



Briefing

Benefit take-up and older people

January 2024

Introduction

The latest figures show that there are 2.1 million pensioners in the UK living in poverty, yet around 2.8 billion pounds of Pension Credit and Housing Benefit is unclaimed in a single year. With financial pressures due to high costs, it is more important than ever that people receive their full entitlements. This paper sets out the latest figures on benefit take-up, looks at reasons for non-take up, and ways to address this problem.

Key points

- 800,000 pensioner households in Great Britain are entitled to, but not receiving, Pension Credit - that means more than a third (37%) of those who are eligible for this vital support are missing out.
- 310,000 pensioner households are missing out on help with rent through Housing Benefit – just over a fifth (21%) of those who are eligible to claim.
- In a single year £2.8 billion of Pension Credit and Housing Benefit goes unclaimed by older people.
- There are a range of inter-related reasons why people do not receive their entitlements including: lack of awareness; not having help to make a claim, an assumption that they would not qualify, not knowing how to go about claiming; a

concern that the process will be complicated; a reluctance to provide personal information; and negative attitudes about claiming benefits or asking for help.

- Ongoing publicity is needed, but it is also important that information is available more widely so that those in contact with older people, such as friends, family and trusted health professionals, can help identify those in need, encourage them to check entitlements, and refer them to appropriate support.
- Information and advice services need the resources to provide benefit checks to all who need them and to give people practical help with the process of claiming where necessary.
- Government initiatives to encourage Pension Credit claims are welcome and should be extended to include other benefits such as Attendance Allowance.
- The Government should do more to reach people who need support rather than expecting individual older people to navigate the systems. This could be done by matching central and local government data to identify those most likely to be missing out on support and by making systems more joined up.
- Ideally people would not need to rely on means-tested benefits to top up their income. However, currently these benefits provide vital support for one in five of pensioner households, and as set out in this paper, many more should be receiving additional support.

Pension Credit and Housing Benefit take-up figures

Although 2.1 million older people are living in poverty in the UK,ⁱ benefits aimed at those on the lowest incomes often go unclaimed. The Department for Work and Pensions (DWP) regularly publishes estimates of take-up of Pension Credit (which tops up low income) and Housing Benefit (which provides help with rent). The most recent statistics, published in October 2023, are based on 2021-22 figures, and apply to Great Britain.ⁱⁱ

These show:

- 800,000 pensioner households (single people or couples) are entitled to, but not receiving, Pension Credit.
- This means over a third (37%) of pensioner households entitled to Pension Credit are not receiving it.
- On average they are missing out on £41 a week (£2,132 a year) Pension Credit.
- 310,000 pensioner households are entitled to, but not receiving, Housing Benefit.
- This means one in five (21%) of pensioner households who should be getting Housing Benefit are not receiving it.
- On average they are missing out on £65 a week (£3,380 a year) Housing Benefit.
- Overall pensioners are missing out on £2.8 billion a year from Pension Credit and Housing Benefit.

See the appendix for more detailed figures.

Are some people less likely to claim benefits than others?

The latest DWP figures show that Pension Credit take-up is somewhat lower among those aged under 75 than among those who are 75+ (40% of those under 75 are missing out compared to 35% of those aged 75+). The figures also show that couples are less likely to be claiming than single people (48% of couples, 35% of single women and 32% of single men who are entitled to Pension Credit are not claiming it). However, overall, most older households who are missing out on Pension Credit are single women. This is because on average, women have lower incomes than men, and are more likely to be living alone, so they are therefore more likely to be entitled to additional support. Over half of pensioner households who should be receiving Pension Credit but are not, are single women.

The statistics do not provide a breakdown by other characteristics such as ethnicity or disability, nor are there any regional or local breakdowns.

Housing Benefit

In previous years, the Housing Benefit estimates covered all age groups and showed that those renting privately were less likely to claim than social tenants – in 2018-19 31% of private tenants were missing out compared to 12% of social tenants (of all ages). And the amounts unclaimed were higher – on average private tenants were missing out on £63 a week compared to £56 for social tenants. More recent Housing Benefit take-up figures only cover pensioners and are not broken down by tenure.

