

# Rolling chaos of state pension top-ups system condemned by savers

[Tanya Jefferies](#)

People who spent big sums on state pension top-ups are angry their cash has apparently gone missing and they can't get answers out of HMRC or the Department for Work and Pensions.

Opposition politicians have called the top-ups system 'utterly shambolic' and condemned government failures to accurately record state pension entitlement as 'an insulting failure of basic competence'.

Susan Ryan, pictured right, spent £820 to boost her state pension in March.

She says: 'Your hard earned money disappears down a black hole. There must be thousands of pounds slushing around in an HMRC account not allocated.'

'If I or any other pensioner owed the taxman money we would be hounded day and night. I rang DWP in mid-July to ask what is the current situation. The DWP very politely told me to call back at the end of September.'

A retired business owner who paid £4,120 in January and heard nothing more despite attempts to chase it up, says: 'The delay is not acceptable and getting contact with DWP is not easy.'

And a former civil servant who spent £4,890 in February says every time she rang up she was told tracing her money or adding it to her record would take 'six to eight weeks to be actioned'.

Buying top-ups can give a generous boost to retirement income if you buy the correct years on your record. The state pension is currently worth £10,600 a year if you qualify for the full rate.

But as we exclusively revealed at the time, the [state pension top-ups system descended into chaos](#) early this year, when savers jammed phonelines ahead of a crunch deadline - ultimately forcing the Government to extend it twice.

Now the previous rush has apparently caused a backlog in processing payments by HMRC, and then updating state pensions which is the DWP's responsibility.

But savers don't receive receipts or acknowledgements when they make payments. And when their cash appears to go missing in one or other department or between them, they cannot tell if it is just sitting in a queue, temporarily mislaid or actually lost.

Their worry is compounded when they ring up and DWP and HMRC call handlers cannot give them any information.

HMRC's claim in our recent story that a [saver whose £2,000 of state pension top-ups vanished](#) into government coffers for six months was 'an isolated case' was repudiated by many This is Money readers.

She had told us she was driven to despair trying to hunt her money down, after spending many stressful hours on the phone to HMRC and the DWP.

In response to that case, we received one positive comment from a reader, who says: 'I did this and was all sorted in only four weeks from initial enquiry to confirmation of increased pension payment rate.'

'Frustrating waiting times on phone lines, average wait 45 minutes, but once through both DWP and HMRC were very helpful and whole process went through very quickly.'

However, others have told us they are still struggling to get vital information out of the DWP on which years to top up so they can get the process started.

The Government has not repeated its 'isolated case' claim in response to fresh complaints by our readers - see below for more on their experiences.

It has apologised for the inconvenience to those who were affected, and says: 'The vast majority of voluntary contributions paid result in records being updated within days, though more complex cases requiring specialist caseworkers can take longer to resolve.'

'The Government has extended the deadline to 5 April 2025 to give taxpayers more time to fill gaps in their National Insurance record and help increase the amount they receive in state pension.'

## **People are 'simply left in the dark' after buying state pension top-ups**

'These voluntary payments can run into hundreds or even thousands of pounds and citizens have a right to expect that they will be processed efficiently,' says former Pensions Minister Steve Webb, now a partner at LCP.

'This includes not just HMRC crediting them to the correct National Insurance record but also DWP then making the necessary adjustments to people's state pension entitlements and paying any arrears due.'

Webb, who is This is Money's pensions columnist, adds: 'This whole process is taking far too long and people are simply left in the dark once they have sent off their contributions.'

Matt Rodda, Labour's Shadow Pensions Minister, says: 'The Conservative government's continued inability to accurately record people's state pension entitlement is an insulting failure of basic competence.'

'Ministers have had warning after warning and yet the administrative backlog has been allowed to grow. By leaving pensioners in the dark, ministers have shown they are not up to the task of running the department.'

'People work hard, contribute to society, and plan carefully for their retirement. They deserve accurate information and to receive their full state pension entitlement.

'By failing to get to grip and showing apparent disregard for the enormity of the issue, this tired, out of touch government has shown again that it doesn't understand people's lives.'

Wendy Chamberlain, Liberal Democrat Spokesperson for Work and Pensions, says: 'It is utterly shambolic that people are paying their hard earned money under the advice of the Government to up their state pensions just for it to disappear into the system without a trace.

'This is clearly another case of sensible savers being let down.

'Pensioners need urgent action from the Secretary of State to make sure lost funds are found, NI records updated, and correct payments made.

'This starts with basic steps like issuing receipts, having enough staff, and putting in place an information helpline that does what it says on the tin.'

A former Pensions Minister, Ros Altmann, says the problems highlighted by our top-ups cases are 'yet another vivid example of the ludicrous complexities of the UK state pension system'.

'I am so sorry to hear that so many people are struggling to get answers and for each person. Their state pension is often crucial to their retirement lifestyle, so they need to know what they can rely on.



