



Department
for Work &
Pensions

GUY OPPERMAN MP
Minister for Pensions

Stephen Timms MP
Chair, Work and Pensions Select Committee
House of Commons

8 November 2021

Dear Stephen

Thank you for your letter regarding State Pension payments. As you are aware, the Department has prioritised these cases and, as expected, we have now cleared all outstanding cases where we have been provided all the information required to process them. DWP redeployed circa 700 staff to Retirement Services to address the problem and is improving the service further by investing in online systems to ensure this does not occur again.

It might be helpful if I provide some background information on the State Pension payment process. Individuals can submit their claim up to four months in advance of their State Pension age and at any point thereafter, and payments are made four-weekly, in arrears. As such, there will always be a number of claimants who are not entitled to receive payment for up to five months from receipt of their claim.

1. What has caused these delays? What steps are you taking to prevent a recurrence in the short and medium term?

We are aware that some State Pension customers have experienced delays in receiving their initial payments. This has been caused by a number of different factors, which individually would have been successfully managed by the organisation, but collectively, and with the added difficulties presented by the pandemic, created the delays that some customers have experienced.

For example, we saw an unanticipated change in customer behaviour caused specifically by the economic conditions created by the pandemic. Customers who were deferring their State Pension as they continued to work began to claim in greater numbers, potentially due to a loss of job or through a personal choice to stop working earlier than expected. This change in behaviour was one factor in a higher than expected number of State Pension claims being received. We also saw much greater than anticipated take-up of a new, simpler clerical claim form which was made available via Gov.uk from May 2020. We believe the surge in this channel was driven by the temporary reduction in our State Pension telephony service offering in response to the pressures of the pandemic. Again, this caused unexpected pressure on our clerical processing teams. Finally, following the equalisation of State Pension age we have also seen a substantial increase in claim volumes throughout 2021.

Alongside changes in customer behaviour, we have also experienced high levels of attrition as colleagues secured progression in a number of other Government departments and on promotion within DWP. Due to the overall demands on DWP there has been a delay in recruiting sufficient new staff to return staffing to the required level. This has been our priority in the last quarter and I am pleased that we have now recruited, trained and redeployed significant additional resources to support State Pension delivery. We were also impacted by the operational challenges and staff availability during the peak of the pandemic, in common with most other delivery organisations. We have also needed to balance the demands of State Pension claims with the need to deploy expertise to review those cases identified through the State Pension LEAP Exercise. We moved a relatively small amount of resource to the exercise in May 2020 and whilst we have now recruited replacements, this has contributed to the delayed payments.

2. It has been reported in the press that “thousands” of people have not received their state pension entitlement on time. How many people have received their entitlement late?

As of 31 October, we had 424 claims where payment was due, all of which have been progressed as far as possible.

As of 4 November there are 3220 claims where we await further information from the customer before we can finalise their claim. (The 6,000 claims outstanding quoted by the Director General at PAC on 28 October reflected this position as it stood earlier that week.)

3. How many people are still waiting for their state pension?

Once the claims referred to above are cleared, we will be working on claims with a future entitlement date. We will be focusing on claims that are closest to their first payment date to ensure no one is waiting for payment. In September, a new formula to assist Delivery Teams to prioritise claims where payment is due was developed and introduced. Although customers can claim State Pension up to four months before their State Pension Age, they can also claim at any point thereafter. The new formula identifies the following customer cohorts:

- Customer already aged 66, claiming for a backdated period e.g. they claim on 1 November when their 66th birthday was the 1 March prior;
- Customer turning 66 within the next four weeks of their date of claim.

4. It has been reported that people have been waiting up to six months for their entitlement. What is the average amount of time that pensioners whose entitlement has been delayed have waited for their state pension since these problems began?

We introduced the Get Your State Pension online system in 2018. Around 70-80% of State Pension claims are made via Get Your State Pension and of those 50-60% are cleared the same day, as they can be automatically awarded and put into payment to the customer without any agent intervention.

There are a small number of complex cases where we are reliant upon further information from customers, HMRC or other parties before a claim can be finalised.

The average takes into account only the most complex cases and those cleared through Customer Account Management (CAM) where we are awaiting further information from

customers and does not include those cleared through Get Your State Pension. Since the delay developed in July, the average claim processing time for these complex cases, excluding Get Your State Pension, was around seven weeks.

5. What has been the longest wait?

For the reasons outlined in the previous answer, there are some complex cases where we are reliant on the action of other parties which can lead to longer delays.

The oldest State Pension claim related to a case that needed to be referred to our specialist team to verify the customer's marital status. The delay incurred was outside the department's control as it was due to a lack of information provided by the customer.

