

NEWS RELEASE

Monday 8 January 2018



Six in ten pensioner home owners missing out on full benefits entitlement, reveals Just Group

New research reveals financial cost today of more than a million pensioner households missing out on thousands of pounds of State Benefits

- *Four in 10 who are eligible for State support failing to claim any benefit*
 - *Two in 10 are claiming but not receiving their full entitlement*
 - *£1,013 average loss of income for each household missing out*
- *Just Group calls for benefits information to be a focus of retirement guidance*

At a time when living costs are rising and budgets are under stress, new research reveals that many pensioners are missing out on hundreds – in some cases thousands – of pounds of extra income by failing to claim their full State Benefits entitlement.

Just Group's eighth annual State Benefits Fstudy found that of pensioner homeowners entitled to receive benefits, four in 10 (42%) are failing to claim anything and two in 10 (19%) are claiming but receiving too little.

"At a time when many pensioners are struggling for income and inflation is rising, we have once again found far too many are missing out on State help," said **Stephen Lowe, group communications director at Just Group**. "The shortfall can be thousands of pounds a year that would make a massive difference to people's lives."

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

	2017	2016	2015	2014
Entitled to claim at least one of the key benefits	41%	50%	51%	47%
Of those entitled to claim, missing some/all benefits	61%	62%	75%	64%
Average annual value of missing benefits	£1,013	£610	£780	£708

"One of the first tasks when meeting clients is for the adviser to check their entitlement to benefits," said Stephen Lowe. "We found about four in 10 were eligible to receive one or more benefits, but that 61% were either not claiming anything or claiming and receiving too little. That's a little lower than recent years, but still a cause for concern."

"In 2017 the average value of benefits underclaimed rose sharply to £1,013. Of the benefits we track, it is Guarantee Pension Credit which displays the biggest unclaimed sums, perhaps because it can be worth such a significant sum – up to £8,286 a year for a single person and £12,352 for a couple."

“One in three of those eligible for Guarantee Pension Credit failed to claim with an average loss of £3,431. All of those not claiming this benefit were missing at least £1,000 a year and in one case the loss was £8,060 a year.

“Savings Pension Credit is actually the least likely benefit to be claimed with an average unclaimed value of £275 a year. Council Tax Reduction is another area of concern where fewer than half of those eligible are claiming and the average amount being lost is £491 a year.”

2017	Guarantee Pension Credit	Savings Pension Credit	Council Tax Reduction	Other*
Entitled to claim	9%	10%	32%	16%
Take-up rate	63%	35%	45%	85%
Average value of new claim identified	£3,431	£275	£491	£1,000

** Universal Credit, DLA, AA, Jobseekers Allowance, PIP, industrial injury benefit, etc*

“The figures make clear that in a complex system people are struggling to get to grips with what State Benefits they are entitled to,” said Stephen Lowe. “It strengthens the case for making free guidance the default option for all those heading into retirement – unless they specifically opt out – and that guidance should include information about entitlements to State help.

“It is possible that homeowners in particular may think limited support is available, although owning a property does not necessarily mean you have adequate income in retirement.

“That may explain why four in 10 who could get help are failing to claim any benefit. Equally worrying is that of those who are getting one benefit, nearly three in 10 of them are missing out on at least one other benefit.”

The research found that overall one in four of those eligible were missing out on more than £1,000 a year and one in five were missing out on between £500 and £1000 a year. Half of those eligible were missing out on at least one benefit and one in 10 were missing out on two benefits.

The largest amount of lost benefit was £7,142 a year for a 64-year-old in Norfolk. The oldest client was a 98-year-old from East Anglia who was missing out on nearly £410 a year Council Tax Reduction.

“The message from our State Benefit research continues to be that homeowners struggling for income should take steps to find out what they might be entitled to. The government website [direct.gov.uk](https://www.direct.gov.uk) is a mine of information or you can go to Citizens Advice and other charities who may be able to help,” said Stephen Lowe.

The most recent official figures¹ suggest around 1.4 million families – more than in 2015/16 – who were entitled to receive Pension Credit (either Guarantee or Savings) did not claim the benefit, to a total cost of £3.3 billion or £2,000 per family. Overall, about 88% of pensioner couples and 63% of single pensioners own their own homes².

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:

1: Estimates of benefit take-up:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/645577/income-related-benefits-estimates-of-take-up-2015-16.pdf

2: Fig 3.14:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/wealthingreatbritainwave4/2012to2014/chapter3propertywealthwealthinggreatbritain2012to2014>

Our research

Our analysis is based on in-depth telephone or face-to-face State Benefit review and full fact find with 217 clients conducted by our specialist equity release advisers throughout 2017.

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company created by the merger of Just Retirement Group and Partnership Assurance Group.

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.