Submission to the Secondary Legislation Scrutiny Committee

The **End Frozen Pensions** campaign opposes **Regulation 3 of the Social Security Benefits Up-Rating Regulations 2025**, which denies the 2025 UK state pension increase to pensioners residing outside the United Kingdom and certain other countries.

This submission outlines the policy's background and impact, followed by six key arguments for opposing Regulation 3.

Background

The UK state pension is up-rated annually under the 'triple lock'—the highest of earnings growth, inflation, or 2.5%. However, only pensioners in the UK or in countries with reciprocal agreements (e.g., the EU, USA, Turkey, and the Philippines) receive these increases.

Each year, this legislation freezes pensions for British pensioners in non-agreement countries, primarily Commonwealth nations like Canada and Australia. Their pensions remain at the rate first received.

Key Facts

- 442,000 'frozen' pensioners (DWP 2024/25).
- 60% of overseas pensioners receive annual increases; 40% do not.
- 3.4% of 12.7 million UK pensioners are affected.
- From April 2025, most pensioners will receive £176.45 per week; those affected receive £65 or less on average.
- 86% of affected pensioners were unaware of the freeze before moving abroad.
- Nearly 40% have had to cut back on essentials like food and medicine.
- The policy is over 70 years old and outdated.

About the End Frozen Pensions Campaign

The End Frozen Pensions Campaign is a volunteer-run, non-profit campaign advocating for an end to the frozen pensions policy. Its founding members are British Pensions in Australia Inc., a charity, and Canadian Alliance of British Pensioners, a non-profit. In addition to promoting the end of the frozen pensions policy, these organizations provide information and assistance to members relating their UK pension.

Key Request of the UK Government

The campaign calls for forward-only unfreezing of pensions. Despite government estimates, the actual cost would be:

- £57 million in 2025/26 (0.04% of the UK pension budget).
- £242.6 million over five years (0.14% of total pension costs).
- No reciprocal agreements are required.

Data sourced from DWP Freedom of Information requests.

Why Regulation 3 Should Be Opposed

Regulation 3 enforces this policy annually without parliamentary scrutiny.

1. It embeds a negative policy in a positive process. Up-rating legislation increases social security benefits; Regulation 3 is the only provision that reduces pensioners' standard of living.
2. It lacks proper oversight. As a Negative procedure measure, it is not debated unless objected to. It should require an Affirmative procedure for scrutiny given that if affects significantly impacts the recipients' standard of living.
3. It ignores contribution history. Most affected pensioners paid into the UK system but were unaware of the freeze before moving.
4. Some pensioners unknowingly continue contributions. Many overseas residents pay voluntary National Insurance, falsely believing they will receive full benefits.
5. It creates an unfair 'dual' pension system. 60% of overseas pensioners (e.g., in the US and EU) receive increases, while those in Canada and Australia do not.
6. It causes severe financial and emotional distress. 51% of affected pensioners struggle financially, and 46% have had to work in retirement.

See point 3 in the appendix for further detail on the above numbered points, information on the campaign and case studies of affected individuals.

Conclusion

The Committee should object to Regulation 3 and push for fair treatment of all British pensioners, regardless of residence.

Appendix

1. About the End Frozen Pensions campaign

The End Frozen Pensions Campaign "EFPC" (formerly the International Consortium of British Pensioners) is incorporated under the Canada Not-For-Profit Act. It is run entirely by dedicated unpaid volunteers. The campaign aims to end the injustice for nearly half a million British pensioners who are excluded from annual payment up-ratings to their state pension because they live in the 'wrong' country. This means that their pension is 'frozen' at the level it was when they left the UK or first received their pension, falling in real value year-on-year.

EFPC has two founding members:

- British Pensioners in Australia, branded as **End Frozen Pensions Australia** is a registered charity dedicated to caring for the British state pension recipients in Australia.
- Canadian Alliance of British Pensioners, branded as **End Frozen Pensions Canada**, is a Canadian registered Not-For-Profit corporation dedicated to assisting people who have worked in the UK and may be entitled to receive the UK state pension.

2. Selected case studies

Anne Puckridge

Among those affected is 100-year-old Anne Puckridge. She is a World War Two veteran of all three branches of the armed forces; the Army, Navy, and RAF. She lived and worked in the UK until the age of 76, before moving to Canada in 2001 to be nearer to her daughter.

Anne receives just £72.50 per week. This means that from the next UK state pension up-rating on the 1st April 2025, Anne will receive over £100 less every single week compared to the full £176.45 she would otherwise be entitled to had she remained in the UK.

