



Comisiynydd Pobl Hŷn Cymru Older People's Commissioner for Wales

Pension Credit: Action needed so older people don't miss out

Almost one in five older people in Wales are living in poverty, and incomes are shrinking in real terms week by week as the effects of inflation continue.¹ The cost-of-living crisis will drive even more older people into poverty over the coming winter months, putting their health at significant risk.

It is therefore more important than ever that older people receive all of the financial support to which they are entitled, including Pension Credit, which can offer a lifeline to some of Wales's poorest and most vulnerable older people.

However, it is estimated that up to 80,000 eligible households in Wales do not claim the Pension Credit they are entitled to, meaning that every year over £200 million is left unclaimed in the UK Treasury, rather than reaching those who need it most.²

Action is needed to significantly increase the number of older people in Wales receiving the Pension Credit to which they are entitled, to ensure they do not continue to miss out on this vital support.

The impact of the cost-of-living crisis on older people in Wales

Wales is facing a situation where a growing number of older people can neither afford to heat their homes nor access sufficient food, which takes a toll on older people's physical and mental health.

Cold weather and living in a cold home can affect and exacerbate a range of health issues, including respiratory and circulatory conditions, cardiovascular disease and accidental injury.³

Furthermore, beyond the misery of constantly experiencing cold temperatures indoors and being unable to get or stay warm, research also indicates a link between cold home temperatures and poorer mental health.⁴

Going without food or not eating enough over time leads to malnutrition, which increases the risk of frailty, increasing GP visits, hospital admissions and the length of stay in hospital.⁵

However, the impact of being both cold and hungry day after day goes far beyond increased interactions with the health service. Older people in Wales should have an income that enables a good and dignified quality of life. Ensuring that everyone who is entitled to Pension Credit receives it is one way of improving life quality and trying to mitigate the worst effects of the current cost of living crisis for older people in Wales.

What is Pension Credit and what does it do?

Pension Credit provides extra money that can help with living costs to people over State Pension age on low incomes, topping up a single person's weekly income to £182.60 (£278.70 for couples).⁶

Pension credit is worth an average of £65 a week to those who are eligible,⁷ and also unlocks other entitlements that provide further financial support, including council tax discounts and help with housing costs, free dental and eye care, and free TV Licences for people aged 75+.

Based on the latest available data from the Department for Work and Pensions (DWP), 83,413 people in Wales were recipients of Pension Credit in Wales as of February 2022.⁸

However, DWP estimates that only around two-thirds of those who are eligible claim Pension Credit, with lower claim rates amongst those over the age of 75, meaning that tens of thousands of older people throughout Wales are missing out on vital financial support.

Who could benefit most?

The impact of poverty is felt more intensely by some groups of older people than others and older people from these groups could particularly benefit from receiving the Pension Credit to which they are entitled.

For example, many older women do not receive the 'full' State Pension, as they are more likely to have taken time out of work due to caring responsibilities, and women are more likely to experience persistent poverty compared to men. Moreover, around two-thirds of those who claim Pension Credit are women. Increasing the uptake of Pension Credit in Wales would therefore help to increase the incomes of women in particular.

Poverty in older age is more likely to affect people living alone, with 24% of single older men and women living in relative income poverty, compared to 14% of older people living as a couple.⁹

Research from Age UK in May 2021 also highlighted that older people from Black, Asian and Minority Ethnic groups are around twice as likely to be living in poverty as White older people.¹⁰ Targeting these groups would help to ensure that those most likely to be living in poverty receive additional financial support.

Why isn't take up of Pension Credit higher?

Research by Independent Age shows that common reasons for not claiming Pension Credit include practical reasons, such as people thinking that they wouldn't be eligible, as well as other reasons more related to embarrassment and stigma. About a third of people who took part in the poll agreed they would 'feel bad' claiming Pension Credit, while 16% said that their family/friends would have a negative view of them claiming Pension Credit.¹¹

This reflects evidence shared with the Welsh Affairs Committee inquiry into the Benefits System in Wales, where one respondent noted 'pensioners, in particular, did "not want to be a burden on the state"'.¹²

A project in Liverpool focused on non-take up of disability benefits by people over the age of 80 interviewed staff who explained that many older people do not take up the benefit because of pride, insisting “I can manage”.¹³ This attitude is likely to be reflected in older people’s reasoning for not taking up other benefits to which they are entitled, including Pension Credit. Older people may also find it difficult to access information and advice about claiming Pension Credit, with digital exclusion a particular barrier to this. Around a third of people over 75 do not use or have access to the internet, and poverty increases the likelihood that someone will be digitally excluded.

Taking action to increase Pension Credit uptake

To achieve the significant increase in Pension Credit take up that the Commissioner wants to see, there needs to be a ‘Team Wales’ approach to help make sure that every opportunity to raise awareness is taken and older people do not miss out on the support to which they are entitled.

The key actions identified by the Commissioner to support this are set out below.

