

Patricia Ferguson MP
Chair of the Scottish Affairs Select Committee
House of Commons
Palace of Westminster
London
SW1 0AA

Tuesday 7th April 2026

Dear Ms Ferguson,

Thank you for your letter dated 25th March 2026 regarding subsea cable resilience and the impact of the 2025 outages on Shetland communities. We welcome the opportunity to respond to the Committee's questions in writing. We have provided responses to your questions below.

Traffic rerouting arrangements

Utility Warehouse delivers broadband services as a retail provider using the wholesale network operated by PXC. It does not own or operate any communications infrastructure and as such, the routing and resilience of customer traffic is determined by the underlying PXC (TalkTalk Communications Limited) network infrastructure and its interconnections.

At the time of the 2025 outages, the PXC network in Shetland relied on the Shefa-2 cable. The R100 cable, which provides an alternative traffic route, had not yet been connected to the PXC network locally. As a result, customers served via networks dependent on the Shefa-2 cable - including Utility Warehouse customers - experienced a loss of service, while those on networks already integrated with the R100 cable were able to maintain connectivity.

PXC is responsible for establishing and managing the underlying network interconnections with infrastructure providers. We understand from PXC that their current inability to utilise the R100 cable reflects technical integration work that remains in progress, rather than the absence of commercial arrangements. This work is underway and expected to complete this year, at which point automatic traffic rerouting capability will be available to Utility Warehouse customers. It is our understanding that the timetable for the completion of the work is determined by Openreach.

We maintain regular operational and commercial engagement with PXC, including on network resilience developments. Following the Shetland outage in July, we sought and received assurances regarding the prioritisation of the R100 integration work and we continue to monitor progress to ensure that enhanced resilience is delivered as planned.

Ofcom network resilience guidance

We recognise Ofcom guidance that resilience measures should be "appropriate and proportionate." As a retail provider operating over a wholesale network, Utility Warehouse does not build or control core network infrastructure such as subsea cables, but retains

responsibility for ensuring that the wholesale arrangements we procure are fit for purpose and aligned with regulatory expectations.

Our contract with our wholesale provider includes the contractual obligation that PXC must, “meet all relevant legal and regulatory obligations required for [UW] to meet its legal and regulatory obligations.”, this includes providing appropriate and proportionate resilience measures where relevant to meet Ofcom’s guidance and rules. As mentioned above, PXC is actively working on its connection to the R100 cable in order to increase network resilience and adhere to requirements.

The provision of subsea cable infrastructure represents a significant national investment. The R100 programme, led by the Scottish Government with support from the UK Government and BT, is estimated to cost over £600 million, with some individual connections exceeding £20,000 per premise. The planning, funding and delivery of this infrastructure - including the subsea cables serving Shetland - are matters for infrastructure owners and public authorities rather than retail service providers.

At the time of the outages, the absence of a second operational cable connection within the PXC network meant that the Shefa-2 cable represented a single point of failure. Consequently, while resilience measures existed within the network, they were not sufficient to maintain broadband services in the event of physical cable damage. However, it is our understanding that fixed voice services continued to operate during the first incident.

Since the outages, PXC has continued progressing work with Openreach to connect its Shetland network to the R100 cable. Once completed, this will introduce a secondary routing path and materially improve service resilience for Utility Warehouse customers in the event of future cable incidents.

Communication with customers

Utility Warehouse provides customers with clear information about the nature of broadband services, including the minimum guaranteed speeds, their rights in the event of service failures, and our liabilities under circumstances beyond our control such as adverse weather. We have provided a copy of the standard customer terms and conditions in use at the relevant time alongside this response.

Affected customers

Utility Warehouse had 222 broadband customers in Shetland at the time of the July outage and 228 at the time of the October outage who may have experienced disruption.

Our fault records show that 55 customers across Orkney and Shetland reported faults during the July outage, and 99 reported faults during the October outage. These records reflect customers who contacted us directly and may not capture all affected customers. The issues reported related to broadband services including FTTC, SOGEA, FTTP and Ethernet.

Under Ofcom's One Touch Switch rules, customers can change providers without contacting their existing provider. This makes it difficult to determine the precise reasons for switching. Of the 228 broadband customers we had in October, 145 remain customers today.

Compensation arrangements

Utility Warehouse is a member of Ofcom's Automatic Compensation Code of Practice. Customers who reported faults received compensation automatically at Ofcom-set levels. During the incident, this equated to £9.98 per day (from two days after the fault occurred). For example, a customer without service for 26 days would have received £239.52.

Compensation payments are issued within 30 days, in line with the Code of Practice. No customers are currently awaiting payment.

We recognise the significant impact these outages had on island communities and fully share the Committee's concern. We remain committed to working with our network partner PXC to improve resilience and ensure a more robust service for our customers in the future.

Yours sincerely,

Simon Thompson
Telecoms Director
Utility Warehouse



Scottish Affairs Committee

Stuart Burnett
Chief Executive Officer
Utility Warehouse

By email only

25 March 2026

Dear Mr Burnett

I am writing in my capacity as Chair of the House of Commons Scottish Affairs Committee.

As you may be aware, the Committee took evidence on subsea cable resilience for Scotland's island communities on 25 February. [A transcript of this session is available to view on our website.](#)

During this session, a Shetland resident described the recent outages experienced by islanders following damage to the Shefa-2 cable. It was brought to the Committee's attention that while some communications providers had commercial arrangements in place to automatically reroute traffic via alternative cables, Utility Warehouse was cited as one of the companies that was unable to do so.

Given the availability of alternative routes in Shetland, the Committee is concerned that resilience plans among some communications providers do not appear to be as robust as expected. I am sure you also share the Committee's concerns that some islanders were reportedly left without internet access for as long as 26 days.

In light of the significant impact this had on island communities, the Committee would be grateful if you could clarify the following points.

Traffic rerouting arrangements

Given that recent subsea cable damage in Shetland resulted in only some customers losing service, while others using more resilient providers remained connected, the Committee would be grateful if you could explain why Utility Warehouse customers were affected.

In particular, we seek clarification on why commercial agreements enabling automatic traffic rerouting were not already in place, as they were for other communications providers. If a third party was responsible for securing such commercial agreements on your behalf, the Committee would also like to understand what steps you took to assure yourselves that Utility Warehouse customers would receive a resilient service.



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Ofcom network resilience guidance

While we understand that Utility Warehouse does not own its own infrastructure, Ofcom guidance on network resilience makes clear that the overall responsibility remains with the communications provider to take appropriate measures to ensure a resilience service.

Please could you set out the arrangements Utility Warehouse had in place during the 2025 outages and explain why these did not prevent a total loss of service during the 2025 Shetland outages.

We would also be grateful if you could outline the steps you have since taken to ensure that the severity of the outages experienced in Shetland are not repeated.

Communications with customers

Please could you confirm what information was provided to customers about the resilience arrangements Utility Warehouse has in place at the time they entered a contract with you.

The Committee also requests that a copy of a standard contract in use at the time of the Shetland outages is provided in your response to this correspondence.

Affected customers

Please could you confirm how many customers were affected during the 2025 Shetland outages, and how many customers subsequently left the network as a result of the disruption.

Please could you also confirm how many complaints or instances of negative feedback were received following the Shetland outages.

Compensation arrangements

The Committee would also like details of the level of compensation offered to customers, the timescales for issuing this compensation, and whether any customers are still awaiting payment.



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I would be most grateful if you could respond by **12 noon on Tuesday 7 April 2026**.
If you have any questions, the Committee Clerks will be happy to assist.

Yours sincerely,

Patricia Ferguson MP

Chair, Scottish Affairs Committee