What about other benefits?

There are no DWP take-up figures for benefits such as Attendance Allowance, Personal Independence Payment, or Carer's Allowance, or for the means-tested Council Tax Reduction which is administered by local authorities (although, for pensioners, the rules are set by national Government). However, we know from our information and advice services that many older people are missing out on these benefits and other types of support.

Why are so many people missing out?

There are a range of inter-related reasons why people do not claim their entitlements. Feedback from the work of Age UK and others shows that barriers include:

- A lack of general awareness of Pension Credit and other benefits.
- A view that benefits 'aren't for people like me'. Even if people have heard of benefits like Pension Credit, they may assume they will not be entitled to help - for example, because they are a homeowner or have a small private pension.
- Being unsure how to find out about benefits or make a claim.

- People may be put off by the process or the need to provide personal information – although, in practice, claiming may be more straightforward than they expect.
- Sometimes people have claimed in the past and been turned down and do not realise that they may now qualify because things have changed.
- Some older people have negative attitudes towards benefits – they do not like the idea of asking for help or feel they can manage with what they have – even if that means cutting back.
- People may assume that because they receive a State Pension, and sometimes other support such as Attendance Allowance, if they were due anything else, they would have received it automatically.
- They may think, even if successful, they would not receive very much so it would not be worth the effort of applying. However, as seen above, people can be missing out on substantial amounts and even those only entitled to a small award could find this ‘passports’ them to other support.
- Some may worry that claiming a benefit such as Pension Credit, might disrupt or reduce other benefits they are already receiving, whereas it is likely to make no difference or in some cases have a positive impact.

Research on barriers to take-up

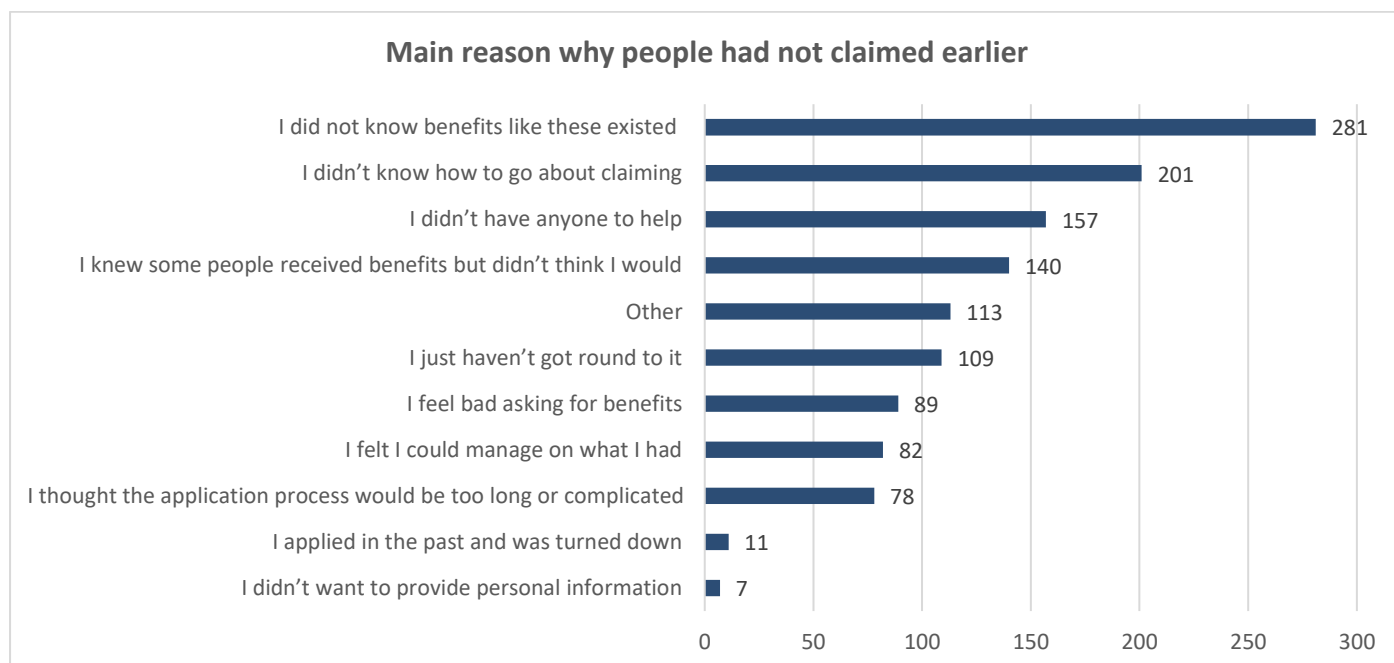
While there has been little recent research around take-up, a DWP study published in 2012 explored barriers faced by older people who they identified as likely to qualify for Pension Credit but who had not claimed.ⁱⁱⁱ The results suggested ‘perceived ineligibility’ was a primary barrier. When asked to name the main reason for not claiming, around two-thirds (65%) gave reasons linked to assuming they would not be entitled – for example saying their income was too high or they would not be entitled due to savings. 10% said they could manage without. Just 2% said the main reason was because the process was too complicated and 1% said they felt bad about asking for it. While a response linked to perceived ineligibility was the first barrier mentioned by most people, further questions showed that the majority felt the process would be difficult or had negative attitudes to benefits. For example, three-fifths (62%) agreed that they did not like asking for benefits and a similar proportion (58%) said the process of applying for Pension Credit would be too long or complicated. The researchers concluded these were important secondary barriers that reinforced the decision not to make a claim. Although we know these issues are still important, it would be useful to have more up to date research to see whether there have been changes since then in people’s views and attitudes.

