



The Consumer Voice

OFFICIAL PUBLICATION CONSUMER PROTECTION COMMISSION, MINISTRY OF LABOUR & NATIONAL INSURANCE

VOL. 4 ISSUE 1

MARCH/APRIL/MAY 2017

WORLD CONSUMER RIGHTS DAY 2017

BUILDING
A DIGITAL WORLD
CONSUMERS CAN
TRUST

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MOBILE COMMERCE AND THE BAHAMIAN ECONOMY



Photo: Shawn Hanna

March 15 is recognised around the world as World Consumer Rights Day (WCRD). This year's theme, determined by Consumers International — 'Building a Digital World Consumers Can Trust'.

The Consumer Voice also celebrates its fourth year anniversary this month (March 2017). Standing firmly on the square of four solid years, we present our readers this edition, with a number of articles that speak to and expand on the theme for WCRD. We take a closer look at the ICT elements in our draft National Development Plan, and present the case for the development and adoption of a National Broadband Plan. Such plans are recommended by OECD and

other development agencies. All G7 countries except Canada have such a national broadband plan in place now.

Most countries considering such plans conduct their own comparative evaluations of existing national plans. The US, for instance, in September 2010 published a comparison of seven other countries' plans. The OECD tracks closely policy in this area and publishes links to relevant policy documents from its member (developed) countries. Developing countries' plans are studied most closely by the World Bank as part of its e-Development program. It has released the World Bank Broadband Strategy Toolkit to assist in policy development.

Furthermore, the close re-

lationship of universal wired broadband and smart grid plans is the subject of much study particularly in the US and Europe. The US plan has ambitious energy demand management goals (see National Broadband Plan (United States) for more details on these and their relationship to other US national goals) and its broadband plan is generally considered to be a pre-requisite to its communications-intensive energy strategy. This is also true to some degree of other countries' broadband plans.

Also in this edition, are the complete survey results of the Consumer Protection Commission CPC's consumer banking survey. We are indeed pleased with the conversations that are happening and taking place as

a result of having done the survey. Consumers of retail banking services in The Bahamas are concerned that banking fees do not reflect value for money as it relates to service offerings and service quality.

We note with interest one explanation posited as a factor in the level of banking fees in The Bahamas, is the vast amount of funds invested in Research and Development of new products in a market without economies of scale. We invite our foreign banks to seek ways of introducing new products introduced in their home jurisdictions to the Bahamian market within a year or two, and save themselves these vast sums spent on Research and Development of new banking products. Bahamians are

well travelled; they know what banking products and services are available in Canada and the United States.

Finally, as we begin a new phase in the life and development of the Consumer Voice, we do so as the official publication of the Consumer Protection Commission, no longer the Consumer Welfare Unit.

The Consumer Voice will play an important and integral role in the fulfillment of the mandate of the CPC – Consumer Protection Act 2006 Section 4(1)f: collect, compile, analyse and publish information in relation to any trade or business.

We invite our readers, writers and advertisers to continue this journey with us as the best is yet to come.

Building a Digital World Consumers Can Trust

This is the theme that Consumers International (CI), the global federation of consumer organizations, has adopted as the theme for this year's World Consumer Rights Day (WCRD) celebrations.

WCRD is celebrated by the international community each year on 15th March.

The theme is a timely one when we look at the role that the Internet now plays in our daily lives; the multi-billion dollar Mobile Commerce; online shopping; all being driven to a great extent by the exponential growth of smartphones.

We now live in a digital world, and what Consumers International is seeking to bring focused attention to this year, is the need to consider consumer rights in a digital world. Issues of identity theft, the right to privacy, malicious mobile applications, safety issues when conducting business transactions over the Internet. In short what steps need to be taken by governments, their agencies and agents, and particularly by individual consumers so as to prevent the erosion of consumer rights and protections, in an increasingly digitized society? How do we cope with the 'Internet of Things'?

1. Introduction to the Internet of Things

a) Introduction

"The Internet of Things will change everything – including ourselves. [It] represents the next evolution of the Internet, taking a huge leap in its ability to gather, analyse, and distribute data that we can turn into information, knowledge, and, ultimately, wisdom"²

The Internet of Things could be one of the most disruptive technologies we have ever experienced, as "everything that can be automated, will be automated"³ and become connected in a massive network of networks. Although perspectives and opinions vary dramatically, few disagree that it is an inevitable and radical progression of the connectivity made possible by the Internet and that its impact will be huge.

The term 'Internet of Things' is now used so freely in policy and business worlds that stepping back to unpick what it actually means in different contexts

and for different interests is rare. Its usage is becoming so ubiquitous that we risk barring new entrants to the conversation who will ask obvious and deceptively simple questions around its potential manifestation. But the impact of the Internet of Things stands to be huge on all of us and it may not be as simple to opt out as we might like to think, as it becomes the default.

b) What is the Internet of Things?

The Internet of Things is a catch-all term encompassing the network of items, each embedded with technology, which are connected to the Internet. The following selection of definitions gives a flavour of the various emphases given to the Internet of Things:

"the network of devices and everyday objects embedded with technology, connected to the Internet." International Telecoms Union⁴

"a network of physical objects that contain embedded technology to communicate and sense or interact with their internal states or the external environ-

ment." Gartner, IT Research Company⁵
 "the growing trend of adding sensors and communications to household [or other] objects so they can help monitor a home and be managed remotely" BBC⁶

"catchall phrase for the array of devices, appliances, vehicles, wearable material, and sensor laden parts of the environment that connect to each other and feed data back and forth" Pew Research Centre⁷

Previously, the Internet only connected computers, servers and mobile devices together in a network, meaning people could connect to information, across the globe. Now numerous everyday objects, devices and appliances, not typically associated with having communications capabilities can be connected to that same Internet and to each other – things like plugs, light bulbs, cars, public transport, medical devices, manufacturing components, electricity meters, household appliances or home security systems.

