

State pension: Thousands of married women on £1-a-week pension could be owed millions, says former minister

Ex-Minister of State for Pensions in the coalition government, Sir Steve Webb has said the 'scale of these underpayments is shocking'



Carole Davies, 76, is owed thousands of pounds in underpaid state pension payments (Photo: LCP)

When Carole Davies reached [state pension](#) age in 2004, she was told her income would amount to just pennies each week. It was so low, it would only be paid in a lump sum once a year.

The 76-year-old, who is married and lives in Surrey, thought that would be it for the rest of her life. But she is one of thousands of women who have been underpaid their state pension and could be in line for a cheque worth tens of thousands of pounds from the Department for Work and Pensions (DWP).

Earlier this year, Ms Davies was told her state pension could be increased to nearly £200 a week or that she could have a lump sum of £56,000.

The i newsletter latest news and analysis

Former pensions minister Sir Steve Webb, who has been investigating this issue, told i the "scale of these underpayments is shocking" and urged the Government to repay women as a "matter of urgency".



Read More

[State pension: Tens of thousands of married women are being 'short-changed' to the tune of £100m, former pensions minister warns](#)

i [revealed last year that older married women receiving very little basic state pension were being "short-changed"](#) by up to £100m because they had no idea their weekly income could be topped up to £80 when their husband retired, even if they never built up enough National Insurance contributions themselves. The UK pension system is notoriously complicated and can leave people missing out on their rightful entitlement.

The [Government now expects to reimburse 200,000 people to the tune of £3bn for underpaid state pensions](#). But new [research by Sir Steve](#), a partner at consultants LCP (Lane Clark & Peacock), has found that a group of more

than 5,000 women may not appear in the DWP's data search for reimbursements and could be owed a quarter of a billion pounds.

This group of women on pensions of around £1 a week only receive a tiny amount of Graduated Retirement Benefit, under the old pension system. However, they could be entitled to much more based on their husband's state pension. Their claims can be backdated to when their husband retired, meaning they could be owed many years' worth of state pension.

Ms Davies, who only worked for a short period and was a stay-at-home mum, said her husband questioned her pension income with the DWP when he retired in 2005, but was told they were not due any more money.

She said: "I was recently surprised to learn that I was in fact due a reasonable pension but initially I was told that I could not claim all unpaid monies from the past, only 12 months from the date of my complaint. After four months of looking for answers from the DWP we enlisted the help of Sir Steve Webb and, to my amazement, the DWP have now confirmed all my due monies will come to me."

Referring to all the women who have been underpaid, Sir Steve said it was hard to understand how so many had missed out on billions of pounds.

"The current timetable suggests that some women will have to wait up to five more years simply to be paid at the correct rate and this is simply not good enough".

Sir Steve said it was important that women did not just wait for the DWP to contact them if they believe their pension is lower than it should be, but actively seek answers from the Government themselves.



Read More

[State pension rebate: 'I got more than £9,000 after being underpaid for 8 years'](#)

Daniela Silcock, head of policy research at the Pensions Policy Institute, also urged women to check their entitlement.

“Fortunately the new, simpler state pension, based on individual entitlement, means that future pensioners have more certainty about how much they are entitled to, and fewer people in future are likely to be underpaid.”

The DWP said: “The action we are taking now will correct the historical underpayments that have been made by successive governments and anyone impacted will be contacted by us to ensure they receive all that they are owed.”