This is despite spending her entire working life in the UK and making her all required NI contributions. Like the vast majority of those impacted, she was not told her pension would be frozen when she moved.

Survey data from the All-Party Parliamentary Group (APPG) on Frozen British Pensions has found that:

- 51% struggle financially as a result of their frozen pension.
- 58% said their financial difficulties are compounded by the fact that their partner or spouse also lives on a 'frozen' pension.
- 46% work or have worked in the past to supplement this lost income

Other examples are:

Burt Davies 	Age: 103 Country of residence: Australia Weekly state pension: £38.70 Burt apprenticed at a steel works which was his reserved occupation in WW2 and continued to do so for over 40 years before moving to Australia to be closer to his only daughter and grandson. He later worked at Royal Perth Hospital. When reaching retirement age he only received £38.70 a week. He has lost over £100,000 due to the frozen pensions policy.
John Richard Yates 	Age: 87 Country of residence: Canada Weekly state pension: £69.42 John served as a Craftsman in the Royal Electrical and Mechanical Engineers between 1960-1962. Before moving to Canada in 1982, John lived and worked in the UK for 45 years and made over 25 years of National Insurance contributions. His weekly state pension would be nearly doubled had he remained in the UK, at £129.69 per week.
Peter Sanguinetti 	Age: 85 Country of residence: Canada Weekly state pension: £72 85-year-old Peter is a veteran who had to get a part-time job as a school bus driver as he felt he was not able to survive off his frozen state pension. He didn't plan on moving to Canada yet his decision due to a job offer has unknowingly cost him more than £23,000.
Terry Doyle 	Age: 87 Country of residence: Canada Weekly state pension: £86.56 Terry served as a gunner in the Royal Artillery between 1959 and 1961. Before moving to Canada, Terry made 40 years of National Insurance contributions in the UK. He started withdrawing his UK state pension in 2002 and would be receiving £194.20 per week had he remained in the UK.

3. Further explanatory detail on why Regulation 3 should be opposed

1. **The negative 'freeze' is unfairly embedded amid an otherwise positive up-rating process.**

The Social Security Benefits Up-Rating Regulations 2025 Instrument is linked to the Social Security Benefits Up-Rating Order 2025 overseeing the wider up-rating process for 2025. This yearly process covers a wide range of social security benefits beyond the UK state pension, including amongst others increases to the Jobseeker's Allowance, Income Support, Disability Living Allowance, and Statutory Sick Pay. Amid this wider up-rating process, Regulation 3 of the Social Security Benefits Up-Rating Regulations 2025 is the only provision having a negative impact on recipients' standard of living, whilst the remainder of the instrument provides essential security against inflationary living costs.

As such, the End Frozen Pensions campaign argues that Regulation 3, and the process of disqualification from the state pension increase it purports to, should not be embedded within the remainder of the up-rating process given its opposite impact on recipients' standard of living.

2. **Regulation 3 enabling the state pension 'freeze' should be granted automatic, yearly parliamentary scrutiny.**

The Social Security Benefits Up-Rating Regulations 2025 Instrument is laid before Parliament in the Negative procedure. This means the legislation will not receive parliamentary scrutiny unless an objection is raised and time is granted by the Government to debate the Instrument. Whilst the Negative route is understandable for routine, functional legislation that bears a minimal tangible impact, the campaign argues that Regulation 3, formally enabling the state pension 'freeze', does significantly impact recipients' standards of living and, as such, warrants a greater level of parliamentary scrutiny.

The campaign would argue this is particularly warranted given Regulation 3's resulting impact is negative and, as mentioned in point 2 above, opposite to the impact of the remainder of the Instrument.

Point 11.1 of the Explanatory Memorandum of the Instrument indicates that, under the terms of the Primary legislation underlying the up-rating process, the nature of Regulation 3 as a 'consequential amendment' normally requires its formulation as a standalone instrument, open to greater parliamentary scrutiny, but that it is instead coupled with the remainder of the Regulations instrument for administrative convenience, under provisions made in the Deregulation Act 2015. The campaign argues the requirement that Regulation 3 should be considered as a standalone order (as per section 53 of the Pensions Act 2014) should be respected, given its policy impact on a very specific proportion of UK state pension recipients residing overseas. Doing so would ensure the yearly enforcing of the 'frozen pensions' policy is granted a minimum of parliamentary scrutiny, given such a standalone order would necessarily be laid in the Affirmative procedure which parliamentarians in both Houses would have a direct opportunity to interact with.