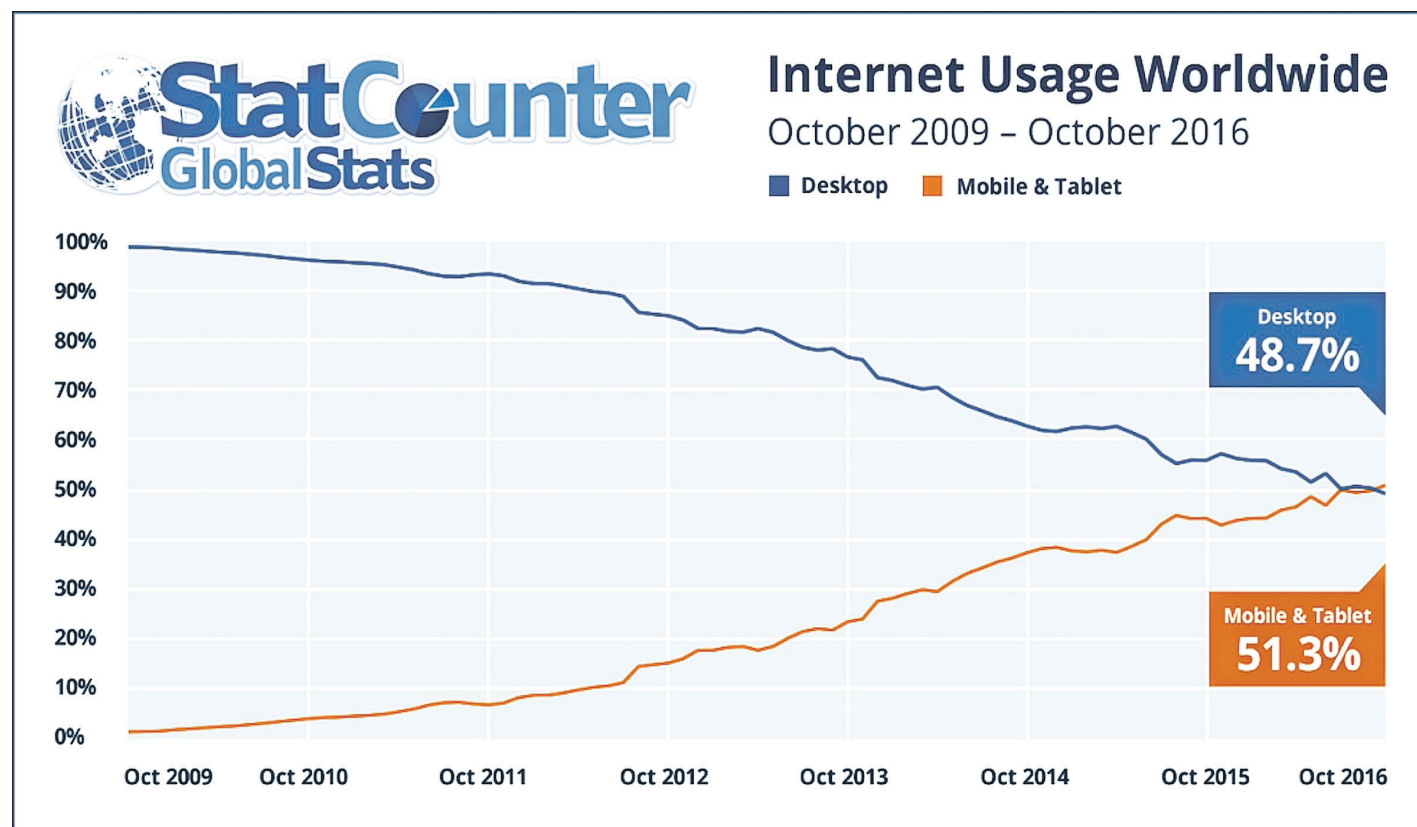
Other common, related terms include: machine to machine (M2M) technology

which enables devices of the same type to communicate and has been around for many years. Industrial processes have widened M2M further to include connections with human interfaces, sometimes referred to as the 'industrial Internet of Things'.

The Internet of Things goes further still as mobile connections mean data can be transmitted via IP (Internet protocol) networks to and from a much wider range of devices including things worn or used by people in everyday life. The 'smart' or 'intelligent' prefix is also commonly applied to describe things or processes with the capacity to compute, connect and communicate and differentiate from the formerly 'dumb' machines which worked in isolation.

Many consumers across the world are already users of connected devices – mobiles, tablets, e-readers, cameras and printers that can be connected to the Internet. The Internet of Things builds on and towards all this, by providing

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Building a Digital World Consumers Can Trust

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a ‘global infrastructure - enabling advanced services by interconnecting physical and virtual things’ beyond the personal and domestic scale to a system, city or national scale.⁸ As part of this, larger scale smart systems run electricity grids, transport networks or water systems. The term ‘Internet of everything’⁹ is also sometimes used, to refer to an almost limitless number of connections that could be possible between people, systems, devices and industry.¹⁰ To help imagine what this level of connectivity might look like, academics at Pew Research Centre liken this to being “like electricity, less visible yet more deeply embedded in people’s lives”.¹¹

The ‘Internet of Things’ and the consumer interface with smart devices, all began with the introduction of the smartphone.

The first truly smartphone was released by Apple in 2007 and by the following year 3.7 million had been sold,

rising to over 50 million by 2010. Projections suggest 5.6 billion people will own a smartphone by 2019²⁹ - which will make up 73% of world population, with significant penetration in some developing and emerging economies.³⁰ As well as making calls, smartphones contain software that can record data, voice, video, motion, location and much more.

Smartphones act as a ‘hub’³¹ allowing users to connect to other machines and systems, and not just devices of the same type, such as a tablet. For example, payment systems, thermostats, wearable fitness or health trackers. In this way they behave like remote controls or dashboards. Smartphones can receive alerts and notifications of events via external systems such as financial market data or travel information. They can store crucial documentation like tickets, and even provide official identification and make links between them - for example combining information from a stored ticket and external data feed to alert you to any flight delays.

Along with this range of function, an-

INTERNET USAGE AND POPULATION STATISTICS: THE BAHAMAS

YEAR	Users	Population	% Pen.	GDP p.c.*	Usage Source
2000	13,100	304,000	4.3 %	US\$ 14,296	ITU
2003	84,000	326,057	23.4 %	US\$ 14,585	ITU
2006	93,000	330,602	28.1 %	US\$ 14,920	ITU
2007	103,000	335,142	30.7 %	US\$ 21,600	ITU
2015	293,875	324,597	90.5 %	US\$ 21,390	IWS

NOTE: Per Capita GDP in US dollars, source: United Nations Department of Economic and Social Affairs.

other significant factor in the shift to widespread smartphone use is that it has familiarised people with carrying out different activities from a single device, using it in a way that breaks with normal practice, for example, making a payment with a phone in a shop or completing the whole customer journey from buying a travel ticket to boarding a flight.

This opens the way for people to become used to doing different things with non-traditional interfaces, and being familiarised with using a single point of interaction to control multiple applications. This will be essential for managing the different functions of more and more things as they come into the Internet of Things.

If smartphones are the hub of the Inter-

net of Things, then broadband is the engine, the motor that makes it all happen.

According to Wikipedia - Mobile broadband is the marketing term for wireless Internet access through a portable modem, mobile phone, USB wireless modem, tablet or other mobile devices. The first wireless Internet access became available in 1991 as part of the second generation (2G) of mobile phone technology. Higher speeds became available in 2001 and 2006 as part of the third (3G) and fourth (4G) generations. In 2011, 90% of the world’s population lived in areas with 2G coverage, while 45% lived in areas with 2G and 3G coverage.[1] Mobile broadband uses the spectrum of 225 MHz to 3700 MHz.[2]

2016 was a watershed year for mobile
See PG6



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Building a Digital World Consumers Can Trust

From p5

broadband, as for the first time more consumers used mobile devices to access the Internet than the traditional desktop.

