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NEWS RELEASE

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Nearly seven in 10 pensioner homeowners eligible for State Benefits are missing out, Just Group's annual customer insight report reveals

- Nearly half (49%) of homeowners eligible for benefits are failing to claim any benefit
- £1,197 a year in benefit being lost on average by homeowners failing to claim
- Two in 10 (21%) homeowners are underclaiming and missing out on £1,220 extra income
- Just Group calls for benefits information to be at 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 key means-tested State Benefits.

Just Group's twelfth annual State Benefits insight report found that of pensioner homeowners entitled to receive benefits, nearly half (49%) were failing to claim with each household missing out on an average of £1,197 a year extra income. Two in 10 (21%) who were claiming were receiving too little, on average missing out on £1,220 a year income.

"Every year we find meaningful income that would make a real difference to people's lives is not being claimed," said **Stephen Lowe, group communications director at retirement specialist Just Group.**

"The proportion eligible for a benefit is trending lower but more of those people are failing to claim. It raises serious questions about why people in most need of support are not receiving what is rightly theirs."

The research from Just Group, is based on in-depth fact-finding interviews with clients seeking advice on equity release during 2021. It shows nearly one in four (24%) were entitled to benefits. Of those, nearly half (49%) were not claiming anything and two in 10 (21%) were claiming too little:

	2021	2020	2019	2018	2017
Entitled to claim at least one of the key benefits	24%	33%	40%	42%	41%
Of those who are entitled, failing to claim any benefit...	49%	42%	46%	49%	42%
...average annual loss from failing to claim	£1,197	£1,137	£1,423	£1,139	£545
Of those who are claiming but not claiming full benefit	21%	20%	18%	20%	19%
...average annual loss from underclaiming	£1,220	£702	£2,102	£855	£2,032
Overall average annual value of missing benefits	£1,204	£999	£1,614	£1,058	£1,013

"The first step carried out by specialist equity release advisers from our sister company HUB Financial Solutions is to check if clients are eligible for more income from the State," said Stephen Lowe.

"Claiming their full entitlement can give them extra income that will often reduce the amount they need to release or remove the need to release any funds altogether at that time."

The highest amount of extra income lost was £9,090 a year to a couple in Kent who were receiving some disability and mobility benefits but whom the advisers discovered should also be claiming Guarantee

Pension Credit, Savings Pension Credit and Council Tax Reduction. In total, about one-third of those missing income (30%) were entitled to benefits worth at least £1,000 a year.

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 seven in 10 (72%) who are eligible claiming. But those failing to claim are missing out on an average £2,265 extra income per year, the most of all the benefits.

Savings Pension Credit has the lowest take-up rate at just 45% of those who are eligible. Those failing to claim are missing out on £596 a year. Council Tax Reduction is claimed by less than half (47%) of those who are entitled to claim with an average shortfall of £748 a year.

About a quarter of Just Group's lifetime mortgage enquiries are from those who are yet to reach State Pension Age and become eligible for Pension Credit but who may be able to claim Universal Credit. Take-up among those eligible is just 43% and the average income they are missing out on is £2,806 a year.

2021	Guarantee Pension Credit	Savings Pension Credit	Council Tax Reduction	Universal Credit
Eligible to claim	6%	6%	23%	2%
Take-up rate among those eligible to claim	72%	45%	47%	43%
Average annual value of new claim identified	£2,265	£596	£748	£2,806

Overall, 49% of those eligible to claim were totally missing out on one of the key pensioner benefits, 8% were missing out on two benefits and 2% were missing three types of benefit.

“Our insight broadly reflects government figures which show that take-up of Guarantee Pension Credit is 70% and Savings Credit 42% overall,” said Stephen Lowe¹.

“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 each¹. 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.

“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 which many fail to do. Our research last year found nearly half (44%) of homeowners aged over-65 had never checked their entitlement to State Benefits compared to just 16% who are renting².”

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

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Notes to Editors:

About the research

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: HUB Financial Solutions, Nearly half of UK homeowners aged over 65 have never checked their

eligibility for State Benefits: <https://www.hub-group.co.uk/globalassets/documents/hub-media/nearly-half-of-uk-homeowners-aged-over-65-have-never-checked-their-eligibility-for-state-benefits.pdf>

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- 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.

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- 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
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