

# State pension: Surge of underpaid pensions hits £1.46bn as DWP reveals new catalogue of errors

[Bradley Gerrard](#) July 7, 2022 6:09 pm



A surge of underpaid state pensions has hit £1.46bn due to catalogue of errors, DWP revealed (Photo: PA/Yui Mok)

More than a [quarter of a million state](#) pensioners have been underpaid £1.46billion, new data from the Department for Work and Pensions (DWP) shows.

Figures released in the [department's annual report](#) show that it believes it has underpaid 237,000 state pensioners, some of whom will be waiting for thousands of pounds.

This marks an increase of 105,000 people since the DWP's last estimate at the end of its 2020/21 financial year whilst the amount it now says it owes is £429m more than its previous estimate.

The additional [errors have come to light](#) thanks to new computerised scans conducted by the department which have identified cases that need reviewing by staff.

However, with some [underpayment cases dating back](#) as far as 1985, overcoming this backlog could present a challenge for the department.

The DWP said it was aiming to complete its review of underpayments by the end of 2023 for two of the three affected groups, but added this deadline would not be met for the largest affected group – widowed pensioners.

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“The provision in the financial statements reflects its current assessment that the review and correction of all widowed pensioner cases may take until late

2024,” the DWP said.

“A delay of this length would increase the total amount underpaid to pensioners by an estimated £14m.”

It added the review exercise was “highly dependent” on it recruiting enough staff – and the productivity of those staff – to review cases.

Sir Steve Webb, a former pensions minister and now partner at LCP, said the DWP annual report revealed a “shocking level of error in state pension payments”.

“Not only is the cost of the underpayment correction exercise set to soar, DWP are now admitting a whole new category of errors,” he said.

“In both cases it is women who will bear the brunt of the errors. We need much greater transparency about all of this rather than leaving it to figures buried in the small print of annual reports.

“Far too many people have been underpaid for far too long.”

These new errors relate to credits for time at home with children, previously known as “home responsibilities protection”.

Sir Steve said these may be missing from people’s National Insurance records, a serious issue given they “can have a very substantial impact on people’s state pension entitlement”.

LCP said Sir Steve raised this issue in 2008, and a correction exercise was undertaken which led to refunds of around £35m.

Elsewhere, the DWP said roughly £8.6bn of benefit expenditure was overpaid due to fraud and error, 4 per cent of the total £216bn spent in the 2021/22 financial year.