The Bahamas is very much a part of this global phenomenon with an Internet penetration of over 90%, and with BTC offering 4G LTE to some of its customers, while new player Aliv makes the same available to all of its new customers, more and more Bahamians are using mobile devices to not only access the Internet but also to conduct mobile commerce. The Consumer Protection Commission along with the Utilities Regulation and Competition Authority (URCA) has a keen interest in ensuring that Bahamians are safe, and our basic consumer rights are not sacrificed on the altar of cyber expediency and the Internet of Things.

Consumer Protection in the Digital Age

There is no substitute for individual responsibility; we at the Consumer Voice encourage you to be an educated, better-informed consumer.

Everyone who uses the Internet creates a “profile” of information about themselves. Some of which may be good, some of it bad, some career-related, some about your personal identity, some about your personal life. Hopefully, you’re proud of most of it. You may be indifferent about some of it. You may also be ashamed of some of it. But there it is, for better or worse, your Internet profile; for all to see.

How can this be? you might ask. Most of us don’t purposely advertise information about ourselves on the Internet, so how is this profile created? The “profile” I speak of isn’t a single document or dossier about us that resides in a file somewhere on the Internet. No, it’s not that simple. It is an aggregation of snippets of information about us that, by themselves seem harmless and uninteresting. But when aggregated by a search engine or a web-crawler; this information becomes a profile of our lives.

When you Google your name the information can look pretty much like an autobiography. Did you publish an autobiography? Probably not, but announcements of appointments to positions, minutes of meetings you participated in, documents or articles posted on Facebook and other social media, and anyone’s comments about any of the above that was posted to a website is there in the results of the search. This information is publicly available. There is also a wealth of information that resides in health records, banking transactions, credit bureau information...that if hacked, would also add important “pixels” to this electronic picture of you. I think you’re probably getting the idea...the information about us is publicly available.

We should care very much about this globally available information that forms a vivid image of us for all to interpret—rightly or wrongly. This Internet profile can be used to investigate us when applying for a job; to substantiate a resume, or to check what kind of character we possess...think YouTube videos made during a drunken stupor while in college, or that not fully clothed photo of you that someone posted somewhere. Either of these examples could cost you a job opportunity without you ever knowing it. And as important and potentially damaging this example seems; the next example is worse.

Suppose a criminal used the profile of information on your life to steal your identity and consequently drained your bank accounts and created immense debt in your name. That scenario is entirely possible. There are criminal organizations that are expert in using information about you and your life to impersonate you to financial institutions in order to convince them that you (they) want to make a withdrawal, need an additional box of blank checks, want to open a new line of credit or open credit card accounts. The bottom line to this scenario is that you could, at best, have your life interrupted until you clear up all the results of the crime; or at worse, losing everything, in terms of assets, that you have.



What can we do about this? Well, the answer is; “it depends”. If you already have information similar to that mentioned above, there may be very little you can do. Once the information is out in the Internet it’s almost impossible to find and eradicate it. However, if you’ve not had much information “posted” on the Internet, you may protect your future by following some very common sense practices to stay out of trouble. The United States Computer Emergency Readiness Team (US-CERT) has some very good tips in their article Guidelines for Publishing Information Online.

This is a very serious issue that all Internet users should know about, and use their common sense when interacting online. Always be aware of what infor-

mation you’re putting online and how it may be used in the future. Take heed to the US-CERT and other information in articles on this subject and be careful out there...be very careful.

Also, if you feel that your data is being used by a third party inappropriately, please contact the Office of the Data Commissioner.

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1st Quarter 2017

Brands	Unit	Actual Controlled Price (VAT Inclusive)	Super Value		Quality	Early Bird	Solomon's	Kenneth's Foods	Meat Max	Budget	Minimum	Maximum
			Cable Beach	Nassau St.	West Bay St.	Robinson Rd.	Old Fort Bay	Prince Charles	Carmichael Rd.	Coral Harbour		
Yellow Onions	3 lbs	N/A	3.21	3.21	3.21	1.99	3.21	3.44	2.03	2.09	1.99	3.44
White Potatoes	5 lbs.	N/A	3.21	3.21	3.21	2.99	4.29	3.00	2.68	3.29	2.68	4.29
Quaker Oatmeal	18 oz.	N/A	3.21	3.21	3.21	3.99	4.29	3.29	3.75	3.99	3.21	4.29
Brunswick Sardines	3.75 oz.	N/A	1.27	1.32	1.32	1.10	1.38	1.33	1.32	1.19	1.10	1.38
Mahatma Rice (Gold Parboiled)	5 lbs	4.31	4.29	4.39	4.29	4.31	4.31	4.30	4.41	3.99	3.99	4.41
Quaker Quick Grits (White)	5 lbs	4.66	4.65	4.33	4.65	4.66	n/a	4.65	3.97	4.33	3.97	4.66
Robinhood Flour (Poly)	5 lbs	5.03	5.25	3.85	5.25	4.99	5.03	5.03	4.69	4.67	3.85	5.25
Campbell's Vegetable Soup	10.5 oz.	N/A	1.14	1.37	1.14	1.4	1.23	1.21	1.08	1.04	1.04	1.40
Sugar (First Choice)	4 lbs	3.45	2.68	2.68	2.68	2.59	n/a	2.47	2.35	2.35	2.35	2.68
Roman Meal	Loaf	N/A	4.07	4.07	4.07	3.99	4.07	3.76	3.74	3.80	3.74	4.07
Eggs	dozen	N/A	2.14	2.14	2.14	2.5	3.97	1.80	1.20	1.83	1.20	3.97
Special Blend White Bread	Loaf	N/A	3.49	3.49	3.49	3.5	3.64	2.99	3.21	3.27	2.99	3.64
Hellman's (Real) Mayonnaise	30 oz.	6.87	5.49	5.90	5.49	5.85	5.49	5.85	5.36	5.43	5.36	5.90
Wesson Cooking (Veg. Oil)	48 oz.	5.00	5.00	5.00	5.00	5.00	5.00	4.96	4.50	4.65	4.50	5.00
Carnation Evaporated Milk	410 g.	1.32	1.28	1.06	1.28	1.05	1.39	1.15	1.02	0.99	0.99	1.39

EDITOR'S NOTE

The minimum and maximum prices displayed are not controlled prices, but rather reflect the price variations found by our inspectors in the field.
The controlled price reflected under 'Actual Controlled Price'.



CONSUMER PROTECTION COMMISSION CONSUMER BANKING SURVEY

THE CPC through its Research Unit initiated and conducted a consumer banking survey between September and November 2016. The survey was vetted by Central Bank and placed on CPC's Facebook Page – Consumer Protection Commission Bahamas.

A total of 598 persons responded to the survey, 402 short of the original goal of 1000. 177 persons (30% of respondents) completed the survey online.

Purpose of the Survey

The purpose of the survey was to gauge public opinion and perception on the services provided by local clearing banks, and the level of fees associated with the provision of those services.

Summary Results

The survey introduced 422 persons to the work of the Consumer Protection Commission; only 172 or 28.8% of respondents were aware of the existence of the Commission before taking the survey.

On the question of whether respondents think there is consumer protection in The Bahamas for retail bank customers, only 92 persons responded yes; 498 or 83.3% said no.

