

407 ETR Ombudsman Report

- 2008 -

Overview

The mandate of the Ombudsman is to act as an advocate for fairness and to address customers' unresolved issues or concerns related to customer service matters. The Ombudsman reviews and investigates a customer's concern in an unbiased and impartial manner, ensuring the procedure is fair and reasonable to both the customer and 407 ETR, and that all 407 ETR's policies are applied on a fair basis. The Ombudsman makes recommendations based on fairness and good business practices. The Ombudsman reports directly to the President and CEO of 407 ETR, similar to other private industries such as banking.

While the primary mandate of the Office of the Ombudsman is to assist with unresolved issues, the Office also guides customers through the dispute resolution process. Our goal is for customers to be aware of the options available to them for assistance so they can obtain a resolution prior to engaging the Office of the Ombudsman.

Dispute Resolution Process

Step 1: Customer Service Department

Call 1-888-407-0407 to speak with a Customer Service Representative (CSR).

Step 2: Team Manager or Resolution Specialist

If you are unable to resolve the issue with a CSR, you can ask to speak with a Team Manager or Resolution Specialist.

Step 3: Customer Advocacy Group (Representing the Office of the President)

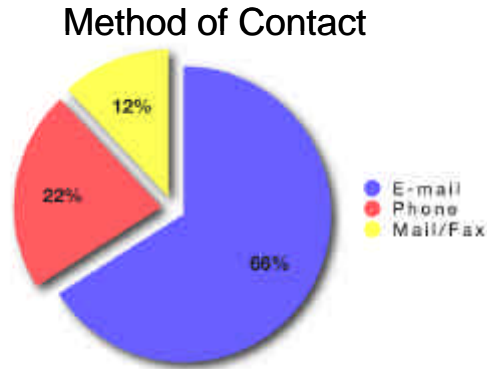
If you are still not satisfied, outline your issue in writing to the Customer Advocacy Group. A detailed investigation will be conducted and a reply will be issued.

Step 4: Office of the Ombudsman

If the previous steps have been followed, and you feel that you have not received a fair resolution to your issue, please contact the Ombudsman's Office.

Number of Contacts

In 2008, the Ombudsman's Office received a total of 1072 contacts (0.006%) out of 16.4 million bills mailed from January to December. This represents a 57% increase in contacts, in comparison with 2007. This increase is attributed to an initiative that commenced in April, 2008 between 407 ETR and the



Ministry of Transportation Ontario. The Registrar of Motor Vehicles will refuse to validate a single vehicle permit or issue a vehicle permit in respect of a licence plate that has unpaid 407 ETR charges and the status of the licence plate becomes unattached or expired. The increased contacts are reflected in both the Informational contacts and Advice. A customer can contact the Ombudsman via e-mail, telephone call, letter or fax. The preferred method of contact is via e-mail (66%) followed by phone.

Of the 1072 contacts to the Ombudsman's Office, where only 5% (58) of the contacts required action by the Office of the Ombudsman – a 47% decrease from the previous year. The remaining 27% (290) of contacts were for informational purposes only and 49% (524) of contacts had not previously requested help utilizing Steps 2 or 3 of the dispute resolution process. In 2008, a new category was introduced by the Ombudsman's Office called 'informal interventions'. This comprised 19% (200) of the contacts for the year.

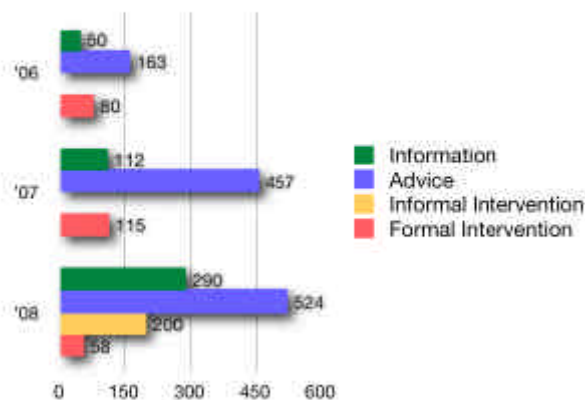
Statistical Summary

The following charts depict total contacts by reason for contact as a percentage, and the top issues investigated by the Ombudsman's Office. Reasons for contact are divided into three categories which are defined below.

“Informational” contacts are enquiries that do not involve complaints or concerns. They are requests for general information that are forwarded to the appropriate business unit for a direct response.