HMRC: Its statement that our previous story about a six-month top-up delay was 'an isolated case' was repudiated by This is Money readers

'For those topping up their record, there are added complexities that result from the way the new state pension system was introduced, which still incorporates the old system to ensure people's past records are considered and carried through into the new regime.'

Altmann says it is good to hear that people calling the Government are dealt with politely, however delays are due to the enormous number of people who need to be helped.

'I know the DWP has added extra resources, but sorting out state pension records cannot be done by someone who has no training in the complexities and there are not enough experts who know how to assess all the ins and outs of the past changes.'

'I think there would be merit in Government explaining why things can take so long and how they are trying so hard to deal with all the various backlogs'

that have mounted up over many years.

'MPs can help their constituents as well, to explain that delays are occurring as so many problems have arisen at once but they are being dealt with.'

## **'I just can't believe this is isolated'**

'Half the claimants will be dead by the time they get the payments. I am serious. They must be absolutely inundated and they simply haven't got enough people in situ to deal with this,' says Susan Ryan, 69, who paid £824.20 to top up her state pension in March, then heard nothing more.

She contacted us after reading our story about the similar experience of Janet Harrison, to say she could not believe HMRC's statement that it was an isolated case.

Ms Ryan, a retired supply manager in the pharmaceutical industry who lives in Staffordshire, enlisted the help of her MP to track down her payment with HMRC, but then struggled to get the DWP to update her pension.

As recounted above, she was told by the DWP in mid-July to ring back again at the end of September.

'They are all very pleasant at HMRC and DWP but they are all call handlers,' she says. 'I find it ludicrous that I would pay £824 and you don't get a receipt, acknowledgment, letter, nothing.'

Ms Ryan adds: 'Imagine if I was destitute, or suffered from anxiety. It would send you over the edge. I could not believe it when they said it is an isolated issue. It is not. My heart goes out to older people with no one to help them through this. I just can't believe this is isolated. It's absolutely shocking.'

After we flagged her case to the DWP and HMRC, Ms Ryan's state pension was raised from around £160 to £165 a week, she received arrears of around £127, and the Government apologised to her for any inconvenience.

## **A 70-year-old saver waits eight months for state pension increase**

Gill Wood, 70, a retired horticulture business owner from East Yorkshire, paid £4,120 for top-ups in January to qualify for the full rate state pension.

She told us: 'Nothing more was heard from DWP or HMRC. After giving it a few weeks I checked my NI record. It had been updated to show 35 years but no increase in pension or back pay had been given.'

Mrs Wood says she spoke to a DWP staff member in late April, who agreed to look into the situation and ask for it to be sorted.

'It's now August, eight months since I made the payment. When will my pension increase and the backpayments be made?'

After This is Money contacted the Government on her behalf, Mrs Wood's state pension was hiked £29 a week to the full rate of £203.85, she was given arrears of around £868 and the Government apologised for any inconvenience.

She says: 'Funds are now in my bank account. I don't think this would have happened without your intervention.'

## **'Tale of woe' trying to track down £5k payment**

Diane Henrick, 64, bought seven years' worth of top-ups for £4,890 in February but got nowhere trying to chase up her payment and get her state pension forecast updated.

'After reading your article about Janet Harrison regarding the payment of additional years to boost her state pension I decided to write to you about my tale of woe!' the retired civil servant from Somerset told us.

As the Government website says the eight-week processing period might be

delayed due to volume of applications, she waited 16 weeks to contact HMRC to ask why her record did not yet include her payment.

At every stage of trying to track down her money, she kept being told by Government staff the next step would 'take six to eight weeks to action'.

'Is this their favourite time duration? It is now three weeks since my latest phone call and there is still no communication from HMRC,' reported Mrs Henrick to us in August.

After we intervened, HMRC confirmed they had found her payment and apologised for any inconvenience, but Mrs Henrick is still waiting for her state pension forecast to be amended.

## **Top-up payment allocated to wrong year by HMRC**

Expat Elaine Brown paid £1,150 for top-ups in January but grew concerned when her state pension wasn't raised as a result.

'I have tried to call but living in America it is almost impossible to find out without being transferred from one department to another,' says the 66-year-old government worker.

'I gave up and have been waiting for them to send me a letter.'

When we raised her case, HMRC discovered her payment had been allocated to the incorrect year, and Mrs Brown's state pension has now been increased from £171 to £188 a week. She received £507 in arrears and an apology for any inconvenience.

Mrs Brown says contacting This is Money had worked a miracle, adding: 'I would have probably have been waiting for another year before they sorted it out.'

## **HMRC sent a letter with contact numbers that rang**



## out

Retired primary school teacher Sohaniee McCullough says she successfully paid £750 for a voluntary state pension contribution several years ago, before the Covid pandemic.

However, she paid £100 towards a further top-up last October then heard nothing since.

The 60-year-old from London told us: I have tried contacting them endlessly only to find the contact numbers they gave me don't work. I wrote to them again in May. I have not received a reply.