Females comprised 386 (64.5%) of those surveyed; 208 (34.8%) were male.

69% of respondents were employed, 15.3% were self-employed for a total of 84.3%, while 3.2% were unemployed.

276 or 46.2% of respondents said they went into the branch of a commercial bank



often (weekly or more), while the most popular banking service was savings accounts at 519 or 86.8%, followed by credit cards at 339 or 56.7%.

On the fundamental question of whether respondents thought that the service fees/charges associated with their account(s) were appropriate for the services received, 434.81 (72.7%) persons said no; 148.19 (24.8%) said yes. With respect to the number of fees, 494 (82.6%) felt there were too many fees, 4.7% said there was a fair number of fees, while 2.2% or 13 persons said there were too few fees.

On being given advanced notice of fee changes (new fees/fee increases) 36 persons

(6%) said often, 15.6% said sometimes, while 385 (64.4%) said they were never given advanced notice.

In terms of consumer redress, a total of 379 persons (63.4%) indicated that they have had a dispute or complaint with their bank; 167 persons (27.9%) said their complaint was resolved in a timely manner, while 228 (38.1%) indicated no. Interestingly 232 (38.8%) of respondents said their complaint was resolved to their satisfaction, while only 119 (19.9%) said no.

A total of 216 (36.1%) of respondents indicated that they would recommend their bank to family, friends or associates; 310 (51.8%) said no; 11.4% gave no response.

SURVEY RESULTS

1. Before this survey, were you aware of the Consumer Protection Commission of The Bahamas?

- a. Yes 172 (28.8%)
- b. No 422 (70.6%)
- c. No response 4 (0.6%)

2. Do you think there is consumer protection in The Bahamas for retail bank customers?

- a. Yes 92 (15.4%)
- b. No 498 (83.3%)
- c. No response 8 (1.3%)

3. What is your gender?

- a. Male 208 (34.8%)
- b. Female 386 (64.5%)
- c. No response 4 (0.67%)

4. What is your age?

- a. 18-24 45 (7.5%)
- b. 25-34 143 (24%)
- c. 35-44 147 (24.6%)
- d. 45-54 130 (22%)
- e. 55-64 108 (18%)
- f. 65+ 22 (3.7%)
- g. No response 3 (0.5%)

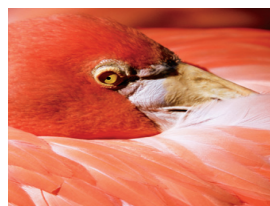
5. What is your employment status?

- a. Employed 412 (69%)
- b. Self-employed 92 (15.3%)
- c. Out of work 19 (3.2%)
- d. A student 30 (5%)
- e. Retired 46 (7.7%)
- f. Unable to work 0
- g. None of the above 0
- h. No response 7 (1.2%)

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CONSUMER PROTECTION COMMISSION CONSUMER BANKING SURVEY

6. Where do you conduct most of your banking?		10. With respect to the number of fees, are there:		14. How are you notified of fee changes?		18. How many times did you contact your bank about your complaint or dispute?	
a. Nassau	517(86.5%)	a. Too few fees	13 (2.2%)	a. Through staff in the branch	72 (12%)	a. 0	120 (20.1%)
b. Family/Out Islands	21 (3.5%)	b. A fair number of fees	28 (4.7%)	b. Company website	41 (6.9%)	b. 1	45 (7.5%)
c. No response	60 (10%)	c. Too many fees	494 (82.6%)	c. Email	41 (6.9%)	c. 2	75 (12.5%)
7. How often do you go into the branch of a commercial bank?		d. Don't know	30 (5%)	d. Letters/Mail	204 (34.1%)	d. 3	56 (9.4%)
a. Often (weekly or more)	276 (46.2%)	e. No response	32 (5.4%)	e. Telephone	21 (3.5%)	e. 4	18 (3%)
b. Sometimes (monthly)	167 (27.9%)	11. How do you contact your bank?		f. No response	20 (3.3%)	f. 5+	61 (10.2%)
c. Occasionally (every few months)	53 (8.9%)	Select all that apply.		15. Have you ever had a complaint or dispute with your bank? If no, skip to question 19.		19. Would you recommend your bank to family, friends, or associates?	
d. Rarely	32 (5.4%)	a. Through staff in the branch	90(15.1%)	a. Yes	379 (63.4%)	a. Yes	216 (36.1%)
e. Never	17 (2.8%)	b. Company website	67 (11.2%)	b. No	178 (29.8%)	b. No	310 (51.8%)
f. Don't know	8 (1.3%)	c. Email	76 (12.7%)	c. No response	41 (6.9%)	c. No response	68 (11.4%)
g. No response	41 (6.9%)	d. Letters/Mail	132 (22.1%)	16. Was your complaint or dispute resolved in a timely manner?		20. On a scale of 1-10, with 10 being the highest, rate your satisfaction with your local bank.	
8. What type of account(s) do you have?		e. Telephone	344 (57.5%)	a. Yes	167 (27.9%)	1	88 (14.7%)
Select all that apply.		f. I do not contact my bank	56 (9.4%)	b. No	228 (38.1%)	2	73 (12.2%)
a. Current/Chequing account	246(41.1%)	g. No response	3 (0.5%)	c. I never pursued my complaint or dispute	13 (2.2%)	3	61 (10.2%)
b. Savings account	519 (86.8%)	12. How does your bank contact you?		d. I stopped pursuing my complaint or dispute	21 (3.5%)	4	127 (21.2%)
c. Personal loan	229 (38.3%)	Select all that apply.		e. Not resolved yet	11 (1.8%)	5	71 (11.9%)
d. Time deposit	28 (4.7%)	a. Through staff in the branch	72 (12%)	f. No response	16 (2.7%)	6	56 (9.4%)
e. Credit card	339 (56.7%)	b. Company website	30 (5%)	17. Was your complaint or dispute resolved to your satisfaction?		7	55 (9.2%)
f. Car loan	168 (28.1%)	c. Email	97 (16.2%)	a. Yes	232 (38.8%)	8	56 (9.4%)
g. Housing mortgage	184 (30.8%)	d. Letters/Mail	256 (42.8%)	b. No	119 (19.9%)	9	18 (3%)
h. Other	16 (2.76%)	e. Telephone	199 (33.3%)	c. Not applicable	25 (4.2%)	10	53 (8.9%)
i. No response	3 (0.5%)	f. My bank doesn't contact me	92 (15.4%)	d. No response	19 (3.2%)	• This survey has been prepared by the Research Unit of the Consumer Protection Commission.	
9. Do you think that the service fees/charges associated with your account(s) are appropriate for the services you receive?		g. No response	7 (1.2%)	18. How many times did you contact your bank about your complaint or dispute?		Tel: (242) 393-7795-7	
a. Yes	148.19 (24.8%)	13. Are you given advanced notice of fee changes (e.g. new fees or fee increases)? If never, skip to question 15.		19. Would you recommend your bank to family, friends, or associates?		Toll Free: 1 (866) 251-5404	
b. No	434.81 (72.7%)	a. Almost always	43 (7.2%)	20. On a scale of 1-10, with 10 being the highest, rate your satisfaction with your local bank.		Fax: (242) 393-7798	
c. No response	15 (2.5%)	b. Often	36 (6%)	21. How many times did you contact your bank about your complaint or dispute?		Email: info@cpcbahamas.org	
		c. Sometime	93 (15.6%)				
		d. Rarely	74 (12.4%)				



