

Two women died in their 90s while owed £42k and £71k in state pension

Two bereaved daughters have received sums of £42,000 and £71,000 because their mothers were underpaid state pension for more than a decade before dying in their nineties.

In one case, the Department for Work and Pensions was repeatedly asked to review a retired teacher's £10 a week state pension from 2017 onward.

Her efforts got nowhere before her death three years ago, aged 93.

And her daughter also got the brush off until she wrote to former Pensions Minister Steve Webb via his This is Money column, and he intervened personally in the case.

Despite the DWP now admitting 'multiple system failures' in paying the wrong pension then not heeding pleas to check it, it has refused to pay interest on the £42,000 backpayment.

In the other case, Dorothy Ostins (pictured above right), a widow who during her life worked with children with learning difficulties, died in February aged 92 while on a state pension of around £80 a week.



Dorothy Ostins: She sadly died last February aged 92, without knowing she was owed more than £71,000 by the DWP

Her daughter began suspecting the pension figure was wrong after reading our stories about huge underpayments and she also wrote in to Webb, after which the DWP found her mother was owed more than £71,000.

Mrs Ostins suffered from dementia and lived in a care home, and would sadly have been unaware of the payment had she received it during her last years.

The two women's daughters will inherit the money they should have received

An estimated 200,000 women have been underpaid state pension in [a £3billion scandal uncovered by Webb and This is Money](#) more than a year ago.

We have reported many stories of women receiving payouts of tens of thousands of pounds - and in a couple of cases more than £100,000 - after being deprived of the correct state pension, often despite their fruitless attempts to alert the DWP.

But it is feared that many elderly women must have died while unwittingly owed vast sums by the Government.

We have been deluged with enquiries from bereaved adult children about their late parents' state pensions.

The two stories we tell today are the first cases of backpayments to deceased people's beneficiaries we have reported on so far, and below we explain what to do if you think your mother or father has missed out on money they were due.

Webb, who is now a partner at pension consultant LCP, says: 'It is shocking that **What about inheritance tax on belated payouts?**

these ladies were underpaid by so much into their eighties and even nineties.

'One can only imagine how much difference it could have made to their quality of life if this money had been paid on time.

'I welcome the fact that the DWP have checked the situation now and it is some limited consolation that the families will get the money which they should have received, but this situation has been allowed to go on for far too long.'

Webb adds: 'The DWP has announced that it stopped paying interest once it began its bulk correction exercise in January 2021.

'I believe this is totally unfair on those who have been underpaid for so long, but especially so in this case where contact was made with the Department long before the January 2021 cut-off.'

Labour's Shadow Pensions Minister, Matt Rodda, says the two cases are 'immensely sad' and called for urgent action to ensure injustices on this scale cannot happen again.

Former Pensions Minister Ros Altmann says the Government has still given no explanation for what went wrong with state pension updates that were meant to be automatic since 2008.

'I think we need to press for an urgent investigation and details of what happened over the years in the back office administration of our state pension – on which so many millions of pensioners rely,' she says.

If an elderly woman's beneficiaries receive a large state pension backpayment from the DWP, this could affect how much - or even whether - they are liable for inheritance tax on her estate.

Depending on how much time has passed, you might have to reopen matters with HMRC even if you thought they were concluded.

Tax expert Heather Rogers of Aston Accountancy explains the rules and what to do [here](#).

Read full comments from Rodda and Lady Altmann, plus a statement by the DWP below.

>>>Were you underpaid state pension? [Find out what to do here](#). If you suspect a deceased parent lost out, scroll down to the box below.

'They were like a brick wall': Daughter slams DWP refusal to investigate £10-a-week state pension

A retired teacher died aged 93 after missing out on £42,000 in state pension in her final years.

Jean Taylor suspected her £10 a week state pension was wrong and tried to challenge it, but both she and later her daughter Ann (not their real names) were repeatedly fobbed off by DWP staff.

'She had a small teacher's pension, but it was enough to pay her bills. But there wasn't anything for extras,' says Ms Taylor, who had power of attorney for her mother and took up the effort to challenge the pension from 2017 onward.

Ms Taylor says she wrote at least two letters and made 'endless' calls to the DWP before and after her mother's death to ask why she was receiving such a low amount.