“Advice” contacts are complaints or concerns that have not been through Step 2 or Step 3 of the dispute resolution process. These contacts require the opening of a file within the Ombudsman's office and the issue is forwarded back to the appropriate business unit for an investigation and resolution.

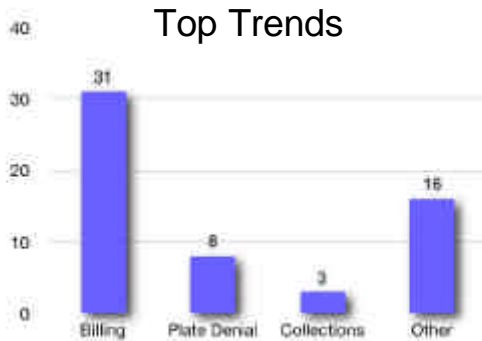
Reasons for Contact



“Informal Intervention” contacts are complaints or concerns that have been reviewed by Step 3 of the dispute resolution process, but do not require a full investigation as the information provided does not contravene the resolution previously provided by the organization.

“Intervention” contacts are complaints or concerns that have been reviewed by Step 3 of the dispute resolution process. The Office of the Ombudsman undertakes an investigation and endeavours to provide a written response to the customer within 10 business days.

The majority of cases reviewed by the Ombudsman involved personal customers, as business customers continued to represent less than 5% of the total volume. Of the 58 cases resolved by the Ombudsman's Office, full agreement was reached in 10% of the cases (whereby the Ombudsman's Office found a failure to follow a business process); 34% a partial agreement was reached (the business process was followed by 407 ETR; however, based on the merit of the complaint, further allowances were made) and no agreement was reached in 56% of the cases. Since the primary mandate of the Ombudsman's Office is to review 407 ETR's business practices and processes, agreement could not be reached in these cases because business processes were followed by 407 ETR appropriately. It is not within the Ombudsman's mandate to make financial settlements on customers' accounts; award punitive damages or reimbursement for stress and inconvenience.

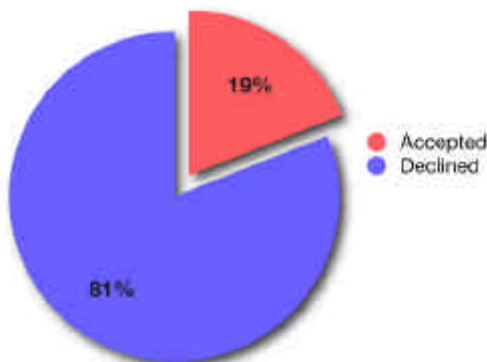


It is worth noting that 407 ETR achieved an overall customer satisfaction rating of 83% in 2008, versus 79% in 2007.

Exceptional Hardship Cases

407 ETR introduced an Exceptional Hardship Payment Plan, in an effort to assist those customers who have accumulated significant debt with 407 ETR, and would suffer an exceptional hardship through the denial of their vehicle licence plate permit. The review of these applications remains part of the responsibility of the Ombudsman's Office.

The Ombudsman received 294 applications for the Exceptional Hardship Payment Plan in 2008. This is a 69% increase over 2007. A total of 81% of these applications were declined. As with the previous year, many of the applicants applied based on the grounds of a "financial hardship". Although financial difficulties are challenging, the successful applicants to the plan were able to demonstrate, through supporting documentation, that the denial of their vehicle permit proved a loss that was immediate, significant and lasting.



Going Forward

407 ETR remains fully committed to the Office of the Ombudsman and the dispute resolution process which holds paramount the reviewing of the facts of an unresolved issue and the guiding principles of maintaining fairness and reasonableness to provide a

resolution. Our goal is to assist customers with finding resolution to an issue within the framework of the dispute resolution process, whenever possible. We will continue to provide feedback to the business units within 407 ETR to improve processes and best practices and remain committed to providing a forum where customers can be heard in an unbiased and impartial manner. Please access www.407etr.com for the FAQ's regarding the Office of the Ombudsman.

Making a Complaint to the Office of the Ombudsman.

You may refer your complaint in writing to this office, once you have received a final response from 407 ETR, in accordance with the dispute resolution process.

In order to assist you with your complaint, we require the following information, in writing:

- Name
- Date
- Mailing Address
- Telephone Contact Number (including area code)
- The Date the complaint began
- The response given by 407 ETR (please include any responses from the organization)
- Your requested resolution
- Complaint Summary (please provide details regarding dates and names of individuals you communicated with)

The Office of the Ombudsman will assess your request and determine if it falls within the mandate of the office, within 3 business days of receipt. If an intervention is required by the Ombudsman's Office, we will endeavour to provide our findings within 10 business days. If an investigation should require more time, you will be contacted accordingly.

