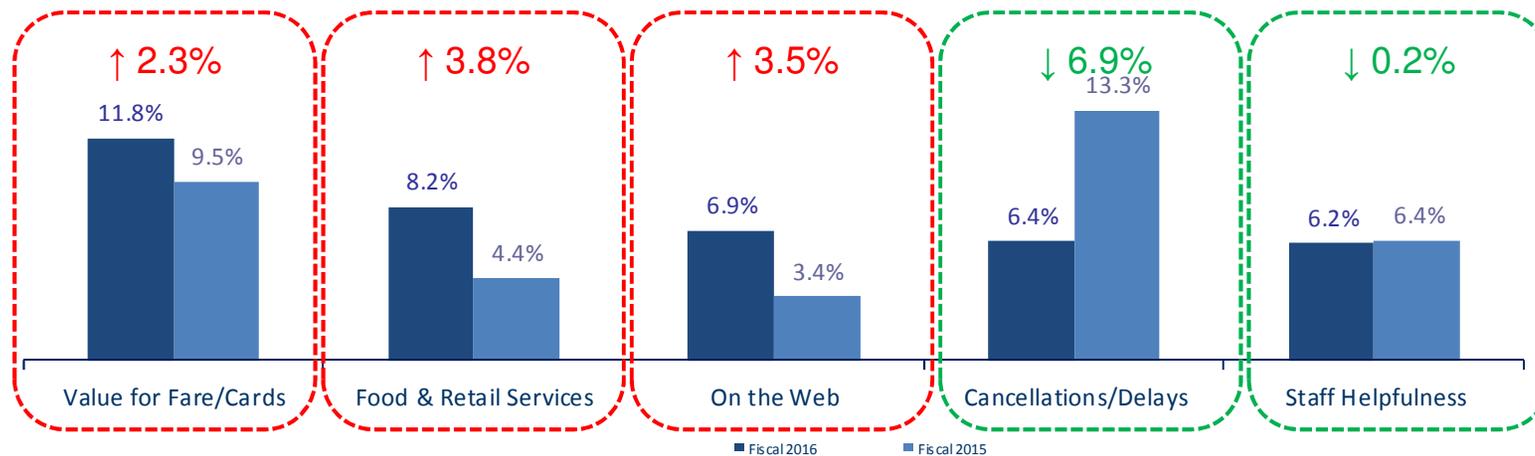
- Customer initiated feedback tends to be negative. Twelve percent (12%) of all customer feedback received in Q3 Fiscal 2016 was complimentary
- “Value for Fare/Cards” was the top issue: 188 complaints* were made, representing 12% of the total comments received in Q3 Fiscal 2016
 - Top 5 complaints combined represent 40% of all complaints received in Q3 Fiscal 2016
- “General” comments are excluded from this analysis, along with comments with no rating:
 - 152 “General” comments were received which were primarily made up of Company Information (84), Community Issues (59), Environment (9) and 20 comments were provided with no rating

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q3 Fiscal 2016 = Oct 1, 2015 to Dec 31, 2015

Top Complaints*: Corporate

#	Complaint	Q3 Fiscal 2016		Q3 Fiscal 2015	
		Complaints*	% of Comments (n=1,587)	Complaints*	% of Comments (n=1,506)
1	Value for Fare/Cards	188	11.8%	143	9.5%
2	Food & Retail Services	130	8.2%	67	4.4%
3	On the Web	110	6.9%	51	3.4%
4	Cancellations/Delays	101	6.4%	200	13.3%
5	Staff Helpfulness	99	6.2%	97	6.4%

% of Comments



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q3 Fiscal 2016 = Oct 1, 2015 to Dec 31, 2015
 Q3 Fiscal 2015 = Oct 1, 2014 to Dec 31, 2014

Value for Fare/Cards

Sample of Customer Comments:

