

Why The Steam Packet User Agreement is More a Charter for Customer Abuse

Written by Chris Robertshaw
Thursday, 17 December 2009 22:37

It is very simple. The user agreement between the owners of our ferry service and the Isle of Man Government created a de facto monopoly. Once the monopoly was secured the ferry company was sold and sold again as a commodity on the international money markets at an ever higher price at the peak of the financial boom.

Borrowed money was used for the latest purchase which created around £200m worth of debt that has to be paid for in interest charges, loan repayments, dividends for the owners and so called management fees. All this before even beginning to consider the genuine costs of running our ferry service such as fuel, staff, vessel maintenance and renewal, insurance and harbour fees etc.

Who is paying for all of this? - we all are **every time** we make a purchase in the shops be it food, clothes, household goods and other necessities or when we travel by ferry which we must do if we wish to take our car off-Island. The awful truth is that the user agreement has directly resulted in us all becoming truly captive customers to an over-expensive product with no choice but to pay and pay again. That's why the buyer so cynically overpaid for the ferry company in the first place - knowing we would have to foot the bill.

Perhaps we might hope that this nightmare will come to an end sometime soon - not so - our government has extended the user agreement again and again without any reference whatsoever to the views of the people
. These extensions have now taken the user agreement up to 2026.

To give some idea of how completely out of balance the ferry company finances are the accounts at the end of 2008 showed around £200m worth of debt whilst the value of the ships and other tangible assets was around a mere £20m. Part of the company's regular propaganda campaign is to constantly direct you to the cost of new vessels but **never** to the real debt burden - i.e. the debt created as a direct result of the inflated price the owners paid because a monopoly was on offer.

In the Second Report of the Select Committee on the Steam Packet Company, one of the owners representatives, a Mr Parsons has the sheer effrontery to blatantly insult the intelligence of the people of the Isle of Man when he said that absent the User Agreement there might not be a ferry service at all
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The owners of the ferry company don't want to tell you the truth, the company employees would not be allowed to and the Council of Ministers hope no one will.

It is past time more of our politicians had the courage to point to the truth - the user agreement is a rip off.