

British pensioners due payout after report finds more than £1 billion owed in underpayments

The DWP has vowed to correct all historic underpayments by 2024

Anna Fox digital producer thursday 07 July 2022 - 17:42

A damning report released by the National Audit Office (NAO) on Department for Work and Pensions (DWP) revealed how 237,000 state pensioners have been underpaid by more than £1 billion.

Some underpayments date back as far as 1985, according to the report by Gareth Davies, Comptroller and Auditor General of the NAO.

The Audit's report said this was an increase of £429 million and 105,000 pensioners on the department's best estimate at the end of 2020-21.

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Kirsty O'Connor

The increase is because the department has now completed new computerised scans of its data, which it was unable to conduct last year, to

identify cases its staff need to review, the NAO confirmed.

The department will not be able to comprehend the full extent of the underpayments, until it has fully reviewed every case.

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Joe Giddens

An estimate of the outstanding liability has been made by the department, after payments made up to March 31 2022, at £1.35billion.

DWP strives to conclude its review of state pension underpayments by the end of next year for married and pensioners over 80.

But the NAO stated how on current assessments, reviews and corrections of all widowed pensioner cases may take until late 2024.

It said: "A delay of this length would increase the total amount underpaid to pensioners by an estimated £14 million."

It added the DWP will need to ramp up the speed at which it reviews the cases.

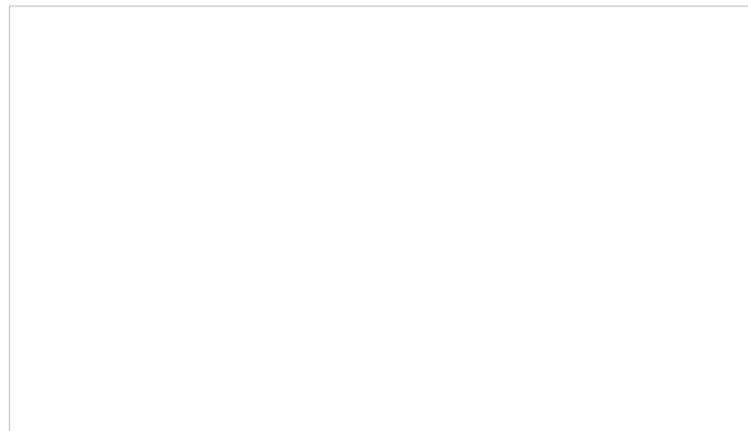
The DWP began an exercise in January 2021 to address state pension cases where people were being underpaid.

This included people who are widowed but whose state pension was not

uplifted to include amounts they were entitled to inherit; people who are married or in a civil partnership who may be automatically entitled to an uplift based on spouse contributions; and people aged 80 and above who are entitled to a certain minimum pension payment.

The DWP's annual report and accounts 2021 / 22 document stated how great progress had been made by the department over the past year to refine the information and assumptions that the provisions are based on.

Sir Steve Webb, a former pensions minister who is now a partner at consultancy LCP (Lane Clark & Peacock), described the level of error in state pension payments as "shocking", adding: "Far too many people have been underpaid for far too long."



Pound rises against dollar as Boris Johnson set to resign

DWP's annual accounts reports also highlighted a string of historic errors whereby credits for time at home with children, previously titled "home responsibilities protection", were not recorded accurately and correctly on National Insurance records.

HM Revenue and Customs (HMRC) have pledged to support their fellow department, in order to understand more about the scale, potential causes and options to rectify cases, the report said.

The Government's Pension Minister quit earlier today, following the Prime Ministers mishandling of the allegations against Chris Picher.

Guy Opperman said in his resignation letter to the Prime Minister that "recent events have shown clearly that the Government simply cannot function with you in charge".

Boris Johnson later quit his role as Conservative leader, outing his intentions to remain in Downing Street until his successor is elected.