But no one picked up that her mother should have been receiving a 'category D' state pension for over-80s, which is worth £82.45 a week at the current rate.



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At one point Ms Taylor says she was referred to HMRC, while her letters were not acknowledged at all.

'I had the same experience. I would phone in and ask "is this right, my mum is getting £10". They would make all the right noises, "that doesn't sound right, we will look into it".

'The thing is, they didn't seem to get on with answering letters. I have sent letters registered delivery. I was on this long before she died. If you are trying to ring you are passed around departments. It takes 45 minutes to get through and when you do get through they say they will call you back.

'They were like a brick wall. I was sent on a wild goose chase. I was told I was in the wrong department. It's just basically a wild goose chase. They can't answer you and they fob you off. You feel invisible, unless someone takes up your case.'

Ms Taylor, who lives in London, as did her late mother, finally wrote an email to This is Money. She asked our columnist Steve Webb for help as her 'last resort' for her mother born in 1924.

After reading the details of the case, Webb contacted the DWP personally on Ms Taylor's behalf, and she received a call from a staff member who admitted there had been 'multiple system failures' in her mother's case.

She received an apology, and was told that as her mother's beneficiary she would be paid £42,000 plus around £700 in interest.

A promotional graphic for the 'This is Money' podcast. It features the 'This is Money' logo in the top left, with 'This is' in a smaller font above 'MONEY'. To the right is a purple icon of headphones with a red heart rate line. The main text is 'What you need to know about money' in a large, bold, red font. Below this, it says 'This is Money podcast' in a smaller black font, followed by 'Every week' in red. A purple play button icon is positioned to the right of the text.

Ms Taylor has since received the £42,000 but has now been told she will receive no interest because a separate DWP department has refused it.

She says attempts to correct her mother's state pension preceded her death, and also long preceded January 11 2021 when the DWP's 'correction exercise' to fix the £3billion pension scandal began, and it halted interest payments to the women affected.

Ms Taylor says she is going to spend part of the money she has received from the DWP on a headstone for her mother and on extending the lease on her grave.

A DWP spokesperson says: 'We apologise that in this case we didn't meet the high standards required in our customer service.'

It is not paying interest in cases where someone is deceased, saying these 'special payments' are intended to provide redress to the individual who experienced the injustice or hardship arising from maladministration.

In its response to the Taylor case, the DWP says it has taken several measures to improve how staff handle calls, including bespoke enhanced training for those dealing with elderly women's backpayments, lines to take for those answering general enquiry calls, and additional training for claims teams to recognise cases at the appropriate stage.

It has also put processes in place to alert it to potential missed cases in the future.

'I think she would have been quite angry': Widow lost out on huge sum due to DWP error

Dorothy Ostins died last February aged 92 without knowing she was owed

more than £71,000 by the DWP.

She was on a state pension of around £80 a week, because it wasn't increased to take account of her husband Frank's National Insurance record when he died in 2009.

Her daughter, Yvonne Bristow, read news coverage about underpaid state pensions and wrote to This is Money to ask if her mother might have been affected.

Mrs Ostins lived in the West Midlands and had a job supervising children with learning difficulties during coach journeys, while her husband was a maintenance engineer at a glassworking company. They had one other child, who has learning difficulties.

Mrs Bristow says she was shocked and couldn't believe it when she was rung by the DWP and told her mother had missed out on a substantial sum in state pension.

She says of her mother's likely reaction: 'I think she would have been quite angry. To be fair they weren't short of money. They weren't well off but my dad worked hard.'

In later life, Mrs Ostins suffered from dementia and spent her last 12 years in a Staffordshire care home. She paid around £340,000, with all but the last few months of care self-funded.

Will a state pension backpayment affect what you pay for care?

We asked a legal expert to explain the implications for care funding in this case, and others where elderly women are currently receiving care or may need to in future.

Specialist lawyer Ben Tyer gives his take, and the Department for Health and Social Care and the Local Government Association also offer responses [here](#).

DWP failures are tragic for people entitled to

decent and dignified retirement

'These immensely sad cases demonstrate the scale of this Government's failure to support pensioners,' said Labour's Shadow Pensions Minister, Matt Rodda.

'People who have worked hard throughout their life should be entitled to a decent and dignified retirement.

