



Work and Pensions Committee & Public Affairs Committee

House of Commons | London | SW1A 0AA

Peter Schofield
Permanent Secretary
Department for Work and Pensions

20 April 2022

Dear Peter

In its report of 12 January 2022, the Public Accounts Committee (PAC) expressed serious concerns about the Department's handling of State Pension Underpayments. Following your response to the Committee's report, we are writing to follow up on issues relating to staff guidance, communication to pensioners and progress in tackling cases that were raised by your response, the Written Statement to Parliament of 24 March 2022 and a Westminster Confidential report of 10 February.

Communication with pensioners who need to take action

A report in Westminster Confidential on 10 February included screen shots, apparently of DWP internal documents, indicating that guidance to staff on handling calls about underpayments is to 'close the call' and only take details if the customer insists, unless the case is from or about someone who falls into one of the following four groups:

- A married woman whose husband claimed his State Pension before 17/03/2008
- An individual aged 80 or over who does not get any State Pension or only Graduated Retirement Benefit
- Someone who has died and may have been underpaid
- Someone who is divorced and wants to know how it impacts their State Pension.

It also refers to a message on the helpline which starts by telling callers that, if they are calling as a result of media coverage, "please be aware you do not need to contact us." It goes on to tell people to stay on the line if they fall into one of the above groups.

People in the four specified groups appear to be those who need to take action to receive an increase in their entitlement and, when they do claim, will generally only get twelve months' backdating. Unlike those covered by the LEAP exercise, there is no legal obligation on the Department to seek them out or pay them arrears. The Department told the PAC that it could not publish guidance for those who may have been underpaid - such as an online assessment tool - because it believed it could not

accurately cover all possible underpayment scenarios. The PAC concluded that these people needed clearer information to act, or risk missing out on significant sums. It recommended that the Department “improve the clarity and availability of information on State Pension underpayments, and what people who are concerned that they have been underpaid should do.”

The Government’s response to the PAC report refers to revised information on Gov.UK which emphasises further that some individuals must make a claim and how they can do this. It is also working to provide a more direct route for those enquiring about underpaid State Pension in respect of a deceased customer. While this is welcome, we remain extremely concerned that the limited information on Gov.UK, together with the guidance and telephone message may discourage some from taking action that could increase their entitlement. We would be grateful for answers to the following questions:

- **What is the status of the documents quoted in the Westminster Confidential report? Do they represent current policy? If not, what changed and when?**
- **How will you evaluate the effectiveness of the revised information on Gov.UK in helping those who may be affected to understand their position and to take appropriate action?**
- **Do you have plans to review your communication strategy and take further action if, for example, only a small number of those affected contact you to report a change of circumstances or make a claim?**

Progress in tackling cases

The PAC also concluded that the Department had not been sufficiently transparent to Parliament and recommended periodic updates on the progress of the State Pension LEAP exercise and the speed of processing the backlog in the new State Pension. The last such report was published on 24 March 2022.

The Department for Work & Pensions (the Department) estimates that it underpaid 134,000 pensioners various sums totalling over £1 billion in State Pension, with errors going back as far as 1985. By the end of September 2021, the Department had identified 9,491 underpayments, and a total of £60.8 million had been repaid. By the end of February 2022, the total number of underpayments identified had risen to 14,239 and a total of £94.3 million had been repaid.

This suggests that over a third of the way through the LEAP exercise, the Department has succeeded paying out only around 10% of the amount it estimated was outstanding. This suggests progress continues to be slow, despite the significant increase in staff working on the project (now 500 compared to 200 at the time of the

PAC report, with the aim of increasing this to 1,500 by the end of 2022). This calls into question whether the Department is on track to complete the LEAP exercise by the end of 2023. It is particularly important that it does, given that many of those waiting will, by definition, be older pensioners. Please could you explain:

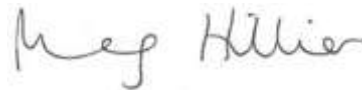
- 1. The Department's plan, including any interim targets, for completing the LEAP exercise by the end of 2023;**
- 2. The average and the longest amounts of time that pensioners who have contacted you about a potential underpayment can expect to wait for a full response.**

We would be very grateful to have a reply by the 12 May.

Kind regards,



Rt Hon Stephen Timms MP
Chair of Work and Pensions Committee



Dame Meg Hillier
Chair of Public Accounts Committee