6. What has been the average processing time for new state pension claims in 2021 versus in 2020?

As explained in the answer to Question 4, only the most complex cases or those cases cleared via the Customer Account Management (CAM) system are now considered when calculating the average clearance time for a State Pension claim, which means the 'average' that we are able to provide here is heavily inflated. For the period August 2020 to August 2021, the average processing time for complex claims was 39 days. For the period August 2019 to August 2020, the average processing time for complex claims time was 37 days.

7. Can you guarantee that new claimants will not be subject to delays after October 2021? In response to another written question, you have said that 'the Department is redeploying circa 700 staff from other areas across DWP to help to stabilise the service further'.

We do not expect this issue to arise again as it was the confluence of multiple factors, as set out in our response to Question 1. In addition, to mitigate its likelihood, we have redeployed the appropriate resource to clear outstanding cases and are investing in online systems to process claims more efficiently.

8. Pensioners have reported having to make multiple calls, long waiting times and poor service when contacting the Department. How many staff have been redeployed to ensure that the backlog is processed quickly and efficiently? For how long will staff be redeployed?

Over the last three weeks, customers contacting the State Pension Claims line have waited on average 6 minutes for their call to be answered. Over the same period, around 89% of all calls received were answered.

As outlined above, DWP has redeployed circa 700 staff into Retirement Services from other business areas to improve the service further and mitigate the risk of new delays to State Pension payments.

We are prioritising overdue payments (where we are seeking more information from the customer) and payments that are imminent within the next few weeks.

9. How is the Department communicating with pensioners about these delays?

We contact customers via text, phone calls or letters at the following stages of a claim to keep them informed:

- When their State Pension claim is received – this includes online claims via Get Your State Pension
- To invite the customer to contact us if we need some additional information
- To inform the customer that we are working on their claim and they do not need to contact us
- When their claim has been processed.

10. What impact do you expect the redeployment of staff to have on the work from which they have been redeployed?

The redeployment of staff into State Pension was made possible as the Department was successful in completing key elements of our support work for other benefits sooner than anticipated. In addition, the labour market position has improved quickly – thanks to our Plan for Jobs – which has led to a reduction in demand. Therefore, we do not anticipate any impact on the work from which these staff have been redeployed.

11. Does the Department have any plans to compensate pensioners who have incurred costs – for example, because they have had to borrow money - because of the delays?

DWP has no plans to provide blanket compensation to pensioners for the delay in paying their State Pension. DWP can consider making special payments, on a case by case basis, to individuals who have incurred additional costs as a direct result of DWP maladministration.



Guy Opperman MP
Minister for Pensions and Financial Inclusion



Work and Pensions Committee

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Guy Opperman
Minister for Pensions and Financial Inclusion
Department for Work and Pensions

From the Chair

5 October 2021

Dear Guy,

Delays to state pension payments

The Committee has asked me to write to you about the backlog in processing state pension applications, which has left some pensioners without their state pension entitlement.

In response to a written question, you said that there has been a ‘small number’ of new State Pension claims that have been subject to delays and the Department is prioritising overdue payments. You also said that ‘normal service will be resumed by the end of October 2021’.

The Committee would be grateful for more information about this delay, in particular:

- 1. What has caused these delays? What steps are you taking to prevent a recurrence in the short and medium term?**
- 2. It has been reported in the press that “thousands” of people have not received their state pension entitlement on time. How many people have received their entitlement late?**
 - a) How many people are still waiting for their state pension?**
- 3. It has been reported that people have been waiting up to six months for their entitlement. What is the average amount of time that pensioners whose entitlement has been delayed have waited for their state pension since these problems began?**
 - a) What has been the longest wait?**
 - b) What has been the average processing time for new state pension claims in 2021 versus in 2020?**
 - c) Can you guarantee that new claimants will not be subject to delays after October 2021?**

In response to another written question, you have said that 'the Department is re-deploying circa 700 staff from other areas across DWP to help to stabilise the service further'.

- 4. Pensioners have reported having to make multiple calls, long waiting times and poor service when contacting the Department. How many staff have been redeployed to ensure that the backlog is processed quickly and efficiently? For how long will staff be redeployed?**
 - a) How is the Department communicating with pensioners about these delays?**
- 5. What impact do you expect the redeployment of staff to have on the work from which they have been redeployed?**
- 6. Does the Department have any plans to compensate pensioners who have incurred costs – for example, because they have had to borrow money - because of the delays?**

We would be grateful for a reply by **Tuesday 19 October**.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Timms', with a horizontal line above the name.

Rt Hon Stephen Timms MP
Chair