Feedback from people contacting local Age UKs for help

To help understand more about why people do not claim the benefits they are entitled to, questions were asked as part of Age UK's Building Better Lives programme which was delivered by six local Age UKs in England and one local Age Cymru in 2023.^{iv} The programme provided information, advice and support to people experiencing significant life events, to help them build financial resilience and get the most out of later life. It included a benefit check. If the adviser identified unclaimed benefits, they made an assessment as to whether the client would have been entitled to claim for at least six weeks before. If so, they asked the caller what the main reason was for not claiming earlier. The responses were categorised under 10 headings while those that did not fit into these were marked as 'other'. The findings can be seen in the table below.

Of the 1268 people who fitted the criteria and gave a reason, as can be seen in the chart below, the top four were: people did not know that the benefits were available; did not know how to claim; had no one to help; or did not think they would be entitled to support. After providing the main reason for not claiming earlier, people were also asked if there were other reasons (not shown here). Overall, around half of clients who were identified as missing out on benefits for six weeks or more, said not knowing that benefits like these existed was one of the reasons, or the main reason, they had not claimed earlier. And around a third said they didn't have anyone to help.

This indicates that, at least among people who at some point approach Age UK for support, it is the lack of general information and help with benefits that are the most important barriers to claiming rather than attitudes or lack of perceived need.



Based on 1268 people receiving a benefit check from local Age UKs

Tackling the issue

Getting the right messages out

Ongoing general awareness raising is important and can lead directly to claims. However, if people assume they do not qualify for help, or do not have support to claim, they may not respond to general messages. To deal with this we need to find ways to encourage people to find out more and check their entitlement in a way that suits them – this could be an online benefits calculator, a telephone call or through face-to-face support.

Alongside this, it is important to address other barriers – for example providing explanations and reassurance that the process will be straightforward and putting out messages to help counter any negative feelings about claiming benefits. Messages aimed at friends and families, to encourage and support the older people they are in contact with, are also important.

Taking information to where people are

Increasing awareness and encouraging people to find out about entitlements is one approach, but we should also look at ways to take information and advice out to where people are. For example, many older people who are missing out on support will be in contact with health and care professionals, or other support staff or services. These people, who are already known and trusted, can help identify older people in need, encourage them to check entitlements, and make appropriate referrals to organisations that provide information and advice for further support. Some local Age UKs work in partnership with GPs and other service providers to reach low-income people and also ensure those receiving help from another of their services, such as a Handyperson scheme, are referred to help to check benefits where appropriate.

