

NEWS RELEASE

9 January 2019



Seven in 10 pensioner homeowners failing to claim full benefits entitlement, reveals Just Group's ninth annual survey

- *Half of homeowners eligible for State support failing to claim any benefit*
- *Two in 10 are claiming but not receiving their full entitlement*
- *£1,058 average loss for each household missing out, the highest for five years*
- *Just Group calls for benefits information to be at heart of retirement guidance*

Cash-strapped pensioners are missing out on thousands of pounds of income by failing to claim their full entitlement to State Benefits.

Just Group's ninth annual State Benefits Survey found that of pensioner homeowners entitled to receive benefits, half (49%) are failing to claim anything, missing out on an average of £1,139 a year. A further two in 10 (20%) are claiming but receiving too little, missing out on an average £855 a year.

"Once again we have found that too many people are missing out on claiming their full benefits with the average annual loss of £1,058 a year, the highest for five years," said Stephen Lowe, group communications director at Just Group. "These are meaningful sums of money that would make a real difference to people's lives, especially for those struggling to pay everyday living costs."

The research from Just Group, based on in-depth fact-finding interviews with clients seeking advice on equity release, shows:

	2018	2017	2016	2015
Entitled to claim at least one of the key benefits	42%	41%	50%	51%
Of those entitled, failing to claim any benefits	49%	42%	40%	62%
Of those entitled, failing to claim full benefits	20%	19%	22%	13%
Average annual value of missing benefits	£1,058	£1,013	£610	£780

"The first priority of the professional adviser when meeting clients is to check their entitlement to State benefits," said Stephen Lowe. "Of those eligible for State support, we found around seven in 10 households were missing out, made up of 49% failing to claim anything and 20% claiming only their partial entitlement."

"The highest amount unclaimed was £5,702 a year by a couple in Cheshire aged 57 and 58 who were claiming part of their benefit entitlement but under claiming an additional £110 a week. Among those completely missing out on benefits, a household in Norfolk, aged 83 and 57, were eligible to claim £5,506 a year. A 93-year-old from Hertfordshire who was not claiming, was entitled to receive £5,434 a year."

"Overall, nearly one-third of those missing out were eligible to receive benefits worth £1,000 a year or more. Of course we don't know how long people have been missing out on benefits so in some cases the overall loss is likely to be in the tens of thousands of pounds."

Of the three key benefits tracked in the research, it is Guarantee Pension Credit which displays the biggest unclaimed average amount at £1,889 a year, and in one case the loss identified was £4,173 a year. Savings Pension Credit is the least likely benefit to be claimed with take-up rate of less than one in three of those eligible and an average loss of £434 a year.

Nearly one-third (32%) of cases were eligible to receive Council Tax Reduction but fewer than four in 10 of those were claiming, with an average annual loss of £745.

Overall, half of those eligible to claim were missing out on at least one benefit, 12% were missing two benefits and 4% were missing out on three.

2018	Guarantee Pension Credit	Savings Pension Credit	Council Tax Reduction	Other*
Entitled to claim	9%	13%	32%	9%
Take-up rate	56%	29%	39%	74%
Average annual value of new claim identified	£1,889	£434	£745	£1,260

* Universal Credit, Disability Living Allowance, Attendance Allowance, Jobseekers Allowance, Personal Independence Payment, industrial injury benefit, etc

"Our research with advised clients is backed up by official government figures which show vast amounts of State benefits go unclaimed," said Stephen Lowe. "For the two elements of Pension Credit, it is estimated about 1.3 million families are failing to claim up to £3.5 billion a year¹."

He added that the take-up rates in the Just Group research amongst advised clients are below official government estimates for the whole population, suggesting that homeowners are more likely to be missing out than tenants or non-homeowners.

"It raises questions about whether homeowners are less likely to think they are eligible and therefore less likely to claim, or whether the guidance and information is not making the right impact to help people claim," he said. "The benefits system is not easy to navigate, perhaps highlighted by the fact that even significant numbers who are claiming are not getting their full entitlement."

"It certainly reinforces the argument that State Benefits information should be included as part of the government backed free, independent and impartial financial guidance now being offered by Pension Wise to those aged 50+ who are considering accessing pension money."

Ends

Enquiries

Media

Stephen Lowe, Group Communications Director

Lucy Grubb, Head of Media & PR

Telephone: +44 (0) 1737 827 301
press.office@wearejust.co.uk

Temple Bar Advisory

Alex Child-Villiers
William Barker
Sam Livingstone

Telephone: +44 (0) 20 7002 1080

Notes to Editors:

Our research

Our analysis is based on in-depth telephone or face-to-face State Benefit review and full fact find with 264 clients conducted by our specialist equity release advisers throughout 2018.

1 - Estimates of benefit take-up:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757268/income-related-benefits-estimates-of-take-up-2016-17.pdf

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £15 billion of customers' retirement savings and has helped customers release over £3.5 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

Marketed Products:

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life and flexible pension plans offering customers the options to blend secured and unsecured income;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services:

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

Developed through the use of its specialist underwriting systems, Just boasts unrivalled intellectual property (“IP”) which provides it with competitive advantage in the markets in which it operates. We utilise this IP, alongside a capital efficient business model, to develop products and services to provide customers with better outcomes and to drive profitable growth.

Our scalable and responsive operating systems allow us to provide automated underwriting for the vast majority of cases, giving financial intermediaries confidence that they can rapidly get real-time guaranteed prices for their clients. This commitment to helping customers is reflected in our proud record of awards for innovation and service.

The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.