

NEWS RELEASE

5 January 2021



Six in 10 pensioner homeowners eligible for State Benefits are failing to claim their full entitlement, Just Group's annual customer insight report reveals

- More than four in 10 (42%) eligible pensioner homeowners are failing to claim any benefit
- £830 a year benefit being lost by homeowners failing to claim
- A further two in 10 (20%) are underclaiming and missing out on £702 extra income
- Just Group calls for benefits information to be at the heart of retirement guidance

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

Just Group's eleventh annual State Benefits insight report found that of pensioner homeowners entitled to receive benefits, four in 10 (42%) fail to claim with each household missing out on an average of £830 a year extra income, on average. A further two in 10 (20%) do claim but receive too little, on average missing out on £702 a year.

The research from Just Group, based on in-depth fact-finding interviews with clients seeking advice on equity release during 2020, shows about one-third (33%) were entitled to one or more benefits.

The highest amount of extra income lost was £4,854 a year by a customer in Durham who was failing to claim any benefit but was eligible for Council Tax Reduction and Guaranteed Pension Credit.

In total, more than half of those eligible for more were missing out on at least £500 a year and a quarter missing £1,000 a year or more.

	2020	2019	2018	2017	2016
Entitled to claim at least one of the key benefits	32%	40%	42%	41%	50%
Of those entitled, failing to claim any benefit...	42%	46%	49%	42%	40%
...average annual loss from failing to claim	£830	£1,423	£1,139	£545	£576
Of those entitled, failing to claim full benefits	20%	18%	20%	19%	22%
...average annual loss from underclaiming	£702	£2,102	£855	£2,032	£672
Average annual value of missing benefits	£788	£1,614	£1,058	£1,013	£610

Interviews were carried out by specialist equity release advisers from Just's sister company HUB Financial Solutions as part of the advice process to check if clients are eligible for State Benefits.

"Once again we have found meaningful sums that would make a massive difference to people's lives are not being claimed," said **Stephen Lowe, group communications director at Just Group.**

"It reflects the government's own figures that show billions go unclaimed and raises serious questions about whether people in most need are able to navigate the complexities of the benefits system.

“Helping them to claim their full benefit entitlement reduces, and can even remove, the need to release equity at that time. This gives them extra income immediately and the peace of mind that leaving the maximum value tied up in their homes provides them with more flexibility to use that wealth for themselves later in retirement or to pass it on to loved ones.”

Breakdown of missed benefits

- Guarantee Pension Credit is the main benefit targeted at helping low-income pensioners. It has the highest take up rate of all the four key benefits with four out of five (80%) who are eligible claiming. But those failing to claim are missing out on an average £2,656 extra income per year, the most of all the benefits.
- Savings Pension Credit has the lowest take-up rate among State Pension-aged claimants, of just 33% of those who are eligible. Those failing to claim are missing out on £576 a year.
- Council Tax Reduction is claimed by less than half (47%) of those who are entitled to claim with an average shortfall of £796 a year.

2020	Guarantee Pension Credit	Savings Pension Credit	Council Tax Reduction
Eligible to claim	7%	9%	31%
Take-up rate among those eligible to claim	80%	33%	47%
Average annual value of new claim identified	£2,656	£576	£796

“Our insight broadly reflects government figures which show that take-up of Guarantee Pension Credit is 70% and Savings Credit is 42% overall¹,” said Stephen Lowe.

“For the two elements of Pension Credit, the government estimates up to a million households are failing to claim up to £1.8 billion or around £1,700 each. Couples are less likely to take up their entitlement than single people and the over-75s are less likely to claim than younger pensioners.”

He said the findings once again raise questions about the support and guidance available to those struggling for income, particularly among homeowners.

“Our research last year found that nearly half (48%) of homeowners aged over-65 had never checked their entitlement to State benefits compared to just one in seven (14%) who are renting²,” he said. “It reinforces the message that benefits information is integral to retirement guidance and that those struggling for income should check if they are missing out.”

There are a range of resources to provide information and guidance:

- The government highlights free, independent third-party benefit calculators at <https://www.gov.uk/benefits-calculators>
- Local councils provide information on financial help to pay rent or Council Tax
- Organisations such as the Money Advice Service and charities such as Citizens Advice and Age UK can be good sources of assistance.
- Professional advisers will charge but can provide regulated advice alongside information about benefit eligibility.

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
Alasdair Todd

Telephone: +44 (0) 20 7183 1190

Notes to Editors:

Footnotes

1 – DWP, Income-related benefits: estimates of take-up: financial year 2018 to 2019:

<https://www.gov.uk/government/publications/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019>

2 – Research conducted via a survey of 1,004 UK adults aged over 65 from 22-28 January 2020

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 £23 billion of customers' retirement savings and has helped customers release over £5.2 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;
- 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.

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