Access to information and advice services

Some people will only go through the process of making a claim if they can feel confident it will be successful so need help from someone who understands the different types of financial support and can explain likely entitlements and the difference this could make.

There are also practical barriers - some people can complete applications on their own or with family support, but others may need help from organisations to navigate complicated systems. This is particularly important for people who have health problems and may be entitled to benefits such as Attendance Allowance which can involve a lengthy application. However, many local advice services are under great pressure. It is essential that local information and advice services have the resources they need to offer the advice and support that people need to claim any benefits due.

The Government has been promoting Pension Credit take-up but could do more

The DWP has an online Pension Credit toolkit with information and materials aimed at organisations working with older people.^v It has also promoted Pension Credit take-up through media campaigns.^{vi} While it will be some time before such initiatives show up in annual take-up figures, there has been an increase in claims. For example, Pension Credit applications were up by around 75% in the 12 months to May 2023 compared to the same period the year before.^{vii} This approach to encouraging Pension Credit claims is welcome and should be extended to include other benefits such as Attendance Allowance. Age UK would also like the Government to do more to reach people who need support rather than expecting individual older people to navigate the systems.

More joined up systems

Ideally people would receive their entitlements automatically and people sometimes question why this does not happen. However, although the Government has a range of information such as tax and benefit data, it does not have all the information needed to determine entitlement under current rules. In 2011, the DWP ran a small study making payments to 2,000 people based on their estimated Pension Credit entitlement.^{viii} This was made without condition for 12 weeks after which people needed to make a claim and, if they qualified, could continue to receive payments. Unfortunately, there was only a small increase in take-up following the payments. The evaluation found many of the barriers persisted - some still felt they would not be eligible, were unclear what to do, or had negative attitudes about claiming.

Age UK believes there is scope for the DWP to work with HMRC and local authorities to look again at what data is available and explore ways to identify those who are likely to be entitled to Pension Credit, especially as technology has moved on over the last ten years. By making use of data from different national and local government sources, claims could be encouraged and made simpler. For example, if someone appears to be entitled to Pension Credit, they could be sent a claim form already partially completed with information held, so the older person would only need to check this and add any additional information. There may also be scope for modifying Pension Credit rules to reduce the amount of information needed to assess entitlement.

Another approach is to ensure different benefits systems are more joined up. For example, if someone claims Pension Credit, they are also told they can claim Council Tax Reduction (means-tested support with council tax) and, if they are a tenant, Housing Benefit (help with rent). The DWP passes information to their council, but the individual must still approach their council and make a claim. We do not know how many people do so, but especially if the Pension Credit claim has been turned down, it is likely that not everyone will take this forward. People may assume it is not worth pursuing or may find it difficult to make a claim if they are not online – many councils strongly encourage online applications.

Furthermore, information from people claiming Housing Benefit or Council Tax Reduction is not passed to the DWP. Some councils run good initiatives to identify Housing Benefit and Council Tax Reduction claimants who could also qualify for Pension Credit – but the individual then must make a full claim, providing the same information again to the DWP. At some point Housing Benefit will be replaced by support with housing costs within Pension Credit but this change has been delayed by the slow roll out of Universal Credit and is not planned to happen until at least 2028. Closer links and data sharing between the DWP and local authorities could ensure that if an older person claimed one of these benefits, they would automatically be assessed for the other two with additional information requested when needed.

A welcome step is a trial carried out by the DWP during 2023. Letters were sent to 2,000 older people in Great Britain who were in receipt of Housing Benefit and who were also likely to be entitled to Pension Credit, inviting them to apply.^{ix} We look forward to the findings and seeing what lessons can be learned around data matching.

Will we ever solve the problem of take-up?

Whereas virtually everyone claims their State Pension, it is unlikely that we will ever reach 100% take-up of means-tested benefits. Looking back, we can see that this is not a new problem, incomplete take-up was also an issue with the benefits that preceded Pension Credit – the Minimum Income Guarantee, Income Support, and before that Supplementary Benefit. The quote below looks very familiar but in fact comes from a report published in 1947 referring to the means-tested support available at that time.^x

‘There still appear to be some old-age pensioners who are unaware of the scheme; some who do not apply because they are unwilling to submit to enquiries about their means (which inquiries they may believe to be more stringent than they are in fact); and others of a stubborn independence of character who regard supplementary pensions as ‘charity’ for which they refuse to ask.’