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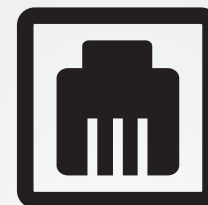
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Fax: (242) 393-7798
Email: info@cpcbahamas.org



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Tel: (242) 396-5200
Email: info@urcabahamas.bs
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SECURITIES INVESTMENTS

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World consumer rights day message: building a digital world consumers can trust

By Philip Beneby
Deputy Chairman
Consumer Protection
Commission

History and purpose

March 15TH is celebrated as World Consumer Rights Day (WCRD), an annual occasion for celebration and solidarity within the international consumer movement. It marks the date in 1962 when President John F Kennedy first outlined the definition of Consumer Rights.

He was the first world leader to do so, and the consumer movement now marks that date every year as a means of raising global awareness about consumer rights.

The first WCRD was ob-

served on 15 March 1983, and has since become an important occasion for mobilizing citizen action.

WCRD is an opportunity to promote the basic rights of all consumers, for demanding that those rights are respected and protected, and for protesting the market abuses and social injustices which undermine them.

The global oversight organization Consumers International (CI) has determined that the theme for World Consumer Rights Day 2017 will be 'Building a digital world consumers can trust'.

They have indicated that well over 3 billion or 40% of the world's population is now online, compared with just 1% in 1995, with all projections suggesting this number will con-

tinue to rise.

Although this still leaves many consumers who are struggling to access these technologies, the rapid growth of the Internet, mobile phones and other digital technologies has created opportunities and challenges for millions of consumers around the world.

Whilst consumers undoubtedly benefit from the increased access, choice and convenience that these technologies deliver, questions remain about how to improve the quality of services, which online services consumers can trust, what happens to the data they share online and what consumers' rights are in relation to digital products.

The sheer pace of change is also a challenge. Whereas the telephone took 75 years to reach

an audience of 50 million, Facebook took one year, and Instagram took just 6 months.

A 2015 poll of CI Members suggested that in many countries regulation was failing to respond fast enough.

Over the coming weeks CI will be working with Members around the world such as the Consumer Protection Commission (CPC) to develop campaign and advocacy ideas that will form the basis for our World Consumer Rights Day activities.

The (CPC) plans to participate in a big way in this important day by having exhibitions at both the Mall at Marathon in Nassau, and C.A. Smith Building in Freeport GB.

Also a Symposium is being planned for May 18th 2017 at

the UB to address these important issues.

The CPC's mission is to empower consumers and spread awareness about consumer rights, consumer protection and regulations towards building a well-informed community of discerning consumers.

CPC is located in the Teachers & Salaried Workers Credit Union Building, East St. South P.O. Box SS-6364

Nassau, The Bahamas

Tel: (242) 393-7795 – 7

Toll Free: 1 (866) 251-5404

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MOBILE

The impact of broadband on the national development of The Bahamas

THE economic model of The Bahamas is broken and no longer sustainable. Tourism and financial services are no longer capable of meeting our development goals and growing the economy.

Be that as it may, there is still hope for tourism; The Bahamas being both an archipelago (each island offers something different) and one of the most beautiful countries in the world, with a geostrategic position to boot.

The key may indeed lie in a tourism offering that involves smaller eco-friendly boutique offerings, and second homes on the Out Islands owned by Bahamians. But alas, we digress.

In the December 2016 edition of the Consumer Voice, we took a brief look at certain aspects of our draft National Development Plan (NDP). Highlighted under the Economy Pillar, goal 14C spoke of new growth sectors to encourage opportunities for entrepreneurship and expand the knowledge and creative economy and its industrial and agriculture base.

The Bahamas does not at present have a knowledge and creative economy, and it is indeed encouraging to see this as a national development goal. The NDP however, seeks to build these efforts around ICT, information and communication technology; however the global trend is moving beyond this, and is now focused on broadband as a means to grow and diversify national economies.

Therefore, ICT should be viewed as a means to an end, a stepping stone as it were, in the national scheme of things. Nevertheless, it will provide an excellent foundation for eventually tapping into the economic future of the internet - broadband and mobile commerce.

If we wanted to know where to begin, Goal 14C points us in the right direction as a country. If The Bahamas were to ever seriously and truly adopt the smart elements of this goal, the results will prove transformative if not revolutionary:

a. Recruitment of expert ICT professionals (Bahamian and

THE MOBILE COMMERCE INDUSTRY

DIGI-CAPITAL forecasts mobile internet will deliver \$700 billion revenue in 2017, more than tripling last year's \$200 billion. mCommerce will remain dominant, with over half a trillion dollars in sales.

The other top earners are \$74 billion consumer apps, \$53 billion enterprise mobility, \$42 billion mobile ad spend and \$11 billion wearables.

Consumer apps will deliver over \$70 billion revenue by 2017, but will grow beyond the dominant mobile games market.

Mobile games drove three-fourths of all mobile apps revenue last year despite having only 40 percent of downloads, but other sectors (such as social, where Facebook's revenue growth is all mobile) could take over half the market by 2017.

Where in-app purchases work brilliantly for games, App-as-a-Service business models are starting to deliver significant growth across sectors.

A National Broadband Plan, as either a standalone, or incorporated into our draft National Development Plan, will provide the necessary structure and prepare our people to be active participants in a knowledge and creative based economy, not as traditional consumers, but as owners and entrepreneurs.

In preparing this article our primary target audience was our policy makers and their advisors. On the facing page, the policy brief on the examination of the impact of broadband on the tourism indus-

try of Kenya, mirrors issues and challenges that also exist in The Bahamas. We believe broadband holds the key to both the diversification and enhanced ownership of the economy of The Bahamas by Bahamians. It is our view that this should be a national goal; this national goal should be reflected in our draft National Development Plan; the goals of the NDP should be translated into national policy initiatives undergirded by a progressive legislative agenda to give effect to the national vision.

