



Briefing

Benefit take-up and older people

July 2022

Introduction

The latest figures show between 1.4 and 2.1 million pensioners in the UK are living in poverty, yet around 2.4 billion pounds of Pension Credit and Housing Benefit is unclaimed every year. With the current huge financial pressures due to rising 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

- Over three quarters of a million pensioner households in Great Britain are entitled to, but not receiving, Pension Credit - that means around a third of those who are eligible for this vital support are missing out.
- 220,000 pensioner households are missing out on help with rent through Housing Benefit – 16% of those who are eligible to claim.
- In a single year £2.4 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; an assumption that they would not be entitled to help; not knowing how to go about making a claim; a concern that the

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

- Ongoing publicity is needed, but it is also important that information is taken to places where people are and that those in contact with older people, such as friends, family and trusted health professionals, 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.
- The Government should explore ways to increase take-up through changes to systems. There is scope to use available data to identify those missing out on support and to join up different benefit systems.
- 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 more needs to be done to reach those who are missing out.

Pension Credit and Housing Benefit take-up figures

Although between 1.4 and 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 February 2022, are based on 2019-20 figures and apply to Great Britain.ⁱⁱ These show:

- 770,000 pensioner households (single people or couples) are entitled to, but not receiving, Pension Credit.
- This means a third (34%) of pensioner households entitled to Pension Credit are not receiving it.
- On average they are missing out on £37 a week (£1,924 a year) Pension Credit.
- 220,000 pensioner households are entitled to, but not receiving, Housing Benefit.
- This means nearly one in six (16%) of pensioner households who should be getting Housing Benefit are not receiving it.
- On average they are missing out on £76 a week (£3,952 a year) Housing Benefit.
- Overall pensioners are missing out on £2.4 billion a year from Pension Credit and Housing Benefit.

See the appendix for more information about the figures.

Are some people less likely to claim benefits than others?

Pension Credit take-up rates are broadly similar when broken down by age (that is whether people are under 75 or aged 75 or older) or family type (couples, single men, and single women). However, in terms of numbers, most of those missing out on Pension Credit are single women. This is because there are more single older women than men and, on average, women have lower incomes than men, so they are therefore more likely to be entitled to additional support. Around three-fifths of those receiving Pension Credit 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 like to claim than social tenants – in 2018-19 31% of private tenants were missing out compared to 12% of social tenants. And the amounts unclaimed were higher – on average private tenants were missing out on £63 a week compared to £56 for social tenants. The latest Housing Benefit take-up figures only cover pensioners and are not broken down by type of landlord.

What about other benefits?

There are no similar take-up estimates for other DWP 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, the situation is unlikely to have changed much since a DWP study which 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’ is a primary barrier to claiming. When asked to name the main reason for not claiming, around two-thirds (65 per cent) 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. Ten per cent said they could manage without. Just 2 per cent said the main reason was because the process was too complicated and 1 per cent said they felt bad about asking for it.

Awareness was generally quite high, although knowledge low. And 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 per cent) agreed that they did not like asking for benefits and a similar proportion (58 per cent) 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. Overall, these findings are in line with those set out above based on our experience.

Feedback from Age UK’s Advice Line

For a period during 2021, when staff working on Age UK’s Advice Line identified people who were likely to be eligible for benefits, they made an assessment of whether they thought the person would have been entitled to claim for at least six weeks before. If so,

the adviser asked the caller what their main reason was for not claiming earlier, and then any other reasons. They then categorised responses under 10 headings while those that did not fit into these were marked as 'other'.

Nearly 100 people were identified as likely to be eligible for benefits with Attendance Allowance being the most common one (three-fifths of callers). There were 86 callers who advisers felt had been missing out for six weeks or more. Among responses that fitted into one of the 10 categories, the most common reasons are given below.

