

State pensions: DWP should stop destroying records so errors can be corrected, says former pensions minister

Baroness Altmann calls for records to be kept for longer, so families can benefit from up to £1bn in pensions that have been underpaid



Conservative peer Baroness Altmann said it is vital that the DWP keeps pension records for longer than four years (Photo: UK Parliament)

The Government has been urged to stop [destroying pension records](#) so that payment errors stand a chance of being corrected and money can be repaid, a former pensions minister has said.

“Sadly, unless records for pensions are kept for many years, it will be impossible to ascertain or [correct past errors](#) and people will be very

disadvantaged by this if their pension payments are found to have been incorrect,” said Conservative peer Baroness Altmann.

The Department for Work and Pensions (DWP) tends to [destroy records four years after a pensioner’s death](#) due to data protection. Given the time taken to establish payment errors, it is highly likely that some people die never knowing what they were truly owed.

Were records kept for longer, it is possible their surviving families could benefit financially.

About 134,000 people have had [their state pension underpaid](#) to the tune of £1bn, according to a DWP estimate. The vast majority of those affected are women who should have had their pension topped up when their husband retired even if they did not build up enough national insurance contributions in their own right.

An investigation from the National Audit Office (NAO) earlier this year found nearly 40,000 pensioners may have died without knowing they were owed thousands of pounds.

[The NAO said:](#) “The [DWP] may find it particularly difficult to correct underpayments of pensioners who have died. It does not know how many pensioners who have died have been underpaid as, for data protection reasons, it does not usually keep records for more than four years after a pensioner’s death, and if married, their spouse’s death.”

Baroness Altmann told i: “It is absolutely vital that DWP keep pension records for far longer than four years. We have just seen recently that the DWP administration systems are not yet keeping accurate records for people’s state pension entitlements.

“These can stretch back over far more than four years and, indeed, the errors in state pension that the Government is having to investigate and restore lost

payments for date back to 2007.

“Sadly, unless records for pensions are kept for many years, it will be impossible to ascertain or correct past errors and people will be very disadvantaged by this if their pension payments are found to have been incorrect.

“There really do seem to be many problems with the DWP data, which are partly a function of the overly complex state pension rules, but this makes it all the more important for accurate records to be available.”

However, there is a balance to strike between keeping data for correction purposes and the practicality of storing large amounts of information.

Tom Selby, head of retirement policy at AJ Bell, said “the fact so many women have been underpaid state pensions is a national scandal, made even more painful by the fact some have died before getting the money they were owed.

“Once restitution has been paid to those still alive, a fundamental review of the system will likely need to be carried out. This could include things like record keeping, although a balance will likely need to be struck as keeping hold of records forever may not be practical.”

The DWP said: “We are actively looking at the steps we can take to identify deceased customers’ next of kin so we can pay any arrears due, in accordance with the law.

“As the NAO noted, for data protection reasons we are unable to keep records indefinitely after a pensioner or spouse’s death. However, we have suspended all file deletion for affected cases until we complete the correction exercise to make sure records are protected until any arrears are resolved.”