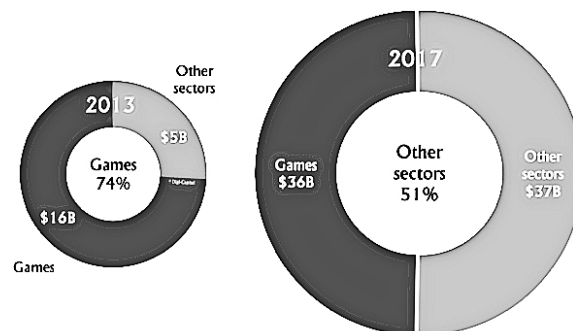
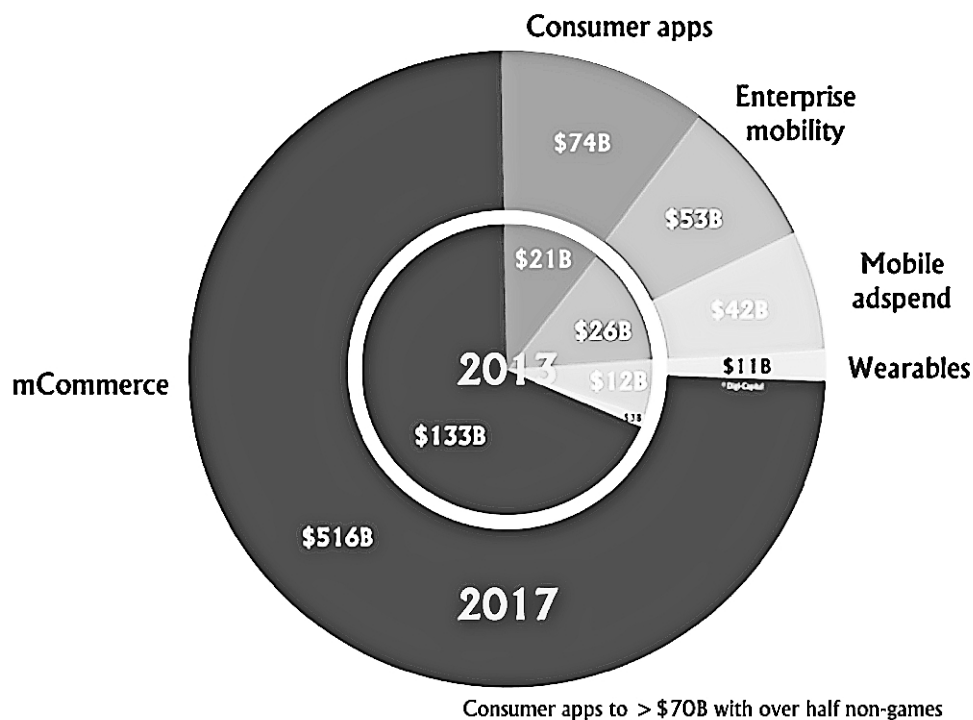
monitoring across the entire ICT sector.

e. Promoting growth and development in ICT focused commercial activity by for example, reducing entry barriers and market transaction costs through customs concessions for businesses that are improving or designing ICT solutions or for whom ICT contributes a threshold amount to their profitability.

Without a strong ICT capacity, individual and institutional, it will be impossible for The Bahamas to tap into the multi-billion dollar mCommerce industry.

According to Wikipedia - The

Digi-Capital Mobile Internet Revenue Forecast



phrase mobile commerce was originally coined in 1997 by Kevin Duffey at the launch of the Global Mobile Commerce Forum, to mean "the delivery of electronic commerce capabilities directly into the consumer's hand, anywhere, via wireless technology".

Many choose to think of Mobile Commerce as meaning "a retail outlet in your customer's pocket".

Mobile commerce is worth US\$230 billion, with Asia representing almost half of the market, and has been forecast to reach US\$700 billion in 2017.

According to BI Intelligence,

in January 2013, 29% of mobile users have now made a purchase with their phones. Walmart estimated that 40% of all visits to their internet shopping site in December 2012 was from a mobile device. Bank of America predicts \$67.1 billion in purchases will be made from mobile devices by European and US shoppers in 2015. m-Commerce made up 11.6 per cent of total e-commerce spending in 2014, and is forecast to increase to 45 per cent by 2020, according to BI Intelligence. ComScore reported in February 2017 that mobile commerce had grown 45% in year to December 2016.

HOW BROADBAND INTERNET HAS AFFECTED KENYA

THE tourism sector is regarded as the second largest source of foreign exchange revenue in Kenya. Kenya has witnessed revolutionary development of ICTs, especially the recent development in internet with the arrival of the undersea fibre bandwidth in East Africa in 2009/2010.

This development has led to many players in the tourism sector in Kenya adopting different ICT platforms to derive positive strategic and operational management and marketing benefits. Specifically, big and medium players have used these platforms to fight off competition and maintain market share, while informal and small players have used the same platforms to make entry into the sector.

At the same time, customers are using the ICT platforms to by-pass the middle players and access services directly from the destination holiday providers. The net effect has been increased competition as well as both positive and negative impacts for most of the players.

However, there are challenges that prevent the deepening of the more positive impacts. The key ones were found to be the high cost of developing and maintaining the ICT platforms, relatively unaffordable broadband internet, lack of adequate human resource skills, lack of affordable online payment platforms and poor quality of broadband connectivity. We provide appropriate policy recommendations to address these challenges.

Impacts of broadband internet. The key impacts on Porter's 5 competition forces are:

- intensified competition between existing players;
- increased bargaining power of suppliers;
- increased the bargaining power of customers vis-à-vis the suppliers;
- lowered barriers to entry; and
- increased extent of disintermediation.

Challenges. The key challenges to the adoption of broadband internet are:

- high cost of developing and maintaining the ICT platform;
- lack of skills to sustain the ever changing technology;



- inadequate online payment platforms,
- including their related problems of high cost and lack of adequate trust and security of online transactions;
- information overload and its apparent dichotomous challenge of inadequate online information in certain circumstances; and
- inadequate quality of broadband connectivity.

Policy recommendations. The key policy recommendations are:

- policy and regulatory interventions to reduce the cost of ownership and use of ICTs by the consumer;
- creation of middle level colleges focused on development of engineering and technology technologists and engineers to address capacity issues;
- acceleration of the implementation of the planned integrated national payment system;
- the banking regulator takes regulatory interventions to bring down the cost of transactions on the payment platforms;
- the ICT regulator takes serious actions against operators that do not meet the set minimum quality of service standards; and
- Government provides support to informal entrepreneurs who are making efforts to enter the tourism sector.

Methods

Data for this study was collected through an exploratory survey of 40 organizations in the tourism sector. These include tourism authorities, national parks, tour operators, travel agencies, hotels, tour guides, taxi operators, beach operators, stakeholder associations and ancillary service providers in Nairobi and the Coastal region, which is the destination of most tourists. Interviews were held with sales managers, directors, ICT managers, general managers or deputy general managers. Data was collected over twelve months, between April 2012 and March 2013. Data analysis was carried out through coding of all interview logs and transcriptions in order to identify and determine the most dominant concepts found in the dataset.