Complaints

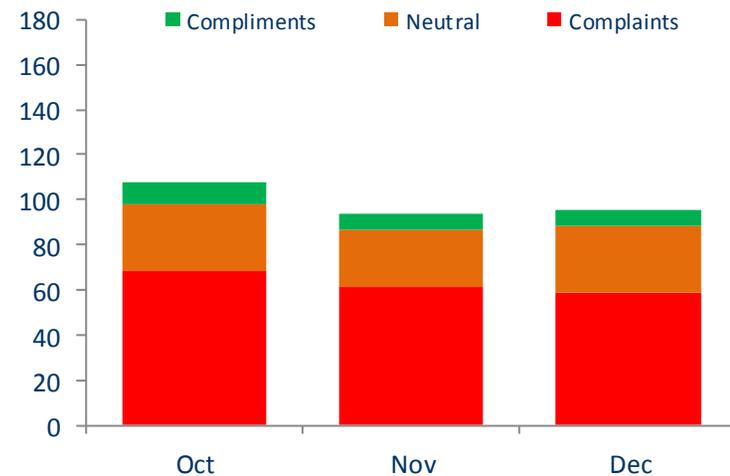
- “Your discounted fares only reflect low travel times? How about helping out the peak travel commuters? This is just another lame promo that affects the few instead of the many, carefully calculated to provide little service to those that need it the most.”
- “This weekend we took our family to Victoria, BC. We live in Lynden, WA. We hadn’t been to Victoria in 11 years. My husband and I were really upset at the price to take our family to Victoria, \$130. We were outraged to find we had to pay a return fare of the same amount the next day! That was just crazy expensive. We will never use the BC Ferry system again. We live close enough to Anacortes and will be happy to use a much more affordable option.”
- “The cost of taking a Smart car, at less than 10', should be similar to a motorcycle or half of a 20' car.”

Compliments

- “Your promotion offering discount on travel trailers on certain days of the week was awesome. Please, please do it again in 2016.”
- “Thank you for the recent discounted fares during non-peak sailings from Nanaimo to Horseshoe Bay. I was able to travel to the mainland to see my sweet new granddaughter several times, much more affordable. Please continue specials!”

Value for Fare/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Discount Fares/Promotions	67	37	23
Fares: Errors	38	10	0
Fares: Value for Fares Paid	37	10	1
Fares: Experience Card	20	15	0
Fares: Assured Loading Card	19	11	0
Fares: Credit/Debit Card	7	2	0
% of all comments (1,587)	11.8%	5.4%	1.5%



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Value For Fares/Cards

Root Cause:

On April 1, 2015, BC Ferries adjusted its tariffs in accordance with the price cap increases set by the British Columbia Ferries Commissioner.

Lessons Learned:

Fare affordability is a major concern for our customers and we continuously look for efficiencies as well as other opportunities to contain costs and increase ancillary revenue to reduce the upward pressure on fares.

The 50% off passenger fare promotion offered in September and October was well received by customers. Further promotions are being planned to test out the variable pricing model scheduled to begin roll out in 2017 as part of the Fare Flexibility and Digital Experience Initiative.

Action Taken:

During Q3 of Fiscal 2016 BC Ferries offered two promotions:

- From September 8 to October 15, 2015 regular passenger fares were discounted by 50% on off-peak days of the week and certain off-peak times of the day on the major and minor routes. From October 1 to 31, 2015 regular passenger fare was discounted by 50% on all sailings on the northern routes.
- From November 16 to December 19, 2015 standard vehicle fares were discounted by 50% on select Monday through Thursday and Saturday sailings on the major and minor routes. From November 15 to December 20, 2015 standard vehicle fares were discounted by 50% on all sailings on the northern routes.

Food and Retail Services

Sample of Customer Comments: Complaints

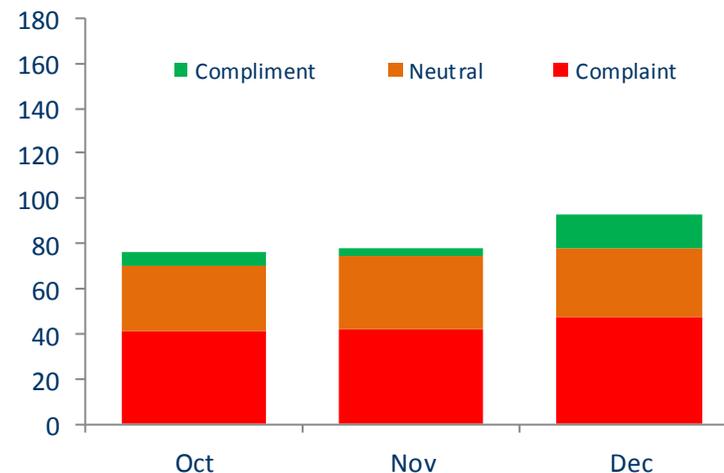
- “Why did you block Netflix on your wifi???? this is really supposed to ensure your customers have a good experience?”
- “I had a very nice ferry ride and enjoyed the food service, but I have a question about one thing. I was impressed by the fact that my coffee cup was biodegradable, but when I went to throw it out I noticed that there were no food scraps disposal bins anywhere on the ferry. I had to throw my cup and all my leftover food scraps into the garbage. This upset me a little because when food waste ends up in the landfill, it creates methane, one of the main greenhouse gases causing global warming. I’m emailing because I’m curious if BC Ferries is planning on developing a food waste disposal system in the near future, or if there are any steps being taken to create one.”