The text from point 11.1 of the Instrument's Explanatory Memorandum is copied in full below:

> *Unlike the other Regulations, regulation 3 is made in part under the power in section 53 of the Pensions Act 201413 to make consequential amendments in relation to new State Pension. This section provides that such amendments be made by an Order rather than Regulations. However, to avoid the need for a separate instrument these Regulations rely on section 105 of the Deregulation Act 201514 which enables different forms of subordinate legislation (Orders, Regulations and Rules) to be combined where it is administratively convenient and would result in a more coherent legislative story.*[1]

3. The 'frozen pensions' policy does not account for contributing years

In a majority of cases, 'frozen pensioners' contributed towards their state pension in the same way as those benefitting from the yearly increase. Many only moved overseas in later life after spending their working lives in the UK contributing towards their state pension, a majority of whom did so without prior knowledge of the policy's existence. A 2020 inquiry conducted by the All-Party Parliamentary Group (APPG) on Frozen British Pensions, in which affected pensioners were surveyed, found that 86% were unaware their state pension would be 'frozen' when they left the UK.

As such, 'frozen' pensioners who made National Insurance contributions enabling them to qualify at least in part for a state pension, did so with the expectation of receiving the same entitlement to their state pension once abroad as they would in the UK or an unaffected country.

4. The policy's low profile means some British citizens residing in impacted countries are voluntarily contributing towards a full state pension without knowledge of the state pension 'freeze'.

Further to point 3 above, a number of British citizens residing in countries currently impacted by the 'frozen pensions' policy are still making voluntary Class 2 contributions in order to qualify for a full UK state pension once they reach retirement age. Considering 86% of 'frozen pensioners' report being unaware of the policy's existence, the campaign assumes that most overseas citizens making voluntary contributions from impacted countries are doing so without prior knowledge that their UK state pension will not receive the yearly up-rating, contrary to the vast majority of other recipients.

The campaign argues that Regulation 3 of this Instrument, in its current form embedded within a minor Regulations instrument laid in the Negative procedure, impacts the policy's visibility and is not proportionate to the policy's impact on overseas constituents.

5. The policy creates a 'dual' state pension system for British overseas state pensioners.

[1] https://www.legislation.gov.uk/uksi/2025/352/pdfs/uksiem_20250352_en_001.pdf

The campaign argues that the ‘frozen pensions’ policy is discriminatory in its current format, in awarding a different level of state pension to a specific subset of overseas state pension recipients, based solely on the recipients’ location. This in effect creates a ‘postcode lottery’ for British state pensioners residing overseas: two persons, for example, who made the same level of contributions during their working lives, enabling them to qualify for a full state pension, may nonetheless receive drastically different levels of state pension payments according to the country they moved to.

Furthermore, the ‘frozen pensions’ policy in its original format – in effect granting all qualifying British overseas residents access to the state pension but not the yearly up-rating – does not reflect the current system for overseas state pensioners in practice, given the number of countries exempt from the state pension ‘freeze’ via bilaterial social security arrangements. Over 60% of British state pensioners residing overseas currently receive the yearly increase and are thus unaffected by Regulation 3 of the Social Security Benefits Up-Rating Regulations 2025. This is case for UK state pension recipients residing in the United States since 1969, for instance, or any country in the European Union since 2021.

6. **The policy bears a disproportionate emotional toll on those impacted.**

As previously stated, the ‘frozen pensions’ policy’s financial impact is often severe, with a majority of victims receiving a state pension of just £60 per week or less, compared to the full Basic State Pension that is increasing to £176.45 per week on the 1 April 2025.

The fact the up-rating process, and the disqualification of overseas residents from it via Regulation 3, occurs yearly also reinforces the emotional toll the policy bears on those impacted. This sentiment is reinforced by the fact most victims report being unaware of the policy’s existence prior to moving overseas.

Response from the Department for Work and Pensions

Q1. The submission claims there are 442,000 British pensioners residing overseas who do not receive the annual uprating, representing around 40% of all British pensioners residing overseas. Do you agree with these figures?

A1. The figure of 40% of recipients of a UK State Pensions paid to recipients resident overseas are not covered by an agreement that allows for up-rating is correct.

We recognise the figure of 442,000 from May 2024 published statistics on Stat Xplore. The most recently published figure from Stat Xplore is 437,000 from August 2024.

UK State Pensions are payable worldwide, without regard to nationality, and are only up-rated abroad where there is a legal requirement to do so, for example in countries with which we have a reciprocal agreement that provides for up-rating.

Q2. Only British pensioners residing in countries with reciprocal agreements with the UK that provide for the annual uprating receive it. The submission states these countries are those in the EU, the USA, Turkey and the Philippines. Is this correct?

