'I've missed out on £23,000 state pension since moving abroad'

Mr Sanguinetti is one of hundreds of thousands of British expats receiving what is known as a "frozen pension".

By Temie Laleye 16:03, Fri, Nov 3, 2023 | UPDATED: 16:51, Fri, Nov 3, 2023

Peter Sanguinetti has lost around £23,000 of pension income (Image: GETTY)

Since moving abroad in 1984, Peter Sanguinetti has lost around £23,000 of pension income as his payments have not risen in line with rising costs and wages.

British expats who move abroad are often left with "frozen pensions" as their pensions do not grow in line with inflation or the cost of living.

Those relying on these frozen pensions, the vast majority of whom live in Canada, Australia, and New Zealand, are not covered by the “triple lock”, that ensure retirees in the UK are shielded from inflationary pressures.

Before moving to Canada, Mr Sanguinetti had built up a state pension through his work in the rope-making industry as well as through his years as a National Serviceman with the Royal Hampshire Regiment, a posting through which he served overseas.

He estimates he has lost £23,000 as his pension has remained fixed despite inflationary changes over the years.

British expats who move abroad are often left with "frozen pensions" (Image: GETTY)

He ended up having to drive school buses in his 80s, before Covid meant he could not carry on.

In the UK, the triple lock ensures the state pension goes up every year in line with he highest of wages, the rate of inflation or 2.5 percent.

With the state pension set to rise again by 8.5 percent next year, half a million pensioners abroad will miss out on this uprating.

Mr Sanguinetti told The Telegraph: “My wife and I were concerned about making the move and we considered it very carefully before we actually committed, we researched schools and housing and other basic necessities.

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“But as to the implications the move would have on my pension I had no idea what was in store.”

The latest official figures show that there are approximately 480,000 state pension recipients living in countries where payments do not grow in line with rising costs and wages.

A petition calling for state pensioners whose payments are frozen to be increased to the current rates is gaining support.

The Parliament petition says it is "discriminatory, unjust and immoral" that some 500,000 state pensioners do not get the yearly increase because they live in countries where the uprating is not applied.

Analysis undertaken by campaigners highlights the effect on frozen pensioners. An overseas retiree who first accessed their fully paid-up but frozen basic state pension in the late 1990s would today be approximately £50,000 worse off than a recipient who had remained in the UK and received annually adjusted instalments.

To get the yearly state pension increase, a person has to live in one of these countries:

- the UK

- the European Economic Area
- Gibraltar
- Switzerland
- Countries with a social security agreement with the UK (not Canada or New Zealand).

A Government spokesman said: “Our priority is ensuring every pensioner receives the financial support to which they are entitled. We understand that people move abroad for many reasons and we provide clear information about how this can impact on their finances.

"The Government’s policy on the uprating of the UK State Pension for recipients living overseas is a longstanding one of more than 70 years and we continue to uprate state pensions overseas where there is a legal requirement to do so.”