

Frozen pensions: Britons living overseas hit by soaring inflation

Basic rate state pension has not risen for thousands who moved abroad and campaigners demand action

[Rupert Jones](#)



The End Frozen Pensions campaigners this week took the issue to the door of No 10. Photograph: Helena Cox-Smith

Millions of older people will see their pensions rise by 3.1% next spring in a move that will help protect them from the soaring cost of living – but Valerie Hepplestone and Sue Carpenter are among thousands who will not get a penny extra because of what has been dubbed an unfair “postcode lottery”.

While the full UK basic state pension is [to go up by £4.25 to £141.85 a week](#) in

April, almost half a million Britons who emigrated or retired to countries such as Australia, Canada and South Africa are receiving payments of as little as £22 a week, which never go up.

Many of them are having to contend with even bigger increases in the cost of energy, food and other essentials than their UK counterparts. For example, Canada's annual inflation rate [hit an 18-year high](#) of 4.4% in September, while in South Africa inflation [has climbed to 5%](#).



Valerie Hepplestone says inflation in South Africa is 'very high'.

Photograph: Val Hepplestone

Hepplestone, 78, lives in South Africa with her husband, Ian, and receives a UK state pension of £43 a week. She says inflation there is “very high”, adding: “Just this month, electricity has gone up 13%. It is frightening to think about the future as food, rates and taxes, fuel, etc are going up all the time but our income stays the same.”

Carpenter, is 73, now lives in Australia, [where inflation is currently running at 3%](#), and receives a state pension of £64 a week. “I live modestly, some would say frugally,” she says. “With the increase of the cost of living in Australia, especially utility bills, insurance premiums, food price increases and so on, I am finding it increasingly difficult to live within my income.”

The two women are among 492,000 older Britons living overseas who are losing out as a result of the UK's “frozen pensions” policy. These people's

basic state pensions do not increase every year, as happens in the UK – they stay at the level they were on the date the individual moved away if they had already retired, or became entitled to the payment if they were already living overseas. Some whose pensions were frozen 20 or more years ago have missed out on tens of thousands of pounds. And every year, as inflation rises, the buying power of their pension diminishes.

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This week, campaigners attempted to turn up the heat on the issue, with delegates from the [End Frozen Pensions](#) group delivering their message to 10 Downing Street and calling on the government to take action to end this “morally bankrupt”

policy.

It is down to the fact that the UK state pension is payable overseas but is not uprated annually unless there is a legal requirement to do so – for example, where there is a relevant reciprocal social security agreement in place.

There are more than 100 countries worldwide where the UK basic state pension is not “uprated” each year. In addition to the three mentioned previously, they include New Zealand, Thailand and India, plus British overseas territories such as the [Falkland Islands](#).

If you move to an EU country, the US or one of a disparate list of countries including Israel, Mauritius and the Philippines, your state pension increases in line with inflation.



Sue Carpenter says she is finding it increasingly difficult to live within her income in Australia. Photograph: Sue Carpenter

The policy has affected many [members of the Windrush generation](#) who accepted the invitation from the British government to emigrate from the Caribbean but, decades later, say they have been denied their rightful pension because they wished to spend their retirement years in their country of birth or ancestry. If an individual moves back to – among others – Antigua, Trinidad, St Lucia or Grenada, their UK state pension is frozen for life. Confusingly, though, those who move back to Jamaica or Barbados are not penalised.

Ministers have [previously conceded the rules are “illogical”](#) but they have argued it would be too expensive to uprate those affected, and that the priority should be targeting money at the poorest pensioners at home.

Research by End Frozen [Pensions](#) found that half of frozen pensioners feel financially insecure in their retirement, a quarter rely on family members for financial support, and a third have had to take on extra work to supplement their income.

During August and September this year it surveyed 900 of those affected. Half said they received a state pension of £65 a week or less, and the vast majority live in Commonwealth nations with close ties to the UK. Many moved overseas for work or to be near family.

Hepplestone says: “My husband also has a frozen pension of £66 a week. He has Alzheimer’s, Parkinson’s and heart disease. Our medical aid contributions alone cost £60 a week ... We paid national insurance contributions even after leaving the UK, thinking that our pension would be secure. We did not realise that it would be frozen.”



Gretel Hunte's UK pension has been frozen since she moved to Antigua. Photograph: Gretel Hunte

Carpenter says her adult children now help her financially. This is “something they want to do but shouldn’t have to, and in current times, if they become unemployed, they will be unable to continue doing so”. She adds: “I do not expect to be back paid for the nearly 14 years of frozen pension I should have received but it would only be fair if the UK government acknowledged that us UK pensioners living in Commonwealth countries have been disadvantaged for many, many years.”

Others affected include Gretel Hunte, 67, who was born in Antigua and moved to the UK in 1959. She worked in the UK from the age of 15 for more than 25 years before moving back to Antigua with her mother. Hunte’s mother’s pension was frozen for 29 years before she died this year. Now that Hunte has started to receive her UK pension, her entitlement has also been frozen.