'The DWP's failure to pay out the pensions these women deserve and its subsequent refusal to fix the problem quickly enough has meant that, tragically, this is not true.

'This Conservative Government must take urgent action to ensure injustices on this scale cannot happen again and that the families affected are supported through this time.'

We need to know what went wrong, so lessons can be learned

Lady Altmann called for an explanation of mistakes made in original calculations of women's state pensions, and why DWP call centre staff have wrongly told them their payments were correct.

'What happened here? We need to know, so lessons can be learned for the future,' she said.

Regarding Mrs Taylor's case, she said it was 'deeply troubling' that the DWP did not take the issue seriously in 2017, when she and her family queried a £10 a week pension being paid to someone who was well over age 80.

'This is the easiest part of the pension system to check – anyone over age

80 is entitled to the minimum Category D state pension if they have lived here for a few years.

'The most basic training of any call centre staff should have flagged this query as an error and ensured speedy action to give the lady the extra money she was clearly entitled to.

'The fact that she has now passed away and never managed to benefit from the higher income she could and should have received each week is so sad to hear.

Lady Altmann urged the DWP to give further information, saying: 'We still have had no explanation of what went wrong with the automatic updates for the post 2008 women.'

Regarding whether interest should be paid on backpayments, she added: 'I can understand that families feel aggrieved that the Government originally said it would pay interest but is now saying that someone who is no longer alive will not have that interest credited to their estate.

'These are difficult issues, but the most important point is to get money to all those who are living on too little as soon as possible and also to explain why these errors have occurred.'



Ros Altmann: We need an urgent investigation and details of what happened over the years in the back office administration of our state pension

STEVE WEBB ANSWERS YOUR PENSION QUESTIONS

What does the DWP say?

A DWP spokesperson says: '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.'



Married women who are legally required to make a claim for an uplift in state pension because their husband started receiving his state pension before 17 March 2008 will not be covered in the 'correction exercise' and still need to make a claim.

Those whose husbands became entitled to their state pension on or after this date will be identified in the process, and this will include those who are receiving graduated retirement benefit only.

It is understood that in processing cases, the DWP is prioritising errors that are the longest standing and recipients who are older to reduce the time these women have to wait.

Meanwhile, those who contact the DWP themselves to query their state pensions will continue to have them reviewed.

The DWP has confirmed that deceased women who were underpaid will have arrears paid to their estate, so it will go to their beneficiaries.

Read the DWP's full statement on underpaid state pension [here](#).

What information should you give DWP if your parent has

died?

Many bereaved adult children have written to This is Money asking how to check whether their late parents lost out on state pension.

Anyone who wishes to do so should contact the DWP - its details are [here](#). If you prefer to write, you can input your postcode [here](#) to find an address.

We asked the DWP what information it needs in such cases, and it says: 'Ideally, we would require a National Insurance number from someone who believes their deceased parents were underpaid state pension.

'However, if this is not available, their full name, date of birth and address can be used to locate the claim records.'

After This is Money heard from a reader who said DWP staff told them they couldn't look into a deceased person's pension without an NI number, the DWP said this was not the case and it was willing to investigate any specific instances where this had occurred.

We give a rundown [here](#) of information you should try to have to hand if you phone or write to the DWP about underpaid state pension.

It is a good idea to keep a record of the dates you phone up and what was said, or copies of your letters. You could consider sending them by registered post.

Since NI numbers would be useful if not essential to have, you can check your parents' old state pension statements, and also their bank statements on which these generally appear.

If you are the executor of an estate, you can contact the bank into

which state pension was paid to ask for information and old statements. Old benefits documents and health records might also include NI numbers.

Steve Webb's firm LCP has launched an [online tool](#) to help older married women work out if they are getting the correct amount, and if you have enough details about your late mother you could use this too.

LCP has a separate [web page](#) for widows (and widowers) and again this might be useful for working out whether parents who have died were underpaid.

But Webb stresses that the LCP websites are simply designed as useful tools, and anyone with any doubt about the amount of pension they are receiving should contact the DWP.

You can also write to This is Money at pensionquestions@thisismoney.co.uk. We will help if we can, but we receive huge numbers of messages about this and are not always able to reply. Please put DWP CLAIMS in the subject line.



What information should you give the DWP if your parent has died?