Compliments

- “Friends, I was aboard the Coastal Celebration on Sunday AM for a trip to Vancouver Island. I very much enjoyed the breakfast buffet. I wondering what brand of breakfast sausages are used on the line. The are delicious! Eagerly awaiting your reply.”
- “Just boarded the Queen of Coquitlam for the 9:00pm sailing to Horseshoe Bay and noticed you'd installed power and USB plugs along the walls. It was a welcome surprise. Thank You. I hope you plan to do it on the other ferries too.”

Food and Retail Services includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	73	6	4
Food and Retail Services: Food Selection/Quality	26	5	4
Food and Retail Services: Retail Value	10	2	0
Food and Retail Services: Lounge/Buffer/Coffee Bar	8	5	1
Food and Retail Services: Staff Helpfulness	6	1	0
Food and Retail Services: Retail Selection	4	71	16
Food and Retail Services: Food Value	3	2	0
% of all comments (1,587)	8.2%	5.8%	1.6%



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Food and Retail Services

Root Cause:

Amenities / Wi-Fi:

For the past 5 years BC Ferries has been offering a complimentary Wi-Fi service to allow customers to browse the web or check e-mail while travelling with BC Ferries. This service is currently available at the Swartz Bay, Tsawwassen, Departure Bay, Duke Point, 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 in general as well as the challenges associated with offering this service at sea. The website further offers a list of Frequently Asked Questions to assist customers who encounter difficulties with the service.

A printed brochure was produced and is available onboard to communicate Wi-Fi locations and restrictions.

BC Ferries continues the process of installing the latest in ship-to-shore radio technologies onboard all major route vessels and at shore-based locations. These new radios have much higher connectivity and throughput capabilities than the previous generation radios and improvements to access issues have been noted.

Customer feedback regarding Wi-Fi issues has shifted predominately towards the lack of access to streaming media. Efforts are underway to improve messaging regarding the restriction of streaming media during the sign-on process to avoid disappointment.

Food and Retail Services

Root Cause:

Recycling / Composting:

An increase in general awareness of environmental impact has led to customers observing BC Ferries' actions in regards to being environmentally friendly in the day to day operation of the ferry system.

Lessons Learned:

BC Ferries is proud to operate in one of the most beautiful and ecologically diverse places in the world and we are actively working on minimizing the footprint of our operation.

Action Taken:

A recycling program is maintained at all BC Ferries locations where facilities exist and we are seeking to expand the program where possible. The recycling is picked up by local waste management companies and taken to local recycling facilities. At this time we recycle beverage containers, plastics, cardboard, newsprint, wood, metals, used cooking oil, spent fluorescent tubes, batteries and aerosol cans. Old foam from seat cushions are repurposed as carpet underlay.

The composting program is in place in areas where reception facilities exist, such as the Nanaimo Regional District, the Capital Regional District and the Greater Vancouver Regional District. Efforts are underway to develop customer facing composting and recycling stations.

The following items are currently being composted: organic waste, Starbucks cups, fry cups, tissue paper, Tazo tea bags and packaging, Lipton teabags and packaging, coffee mate packaging, Coke cups, Starbucks sleeve, pirate pack fry container, receipt tape, hot chocolate mix package, bulk ketchup cups, straw wrappings, wooden stir sticks and brown sugar wrapping.

An Asset Disposal program offers up unwanted items for auction rather than disposal to landfill.

Further environmental initiatives include greening our terminals, air emission reduction, sewage treatment, oil spill prevention, energy efficiency, environmental audits and resource management.