Impacts of broadband internet on tourism sector

The results of the study show that the majority of the players in the industry had embraced broadband internet. The specific ICT platforms that are in use include internet connectivity, information systems applications (online reservation systems, online marketing systems, online payment systems, etc.), web hosting, social networks (LinkedIn, YouTube, Face-

Table 1: Illustration of impacts of broadband internet based on Porter's five forces

Forces	Impacts
Rivalry among existing competitors	<ul style="list-style-type: none">• Intensified rivalry due to lowered barriers to entry, leading to an increase in the number of competitors• Access to wider markets by existing players because of the ability to form global and local partnerships, in turn posing competition in new areas• Access to clients directly, without players going through intermediaries, thereby increasing competition for market share
Bargaining power of suppliers	<ul style="list-style-type: none">• Enabling suppliers to not only access more cost-effective distribution platforms but also to interact directly with their customers
Bargaining power of customers	<ul style="list-style-type: none">• Increase bargaining power of customers vis-à-vis that of suppliers by enabling them to carry out research on travel options, compare prices and make reservations for hotels and airlines directly, leading to cost savings and less loyalty to suppliers• Increased transparency, especially access to cost information, in turn intensifying price competition and rivalry
Threat of substitutes	<ul style="list-style-type: none">• Increased disintermediation due to online sales to customers becoming the near substitutes for traditional service provision by travel agencies and tour operators
Barriers to entry	<ul style="list-style-type: none">• Drastic reduction in startup, distribution and operational costs, in turn intensifying competition• e.g.1 New entrants had been able to represent themselves to customers through websites and social media, thereby threatening the position of existing rivals and their control of the market• e.g.2 Suppliers were now able to access a wider markets using internet and related technologies

Book), third party websites, and so on. The players use these ICT platforms to market their packages and wait for inquiries from clients who are globally dispersed. Other respondents mentioned that they had more than one website at their disposal just to boost their chances of being found online.

Broadband internet was found to have had an effect on Michael Porter's five competition forces (Porter, 1980). These impacts are shown on Table 1.

Challenges

The study found challenges with adoption of broadband in-

ternet that are important. The first is the cost of developing and maintaining the ICT platform.

For example, one respondent complained that the cost of developing and maintaining a website was too expensive for his business. He also complained that clients were not able to use third party websites and online booking systems due to lack of access to ICT infrastructure.

There were a number of respondents who felt that the cost reduction that was promised with fibre-optic broadband was never realised.

FROM PAGE 13

One respondent seemed to complain that internet prices had not reduced with the landing of under-sea fibre connectivity as promised by the policy makers. Although this sounds like broken promises, the reality is that the cost of broadband Internet connectivity had come down, but perhaps not in the way and to the level most players had expected. This could partly be because broadband internet service providers took a strategy not to reduce customers' bills but provided customers with more bandwidth for the same price. This was to encourage consumption of the increased capacity and to prevent their revenues from dipping. Customers therefore never realized a reduction in their recurrent internet costs.

A second challenge is with respect to lack of skills to sustain the ever-changing technology. For example, one respondent mentioned that his firm was not able to use social media because they lacked the skills and ability to create a social media profile for their business. A third challenge is the high transaction cost of online payments. For example, one respondent mentioned that PesaPal charges 12% of the transaction value, which is deemed to be too high. Another related challenge is lack of adequate trust and security of online transactions.

A further challenge is information overload. With faster internet, information is far more accessible than ever before. A number of respondents felt that there was too much information online that it ends up confusing them. The problem of information overload is becoming more widespread with the development and growing availability of the internet.

A dichotomous challenge is an apparent lack of online information in the websites of tourism destinations for clients to make informed decisions. In some cases, a tour operator would intentionally provide inadequate information so as to encourage offline interaction with the clients for more information and to extract a commitment.

The final challenge is the quality of the broadband connectivity. Several companies reported poor availability of the internet connections while others experienced inadequate connectivity speeds.

Conclusions

It was found that broadband internet played an increasingly important role in the strategic and operational management and marketing activities of the tourism sector players, especially from a competition standpoint.

The study found that new ICT platforms had an impact on all Porter's forces of competition, in turn having varying impacts on the players in the various parts of the tourism chain.

For example, the use of social networks, websites and other online reservations systems has gained importance by players in the hospitality industry. This had led to hotels and other accommodation facilities cutting off other players off the value chain. ICT has changed some roles played by travel agencies and tour operators.

Some activities such as airline reservations and hotels booking can now be done directly via the internet. In addition, players can advertise their products and services at reduced rates to a wider audience spread all over the world. The study has made a contribution on the effects of broadband internet in the tourism sector based on rich empirical evidence.

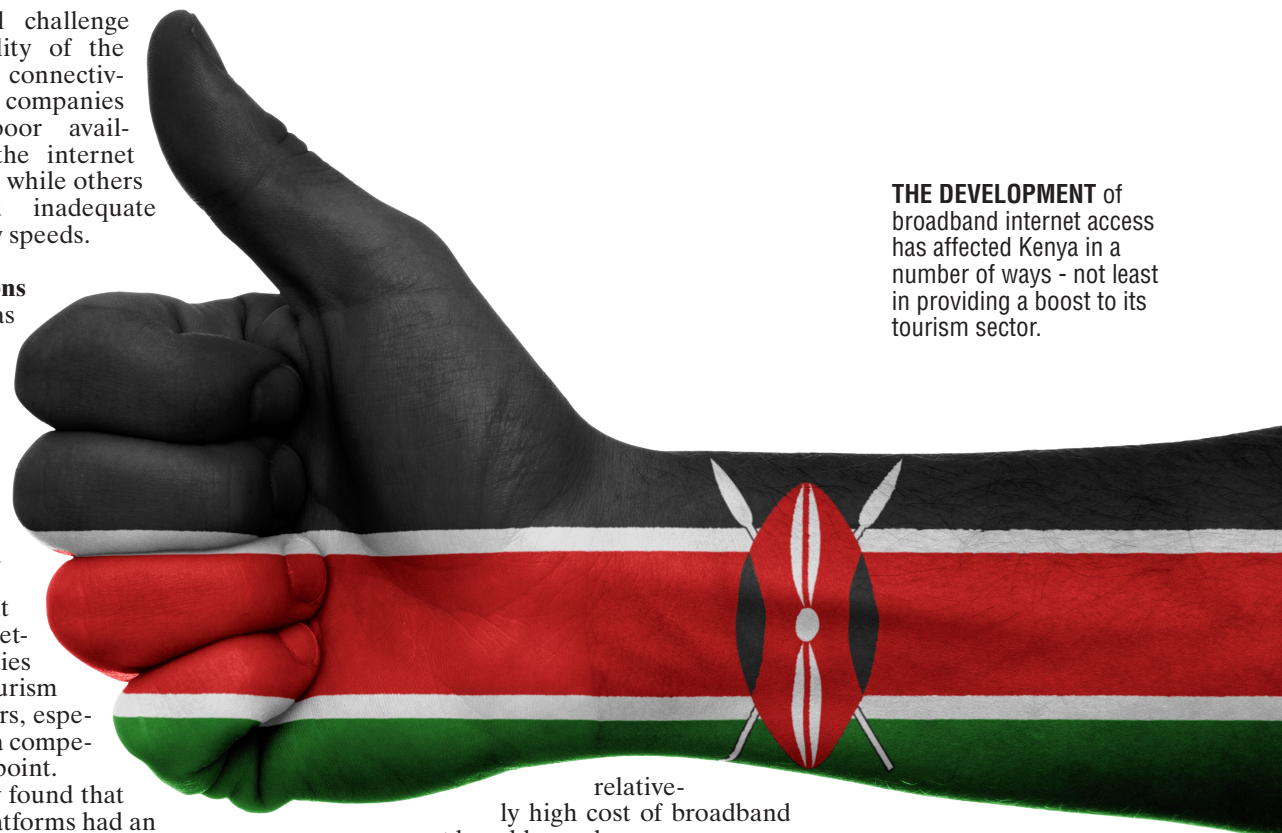
This is one of the few studies in this area and the authors recommend other researchers to initiate research on the impacts of broadband on other sectors.