Case Study #1

Issue:

A customer had sent a Police report to 407 ETR Business Process Department and the inquiry was forwarded by 407 ETR Business Process Department to the Ombudsman's Office in December 2008. The customer started receiving invoices from 407 ETR and was disputing that the trips were not hers; she has never driven on the highway. Customer was in receipt of photographic images sent by 407 ETR at her request when she had contacted 407 ETR Call Centre in November 2008. Although she was not disputing that the licence plate shown in the photographic images was registered to her, it was the vehicle that the licence plates were attached to that didn't belong to her. She had never owned a van. Her licence plates were attached to her existing sedan. The customer was requesting that the entire balance be written off.

Investigation:

The investigation conducted by the Office of the Ombudsman revealed the following:

- Reviewed the images for each trip taken to determine if licence plate was obstructed, the images were very clear
- Requested 407 ETR Traffic Operations Department to view the images and they verified that the licence plate was not tampered with
- Verified with the Ontario Ministry of Transportation (MTO) the following:
 - Licence plate was registered to customer
 - The vehicle attached to the licence plate at the time the trips were taken were not the same as vehicle the MTO reflected as registered to the customer
 - No duplication of this licence plate within MTO database
- Forwarded the inquiry to the 407 ETR, Manager of Policing Services, Highway Traffic & Planning Department at 407 ETR for further investigation.

Ombudsman's Response:

We advised the customer that with the information she had provided and based on our findings our office would make recommendation to 407 ETR to write-off the balance. It was determined there was no evidence of tampering, no duplication with her licence plate and confirmed the vehicle was not registered to her. The matter was forwarded to 407 ETR Policing Services Department for further investigation. Furthermore, her account would be monitored to ensure if any future activities should occur the charges would be reversed.

Final Outcome:

We advised the customer in writing that 407 ETR has processed the adjustment bringing the account balance to zero. Customer had indicated she would be returning these plates back to MTO and purchase new plates.

Case Study #2

Issue:

A customer stated he had made a payment in April 2007 with Ontario Ministry of Transportation (MTO) for the full amount owing on his 407 ETR account and was continuing to receive statements still showing a balance. The customer had been in Plate Denial due to non-payment on his account. In order to have plate denial invalidated with MTO, the customer would need to pay the required amount. The customer escalated to the Office of the Ombudsman in December 2008 for intervention.

Investigation:

The investigation conducted by the office of the Ombudsman revealed the following:

- Account was opened in 2002 and all invoices were mailed to the correct address
- Customer received (4) four 'Notice of Failure to Pay' notifications that went undisputed
- Customer was using the highway on a regular basis however no payments were made until the account went into Plate Denial and the only payment made to the account was in April 2007
- Invoices were sent reflecting the payment made and the remaining balance outstanding
- Customer made no attempt to contact 407 ETR
- Customer continued to use the highway until September 2007 with no further payments made
- Customer had two additional 407 ETR accounts with outstanding balances
- MTO had transferred the outstanding balances on the old licence plates to the most current attached licence plate for the customer to be collected through plate denial

Ombudsman's Response:

We advised the customer that 407 ETR had received his payment made via the MTO in April 2007. This was the required amount to be paid in order to facilitate the vehicle permit renewal. The MTO is referred arrear amounts by 407 ETR for collection, however does not reflect the full balance owing to 407 ETR. The amounts referenced as owing by the MTO are reflective of those charges that have matured through the plate denial process. As usage of the highway continues, those new charges are subject to receiving a 'Notice of Failure to Pay notice' if the amounts remain unpaid, are forwarded to the Registrar as part of the plate denial process. The 407 ETR invoice reflects the current balance. Advised customer to refer back to his May 2007 invoice and he will note that there was a remaining balance left at that time and now with additional trip charges and interest, the balance had increased.

Furthermore, the MTO had transferred outstanding charges from previous licence plates owned by the customer, that had unpaid 407 ETR usage charges. The amounts were aggregated by the MTO to the clients most current attached licence plate, contributing to the amount of money owing in plate denial.

Final outcome:

We advised the customer in writing that 407 ETR has treated his issue in a fair manner and no adjustments would be made. Therefore, we recommend that the outstanding balance on his account be paid as soon as possible, to relieve the Plate Denial that had been levied against his licence plate.