



21 July 2023

OfReg finds FLOW breached its licence conditions.

Following the completion of its investigation, OfReg has found that service provider FLOW, twice breached its licence terms, firstly by increasing its rates for business line customers without obtaining approval from the telecommunications regulator. A previous statement from OfReg in September 2022 reported that FLOW admitted breaching the terms of its licence by not seeking regulatory approval.

In an enforcement notice issued to FLOW in late April 2023¹, OfReg presented evidence that determined FLOW had not followed the appropriate process prior to increasing its' business line customer rates, in breach of its licence. The final determination confirms that FLOW increased its' rates from \$30 to \$34.99 from January 2019 to April 2022 without approval to do so.

Additionally, the findings of the investigation also highlighted a second breach relating to FLOW's non-compliance with its obligation to provide data to the regulator as part of a quarterly data reporting requirement.

The determination confirms that shortly after OfReg notified FLOW that it was aware of the apparent breach, FLOW stopped providing the regulator with mandatory reports containing details on its' business line customers. These reports were routinely submitted in previous quarters.

In addition to the determination setting out findings in relation to the breaches, FLOW was also issued with a notice regarding the imposition of fines.²

Executive Director for the telecommunications sector Mr. Sonji Myles said, "The law and the people of the country expect that all utility operators must comply with their licence obligations. My team is focused on ensuring the fullest compliance at all times and where necessary, we will take fair and firm enforcement action. This determination is one part of ongoing compliance work supported by our Interim CEO and Board."

According to Interim CEO Mr. Peter Gough, "OfReg will continue to investigate all and any reported or perceived compliance violations by licensees in all utility sectors to ensure that consumers are protected, competition is fair and quality of service is first class. Our commitment to full compliance is strongly supported by our Hon. Minister J. Ebanks, and is absolutely necessary to protect consumers, critical national utilities infrastructure and the economy.

¹ICT 2023-1- Enforcement Notice Determination [note to editors: determination posted on website here: <https://www.ofreg.ky/viewPDF/documents/2023-07-21-13-53-24-ICT-2023-1--Determination-CWCIL-FLOW-Enforcement-Notice-Breach-of-Licence.pdf>]

² The Utility Regulation & Competition Act restricts immediate publication of any warnings or the quantum of any fine imposed until the period for appeal has expired.



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UTILITY REGULATION AND COMPETITION OFFICE

“As the independent regulatory authority responsible for safeguarding consumer interests and promoting a level playing field within the industry, OfReg is committed to ensuring that all service providers adhere to the highest standards.”

- ENDS

PHOTO: Mr. Sonji Myles, Executive Director – Information, OfReg

ABOUT OFREG

The Utility Regulation and Competition Office ('OfReg' or the 'Office') is the independent regulator established by section 4 of the Utility Regulation and Competition Act (as revised) (the 'URC Act') for the electricity, information, and communications technology, water, wastewater, and fuel sectors in the Cayman Islands.

OfReg provides the opportunity for consistency and collaboration in regulation across the energy, fuel, ICT, and water sectors; better utilisation of skills and resources resulting in more efficient and effective regulatory processes; encouraging competition where appropriate and feasible; championing sustainability and innovation across markets, contributing to the economic and social goals of the Cayman Islands.

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