On the Web

Sample of Customer Comments:

Complaints

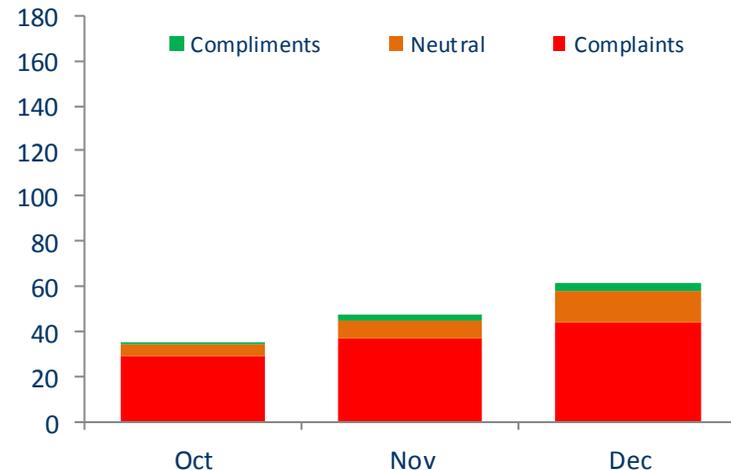
- “As usual your website is impossible to use, the info most people need is buried amidst self congratulatory garbage. Your too expensive service sucks, but I am a hostage so I have no choice. You are worse than Air Canada, if that is possible.”
- “Would you figure out how to make an actual printer friendly reservation and while you are at it a daily schedule that normal people can read?”
- “How is it that a company the size and scale of BC Ferries does not have a mobile friendly site? The vast majority of people use smart phones and yet BC Ferries does not have a mobile friendly website. This shows a lack of thought and caring for customers. I’d like to see this comment posted on the comment page, to balance the positive reviews that seem to be the only ones posted online.”

Compliments

- “SSL Labs gives BC Ferries’ website an A- rating for security! Well done! In the past the site had an F rating. Great work!”

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Design and Usability	32	5	2
On the Web: Service Notices	17	2	0
On the Web: Information/General	16	10	1
Reservations: Online Reservations	15	3	2
On the Web: Travel Planning	13	7	0
On the Web: Current Conditions	10	0	1
On the Web: Login/Passwords	7	0	0
% of all comments (1,587)	6.9%	1.7%	0.4%



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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 stem from technology 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 input 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 are 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. Improvements, including mobile apps, can be expected within the next 12 to 24 months.

Cancellations/Delays

Sample of Customer Comments:

Complaints

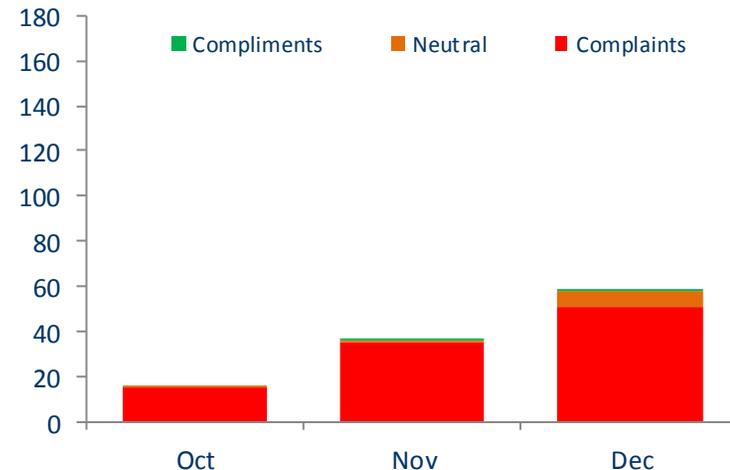
- “What a frustrating day! I wake to find out that the 5:45 ferry I had a reservation for leaving Duke Point was cancelled. I had to change my plans for the day, which included a planned meeting with my wife's family, and leave Campbell River early so I possibly get on a ferry. My wait will total more than 4 hours and needless to say I am a little disappointed and frustrated with BC Ferries. In these situations, which I would hope don't happen often, honour these reservations by putting those who have reserved on a different ferry...”
- “Thank you so much for ruining my trip to the island today, disappointed grandchildren and all because of your lousy service. The cancellation ruined a much planned day trip.”
- “4 out 5 sailings I am on leave late. for what we pay to sail this frequency is unacceptable. you have a captive user and treat them as such. not cool.”

Compliments

- “Full credit to @BCFerries crew on #Comox to #PowellRiver run last night. Dealt with bad situation beautifully. Crammed lots onto 7:15pm. Also added extra sailing between #Comox and #PowellRiver, and made arrangements for people going to Sechelt or Texada. Well done @BCFerries. Obviously a bit of a crewing mess up to start with from @BCFerries, but they made the best of a bad situation.”

Cancellations/Delays includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Cancellations	60	6	1
Sailings: Delays	41	3	1
% of all comments (1,587)	6.4%	0.6%	0.1%



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Cancellations/Delays

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 such as a leaking propeller-blade seal on the *Queen of Alberni* on December 27, 2015.

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.