'I would like to make future top-ups to my pension with further voluntary contributions but fear that these payments will be lost online in the same way as my first payment appears to have.'

Mrs McCullough told This is Money she just wanted to speak to someone over the phone about which years she needs to fill up and how much each will cost, so she can make a payment with confidence.

'I don't understand why there isn't a phone number at HMRC that you can ring. They might send you contact numbers on a letter but they ring out. Speaking to someone is really impossible. I can't get my head around it.'

When HMRC looked into this case, it found the £100 payment was received without a payment reference number so remained unallocated, and it will refund this sum.

DWP and HMRC staff have now contacted Mrs McCullough to talk through her full National Insurance record and she has bought additional state pension top-ups as a result.

**Saver made more than 100 attempts to phone DWP at height of top-ups rush**

Susan Mason, 66, says she paid £257 in May to fill a 16-week gap in her state pension record.

The administrator from Sunderland told us: 'This case where a woman paid £2,000 to get a bigger pension is not isolated. I also paid money over to HMRC. It has been updated on my records but three months later my pension has not been increased.'

Ms Mason says she first started trying to buy top-ups last February but struggled to get through to the DWP and estimates she made around 100 attempts on the phone.

'I sometimes got through and at the end of the queue and it would cut you off. Not everyone has time to sit on the phone. My money is a trivial amount compared to others but it's not the point. If you have paid it you want the pension.'

The DWP confirmed it had revised her state pension in February, but this was a separate issue involving a grandparent credit. HMRC was still investigating the payment in May at the time of publication.

Having trouble with top-ups? Email [pensionquestions@thisismoney.co.uk](mailto:pensionquestions@thisismoney.co.uk). Please put STATE PENSION TOP UPS in the subject line.

## **Did you defer your state pension and are now struggling to claim?**

Louis Feather, aged 79, struggled to end a state pension deferment after making a claim in April. He contacted us months later because he was still no nearer to getting it sorted out.

'I subsequently phoned them recently to find out why they have not been in touch. They confirmed that they had received the form and it would be dealt with along with other forms in date order,' says the retired bank manager,

who lives in West Yorkshire.

'I asked if they could give me an indication when this might be, but they said they could not as it was dealt with by another department. I asked if they could contact this department and they said no. I also then asked if I could contact this department and they said no.'

Mr Feather adds: 'I have had nothing. I haven't even had an acknowledgement until I rang up.'

After we raised his case with the DWP, it started paying his state pension, sent him arrear of £3,660.92 and apologised for any inconvenience.

It is unclear whether Mr Feather's case is a one-off or whether the DWP is running behind on sorting out these cases. The DWP did not respond to our question about whether there is a backlog. Get in touch via the email below if you are affected.

Trouble ending a deferral? Email [pensionquestions@thisismoney.co.uk](mailto:pensionquestions@thisismoney.co.uk). Please put STATE PENSION DEFERRAL in the subject line.

## **How to buy state pension top-ups? What else does the Government say**

The DWP and HMRC provided further information in answer to our questions about current delays processing top-up payments, and what it is doing with people's money in the meantime.

- They have extra staff answering phone calls and dealing with correspondence on voluntary contributions, including processing refunds.
- For the vast majority of people paying for voluntary contributions by bank transfer, NI records are updated within days. Payments made via cheque can take up to eight weeks to process.

- The DWP aims to update state pension records as soon as possible once notified that HMRC have allocated a payment to someone's National Insurance record.
- HMRC's latest performance statistics, including for National Insurance, for January to March are here: [HMRC quarterly performance report](#).
- People who need to apply for a refund of voluntary contributions can check here: [Claim a National Insurance refund](#).
- Payments made to HMRC are added to money it collects for the Exchequer, which is used to pay for vital public services and helps families and individuals with targeted financial support.
- Voluntary National Insurance contributions do not always increase your state pension and you should check you would benefit before making any payments.
- If you're below state pension age, contact the [Future Pension Centre](#) to find out more. If you've reached state pension age, contact the [Pension Service](#).
- If you need a reference number to make [payments for voluntary contributions contact HMRC](#).

## **How much is the state pension?**

The full flat rate state pension is £203.85 a week or an annual £10,600.

People who retired before April 2016 on a full basic state pension receive £156.20 a week or £8,120 a year.

The old basic rate is topped up by additional state pension entitlements - S2P and Serps - if they were earned during working years.

People who have contracted out of S2P and Serps to pay less National Insurance over the years and retire after April 2016 might get less than the full new state pension.

Workers now need to have 35 years of contributions to get the new flat rate state pension, compared with 30 years of qualifying National Insurance contributions to get the old state pension.

But even if you paid in full for a whole 35 years or more, if you contracted out for some years it might still reduce what you get.

Everyone gets the option of [deferring their state pension](#) to get more in their later years and you can [buy state pension top-ups](#) to fill in gaps.