The study found several challenges that need to be overcome in order for ICT to have an even deeper impact on the tourism sector. The policy interventions to diminish the effects of these challenges are recommended below.

Policy recommendations

The Kenyan economic blueprint, Vision 2030, prioritises tourism as one of the key economic sectors.

If this sector is to make significant contributions towards socio-economic development, then all bottlenecks associated with the cost of developing ICT platforms for this sector as well as the



THE DEVELOPMENT of broadband internet access has affected Kenya in a number of ways - not least in providing a boost to its tourism sector.

relative-ly high cost of broadband must be addressed.

We therefore recommend policy and regulatory interventions to reduce the cost of ownership and use of ICTs by the consumer. Key here is the reduction of the retail cost of broadband. Such interventions should aim at increasing affordability of broadband and in turn enhancing universal access and utilisation.

This can be achieved through fast-tracking the implementation of the universal access through utilising the universal service fund created by the Kenya Communications (Amendment) Act, 2009 as recommended by Waema and Obadia (Waema and Okinda, 2011).

Kenya has witnessed a huge growth in university education, often at the expense of middle level education. One of the key forces to drive the economy into middle level status as planned in Vision 2030 is rapidly developing human resource capabilities, especially in engineering and technology. Therefore with respect to lack of technical skills, we recommend creation of middle level colleges focused on development of engineering and technology technologists and engineers.

Since the launch of the world-famous M-pesa platform for mobile money transfers and payments, Kenya has experienced the growth of many local payment platforms that work for and in the country.

However, these platforms are not integrated and are expensive. We therefore recommend an acceleration of the implementation of the planned integrated national payment system. We also recommend that the Central Bank, the regulator of the banking sector, to make regulatory interventions to bring down the cost of transactions on these payment platforms.

Customers have for many years experienced low quality of services from the mobile operators (eg dropped calls, uncompleted calls, undelivered sms, hanging sms, low Internet speeds, etc) and other broadband service providers. Although the regulator monitors the quality of service by the licensed operators, no serious action has been taken against providers who do not meet the quality of service standards in their license obligations.

The only action that we know of in this regard is that the regulator has given one of the largest mobile operators a condition of adhering to the set minimum quality of services standards before the renewal of their GSM license in June 2014. With these kinds of actions, the operators are unlikely to take the regulator seriously and customers will continue to experience low quality services.

We therefore recommend that the regulator takes serious actions against operators that do not meet the set minimum quality of service standards. In addition, efforts should be made by the public, the Government and other stakeholders to make the regulator more independent and have "teeth". Finally, we found very little support for informal tourism operators, e.g. beach operators. These informal entrepreneurship efforts are critical to solving the huge unemployment problem among the youth in the country. We therefore recommend that the Government provides support to informal entrepreneurs who are making efforts to enter the tourism sector. This will help to grow the tourism market, and in turn, the economy.

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- Paper prepared by Timothy Mwololo Waema and Charles Katua. Contact waema@uon.ac.ke for further information.
- Editor's Note – readers and researchers may also find the following links helpful:
- <https://www2.deloitte.com/uk/en/pages/technology-media-and-telecommunications/articles/national-broadband-plans.html>
- <file:///C:/Users/darling/Dropbox/CPC/deloitte-uk-tmt-final-national-broadband-plans-report.pdf>
- <http://www.broadbandcommission.org/documents/reportnbp2013.pdf>
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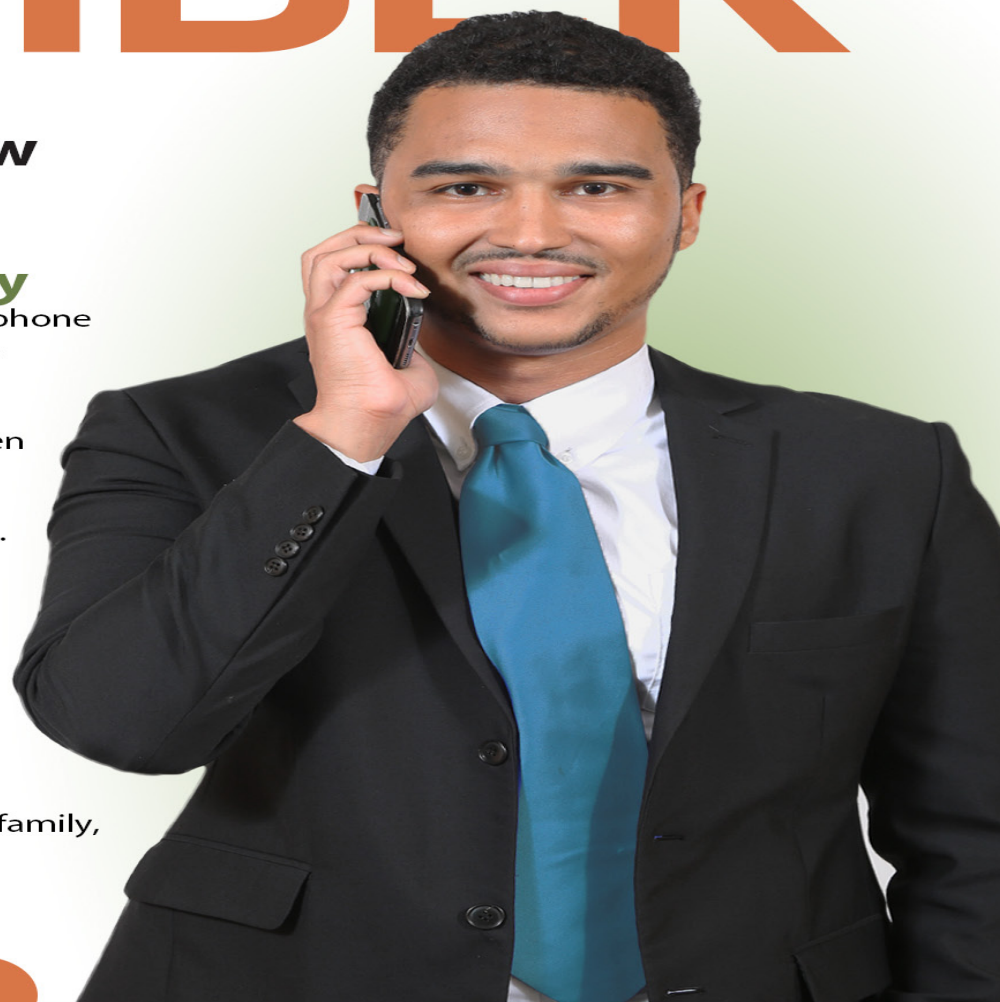
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