Main reason people hadn't applied earlier and number of responses

- 'I did not know benefits like these existed' (27)
- 'I knew some people received benefits but didn't think they would apply to me' (24)
- 'I felt I could manage on what I had' (6)
- 'I feel bad about asking for benefits' (5)
- 'I thought the application process would be too long or complicated' (5)
- 'I applied in the past and was turned down' (3)

Reasons mentioned (main plus any other) why people hadn't applied earlier and number of responses

- 'I did not know benefits like these existed' (36)
- 'I knew some people received benefits but didn't think they would apply to me' (32)
- 'I did not know how to go about claiming' (20)
- 'I felt I could manage on what I had' (16)
- 'I feel bad about asking for benefits' (14)
- 'I thought the application process would be too long or complicated' (11).

It can be seen that while among this group of people there were a number of barriers, issues to do with awareness and knowledge were the most important ones.

Tackling the issue

Getting the right messages out

Ongoing general awareness raising is important and, in some cases, will lead directly to a claim. However, if people assume they do not qualify for help, they may not respond to general messages. To deal with this we need to address misconceptions and 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

Whereas friends, family and professionals may see that people need financial support and encourage claims, as set out above, some older people will still feel that the help would not apply to them. It may only be when an adviser who understands the different types of financial support and can explain likely entitlements and the difference this could make, that the older person will they go ahead and make a claim.

There are also practical barriers - some people are able to 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.^{iv} The DWP has also promoted Pension Credit take-up through media campaigns^v and runs a working group made up of organisations including Age UK, to look at ways to increase take-up.

These initiatives are welcome, but Age UK would also like to see changes to make the systems work better with less emphasis on individuals having to seek out information.

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 know everything that would be needed about someone's personal and financial circumstances 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.^{vi} This was made without condition for 12 weeks after which people needed to make a claim to check actual entitlement and, if they qualified, 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, others did not claim due to inertia, were unclear what they needed to do, or had negative attitudes about claiming.

Age UK believes there is scope for the DWP to work with other government departments 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 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 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 try to identify those older Housing Benefit and Council Tax Reduction claimants who could also qualify for Pension Credit and encourage them to claim – 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 2025. 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.

Will we ever solve the problem of take-up?

Whereas virtually everyone claims their State Pension, for the reasons set out above, 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.^{vii}

‘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, on average, is less than £9,000 a year. Consequently, means-tested benefits play a vital role for many. A fifth (20%) of pensioner households receive one or more benefits (mainly Pension Credit, Housing Benefit and/or Council Tax Reduction)^{viii} 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 2019-20 1,490,000 pensioner households in Great Britain received, on average, £62 a week.

	Numbers entitled but not receiving benefit	Proportion entitled but not receiving	Total annual amount unclaimed	Average (mean) amount unclaimed
Central estimate	770,000	34%	£1,470,000	£37 a week/ £1924 a year
Range	690,000-850,000	32% - 36%	£1,230,000-1,730,000.	

Housing Benefit

In 2019-20 1,130,000 pensioner households in Great Britain received, on average, £89 a week.

	Numbers entitled but not receiving benefit	Proportion entitled but not receiving	Total annual amount unclaimed	Average (mean) amount unclaimed
Central estimate	220,000	16%	£880,000	£76 a week/ £3952 a year
Range	180,000 to 260,000	14 -19%	£700,000-£1,060,000	

The total Pension Credit and Housing Benefit unclaimed in 2019-20 was between £1,930,000 to £2,790,000 with the central estimate being £2,350,000.

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-2021> We have included a range for the numbers in poverty as the DWP notes that data collection for FYE 2021 was affected by the coronavirus (COVID-19) pandemic and the 2020-21 figures are subject to additional uncertainty.

ⁱⁱ <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020>

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/rrep_819.pdf

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

^v <https://www.gov.uk/government/news/eligible-pensioners-urged-to-apply-for-pension-credit-in-new-campaign#:~:text=Pensioners%20and%20their%20loved%20ones,with%20the%20cost%20of%20living.&text=It%20comes%20as%20new%20figures,over%20%C2%A3%2C300%20a%20year.>

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

^{vii} *Report of a Survey Committee of the problems of Ageing and the Care of Old People* chaired by B Seebomh Rowntree, Nuffield Foundation, 1947.

^{viii} <https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-2020-to-2021> table 3.5