As well as the problem of take-up, means-tested benefits are complicated and expensive to administer, and can seem very unfair to people who just miss out due to modest savings or private pensions.

In an ideal world, everyone would be able to build up a decent retirement income through the State Pension and other resources such as private savings so would not need to rely on means-tested supplements. However, at present we are a long way from that situation. Many people rely on their State Pension for most of their income which, which in May 2023, was worth, on average, just £9,600 a year.^{xi} Consequently, means-tested benefits play a vital role for many. A fifth (21%) of pensioner households receive one or more benefits (mainly Pension Credit, Housing Benefit and/or Council Tax Reduction)^{xii} and, as set out in this paper, many more should be receiving them.

Overall, while we should work towards reducing the need for reliance on means-tested support, as things stand now, we need to do much more to ensure that people receive the benefits that they are entitled to.

Appendix – More about the take-up figures

Pension Credit

In 2021-22 1,350,000 pensioner households in Great Britain received, on average, £66 a week.

| | Numbers entitled but not receiving benefit | Proportion entitled but not receiving | Total annual amount unclaimed | Average (mean) amount unclaimed |
|------------------|---|--|--------------------------------------|--|
| Central estimate | 800,000 | 37% | £1,720,000 | £41 a week/ £2132 a year |
| Range | 720,000-880,000 | 35% - 39% | £1,420,000-£2,050,000. | |

Housing Benefit

In 2021-22 1,130,000 pensioner households in Great Britain received, on average, £95 a week.

| | Numbers entitled but not receiving benefit | Proportion entitled but not receiving | Total annual amount unclaimed | Average (mean) amount unclaimed |
|------------------|---|--|--------------------------------------|--|
| Central estimate | 310,000 | 21% | £1,050,000 | £65 a week/ £3380 a year |
| Range | 250,000 to 360,000 | 18-24% | £830,000-£1,280,000 | |

The total Pension Credit and Housing Benefit unclaimed in 2021-22 was between £2,250,000 to £3,330,000 with the central estimate being £2,770,000 (£2.8 billion).

Notes

- Someone claiming Pension Credit or Housing Benefit may be doing so as a single person or on behalf of themselves and their partner if they have one (and any dependent children). So, we can refer to those claiming as ‘pensioners’, ‘pensioner households’ or ‘pensioner families’.
- DWP presents the figures as a central estimate and a range within which ‘the overall true rate of take-up, averaged over the whole year lies’. This paper generally uses the central estimate.

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ⁱ <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022>

ⁱⁱ <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-ending-2022>

ⁱⁱⁱ *Pension Credit eligible non-recipients: Barriers to claiming*. DWP, 2012.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/214374/rrep819.pdf

^{iv} <https://www.ageuk.org.uk/our-impact/programmes/how-we-deliver-advice/building-better-lives/>

^v <https://www.gov.uk/government/publications/pension-credit-toolkit>

^{vi} <https://www.gov.uk/government/news/countdohttps://www.gov.uk/government/news/new-measures-to-better-protect-vulnerable-customers-agreed-with-telecoms-firmswn-to-deadline-day-claim-pension-credit-by-10-december-and-score-extra-300>

^{vii} <https://questions-statements.parliament.uk/written-questions/detail/2023-09-19/200319>

^{viii} <https://www.gov.uk/government/publications/qualitative-evaluation-of-the-pension-credit-payment-study-rr795>

^{ix} <https://www.gov.uk/government/news/trial-encourages-low-income-pensioners-to-apply-for-extra-financial-support>

^x *Report of a Survey Committee of the problems of Ageing and the Care of Old People* chaired by B Seebom Rowntree, Nuffield Foundation, 1947.

^{xi} <https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml> accessed January 2024

^{xii} <https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-2021-to-2022> table 3.5