In a specific example, on December 27, 2015 the *Queen of Alberni* had to be removed from service on the Duke Point – Tsawwassen route (Rt 30) due to a leaking propeller-blade seal. The following service recovery was put in place:

- December 27: *Queen of New Westminster* took over service for sailings scheduled to be operated by *Queen of Alberni*, no cancellations were necessary and no impact to customers
- December 28: two round trip sailings on Rt 30 had to be cancelled, *Queen of New Westminster* provided last round trip for the day on Rt 30 after completion of operating its Swartz Bay – Tsawwassen (Rt 1) scheduled service, customers with existing reservations on the cancelled Rt 30 sailings were contacted and offered to re-schedule without additional fees, service notices posted to the website
- December 29 and 30: *Queen of New Westminster* was removed from Rt 1 to operate the Rt 30 schedule in place of *Queen of Alberni*, customers with existing reservations on cancelled Rt 1 sailings were contacted and offered to re-schedule without additional fees, service notices posted to the website
- December 31: the necessary repairs were completed, *Queen of New Westminster* remained in service on Rt 30 and *Queen of Alberni* prepared for previously scheduled out of service period, no further impact to customers
- It is important to note that throughout this service interruption the *Coastal Inspiration* continued to provide scheduled service on Rt 30

Staff Helpfulness

Sample of Customer Comments: Complaints

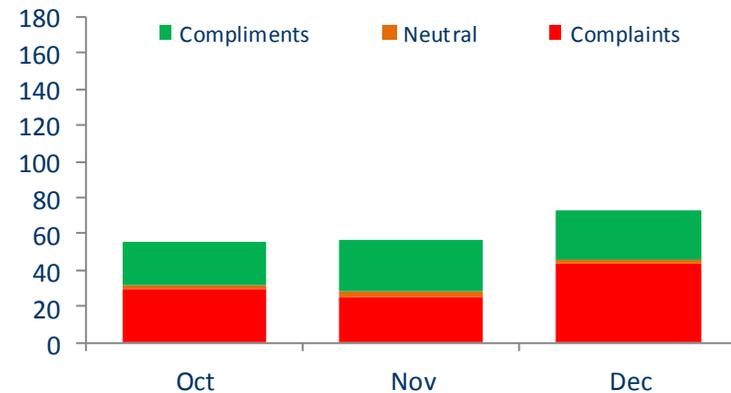
- “I am not happy with the loader at the Swartz Bay parking lot. I took the 4:15 from Village Bay and they ignored my orange card.”
- “It was not helpfulness. It was an overwhelming cologne worn by a male staff member. It is common practice in service areas not to wear any scent - consideration of allergies and sensitivities of all persons, not just passengers. It was simply awful.”
- “I take the ferry to school and back from departure bay to horseshoe bay. I have spent the last hour listening to employees complain about work and the inter-relationships in the company. I pay a lot of money to take the ferry everyday and was only trying to quietly study when the two employee sat right beside me. I find this super unprofessional and am very disgruntled.”

Compliments

- “xxx helped me immensely yesterday by notifying me that my elderly father had got lost and arrived at the Departure Bay. She organized for my father to get back to Victoria via bus, and we picked him up. She was extremely helpful, caring and polite. Thank you.”
- “Compliments to this young man on the Spirit of New Westminster. He was attentive to guests needs. Especially one woman with two young kids. He heard the need for a muffin that wasn't in one fridge. He went to the other fridge to find one. She was so happy coz no tears from her little girl.”

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Inside the Terminal: Staff Helpfulness	60	4	24
On the Ship: Staff Helpfulness	16	2	49
On the Phone: Information Accuracy	11	0	0
Outside the Terminal: Staff Helpfulness	8	1	3
On the Phone: Agent Helpfulness	4	0	4
% of all comments (1,587)	6.2%	0.4%	5.0%



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Staff Helpfulness

Root Cause:

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

Lessons Learned:

Customer feedback represents opportunities to identify areas of improvement in customer service in general and with individual employees.

Action Taken:

Complaints regarding employees are investigated on a case by case basis. The customer is sent a response with an apology and if appropriate with an explanation of policies to prevent future disappointment.

Compliments for employees will be shared with the individual via the management team.

In Phase two of the 'Customer Service Enhancement Program' the Customer Service Ambassador team is focusing on building on the initial success of this program and to continue the process of making customer service excellence an integral part of the culture at BC Ferries.

Improvements to customer service are reflected in high number of staff compliments received during Q3 Fiscal 2016, most notably for the category of 'On the Ship: Staff Helpfulness' where compliments far exceeded complaints.