A2. The UK has reciprocal agreements with the following countries that allow for the annual up-rating of State Pensions:

- EEA countries and Switzerland:

  Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.

- Countries where a bilateral agreement is in place:

  Barbados; Bermuda; Channel Islands; Isle of Man; Israel; Jamaica; Mauritius; the Philippines; Turkey; the United States of America.

- There was an agreement in place with Yugoslavia prior to its break-up, this agreement now covers the former Yugoslavian states that are not EU Member States:

  Bosnia-Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia.

Q3. The submission claims that uprating the state pensions of all British recipients overseas would cost an additional £57 million in 2025/26 or £242.6 million over 5 years. Do you agree?

A3. While we are content with the £57m (our estimate is that it is £56m), we disagree with the £242.6m estimates for the cost of uprating from their current levels going forward.

We estimate that the cost of up-rating would be £758m cumulatively over the next 5 years (or £233m in the fifth year of the forecast). This is based on published Stat Xplore figures in May 2024 and assumes that the frozen overseas state pension caseload stays constant over the next 5 years, consistent with FOI 98323/2025.

Up-rating State Pensions where we do not currently would cost approximately £0.9 billion a year if all State Pensions in payment were increased to current UK levels. Even if pension increases were paid going forward rather than increased to current UK levels, the annual extra costs of up-rating would converge to the approximate £0.9 billion in the medium to longer term.

Q4. A 2020 inquiry conducted by the APPG on Frozen British Pensions which surveyed affected pensioners, found that 86% were unaware that their state pension would be frozen when they left the UK. How does DWP communicate this policy and what are you doing, if anything, to raise awareness?

A4. For a number of years, from the early 1950s onwards, information and advice on UK National Insurance and UK State Pensions was provided via leaflets to the public, explaining that the UK State Pension is not up-rated overseas except where there is a legal requirement to do so. In more recent years, this information and advice is available on GOV.UK.

For example, State Pension if you retire abroad information can be found at: https://www.gov.uk/state-pension-if-you-retire-abroad which gives information about the UK State Pension including the effect on a person's UK State Pension leaving the UK can have.

The Government website also sets out that further advice can be obtained from the International Pension Centre or from the Pension Service. The International Pension Centre provides oral and written advice to people who are planning to move and live outside the UK.

Q5. The submission argues that the policy creates a dual state pension system based on the recipient's location as opposed to the level of contributions made. How do you respond to this?

A5. The National Insurance scheme operates on a pay-as-you-go basis. Contributions paid into the National Insurance Fund in any year finances contributory benefit expenditure in the same year.

An individual's contributions provide a foundation for calculating personal future benefit entitlement, but do not actually pay for those benefits.

The rate of contribution paid has never been connected in any way to the indexation of State Pension payable abroad.

Q6. What assessment have you made of the policy's impact on persons resident overseas?

A6. No recent assessment has been made or is planned.

The UK's policy on the up-rating of the UK State Pension for recipients living overseas is longstanding and has been in place for over 70 years.

There are no plans to change this policy.

Q7. Are there any plans to agree further bilateral social security agreements under which British pensioners living overseas would be eligible to receive the uprating to their state pension?

A7. There are no current plans. Apart from the recent agreements with the EU/EEA and Ireland, which largely maintain existing social security arrangements, the UK has not concluded a new reciprocal agreement covering benefits and pensions for 30 years.

Additional information

The policy of not uprating overseas has been challenged in the Courts and the Government's longstanding position has been upheld by the High Court, Court of Appeal and the Appellate Committee of the House of Lords in 2005 (Carson Case).

Annette Carson along with 12 others, then made an application to the European Court of Human Rights. In November 2008 the Court decided that the Government had not gone against the terms of the European Convention on Human Rights.

The International Consortium of British Pensioners made a submission to the European Court of Human Rights in January 2009 requesting leave to refer the Carson case to the Grand Chamber of the European Court of Human Rights.

On 6 April 2009, the Grand Chamber decided to accept the applicants' request. The Grand Chamber delivered its judgment on 16 March 2010, finding against the applicants.

The European Court of Human Rights' decision was to hold that there had been no violation of Article 14 of the Convention, taken in conjunction with Article 1 of Protocol No.1. Article 14 protects the right not to be discriminated against in connection with an individual's human rights under the Human Rights Act. Article 1 of Protocol No.1 – No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

All UK Governments have honoured their legal obligations to up-rate UK State Pensions to eligible recipients living outside the UK. We continue to take our obligations under the terms of the European Convention on Human Rights seriously and we believe that the approach fully complies with legal requirements concerning overseas pension payments.

27 March 2025