The Commissioner will:

- Engage with older people throughout Wales to better understand how to improve take up of Pension Credit and address the challenges posed by the cost-of-living crisis.
- Hold a Pension Credit summit to inspire and support action from national and community-based organisations throughout Wales.
- Urgently meet key organisations such as local authorities and the Department for Work and Pensions (DWP) who can provide expertise to the campaign, including on Pension Credit processes and data.
- Engage with Welsh Government and UK Government Ministers and officials to influence policy, alongside scrutinising and monitoring government at all levels to ensure that genuine progress is being made.
- Use all available communication and engagement channels to reach out to older people and their families and raise awareness about Pension Credit and how to claim, in addition to highlighting the need to improve the take up of Pension Credit.

The Welsh Government should:

- Reach out immediately to older people throughout Wales to highlight the importance of claiming Pension Credit if you’re eligible and the wider support this unlocks, challenge the stigma around claiming financial support, and provide information about how to check eligibility or make a claim. To maximise its impact, this messaging should be delivered by well-known / trusted individuals, utilising TV, radio and other communications channels.

- Direct the organisations it funds – including the NHS and Pharmacies – to use existing interactions with older people (where appropriate) to raise awareness about Pension Credit and how to claim, using the Make Every Contact Count approach.¹⁴
- Work with local authorities to determine how existing data can be used to identify older people who could be eligible for Pension Credit, and provide funding to support targeted communication / promotion at a household level via letter and email, alongside wider media campaign activity.
- Explore how best to establish methods for data and measuring improvements in uptake of Pension Credit, in conjunction with DWP.
- Work with DWP to ensure that the Pension Credit claims process is as smooth and easy for people as possible.
- Provide funding to local authorities and the third sector to undertake additional activity to boost Pension Credit uptake.

Local authorities should:

- As above, work with the Welsh Government to assess how the data they hold could be used to identify older people who could be eligible for Pension Credit and deliver targeted communications at a household level.
- Explore opportunities for proactive, community level activity to raise awareness of Pension Credit, including targeted door-to-door engagement where possible.
- Work with local third sector organisations and community groups to help identify those who might be eligible for Pension Credit, raise awareness about the importance of claiming and provide support to people to do so.

Third sector organisations and community groups

The third sector in Wales already plays a crucial role in supporting older people to claim the Pension Credit they are entitled to, and can continue to provide support by:

- Building on existing good practice and drawing on the sector's existing and extensive range of contacts across our communities to highlight awareness of Pension Credit entitlement, working with local authorities as appropriate.
- Contributing expertise on how best to reach vulnerable older people.
- Supporting older people to claim and to try claiming again if previously unsuccessful and where circumstances have changed.

The Older People's Commissioner for Wales

The Older People's Commissioner for Wales is an independent voice and champion for older people throughout Wales.

The Commissioner is taking action to protect older people's rights, end ageism and age discrimination, stop the abuse of older people and enable everyone to age well.

The Commissioner is working for a Wales where older people are valued, rights are upheld and no-one is left behind.

How to contact the Commissioner:

Older People's Commissioner for Wales
Cambrian Buildings
Mount Stuart Square
Cardiff
CF10 5FL

Phone: 03442 640 670

Email: ask@olderpeople.wales

Website: www.olderpeople.wales

Twitter: @talkolderpeople

-
- ¹ Stats Wales (2021). Available from: [Percentage of all individuals, children, working-age adults and pensioners living in relative income poverty for the UK, UK countries and regions of England between 1994-95 to 1996-97 and 2017-18 to 2019-20 \(3 year averages of financial years\) \(gov.wales\)](#) [accessed 26 October 2022]
- ² Independent Age (2019), *Credit where it's due: Ending the £3.5 billion Pension Credit scandal*, p.13. Available from: [Credit where its due report 0.pdf \(independentage.org\)](#) [accessed 26 October 2022]
- ³ Public Health England/UCL Institute of Health Equity (2014), *Local action on health inequalities: Fuel poverty and cold home-related health problems*, p. 4. Available from: [Briefing7 Fuel poverty health inequalities.pdf \(publishing.service.gov.uk\)](#) [accessed 26 October 2022]
- ⁴ Public Health England/UCL Institute of Health Equity (2014), *Local action on health inequalities: Fuel poverty and cold home-related health problems*, p. 4. Available from: [Briefing7 Fuel poverty health inequalities.pdf \(publishing.service.gov.uk\)](#) [accessed 26 October 2022].
- ⁵ UK Government (2017), *Impact assessment: Helping older people maintain a healthy diet: A review of what works*. Available from: [Helping older people maintain a healthy diet: A review of what works - GOV.UK \(www.gov.uk\)](#) [accessed 26 October 2022]
- ⁶ See [Pension Credit: What you'll get - GOV.UK \(www.gov.uk\)](#) [accessed 26 October 2022]
- ⁷ Pensions Policy Institute (2022) *Pension Facts*. Available at: <https://www.pensionspolicyinstitute.org.uk/media/4139/pension-facts-august-2022.xlsx> [accessed 26 October 2022]
- ⁸ StatXplore- Department of Work and Pensions (2021) *Pension Credit*. Available at: <https://bit.ly/2RUKdYt>
- ⁹ Stats Wales (2021) Pensioners in relative income poverty by family type. March 2021. Available at: [Pensioners in relative income poverty by family type \(gov.wales\)](#) [accessed 26 October 2022].
- ¹⁰ Age UK (2021), *Briefing paper: Ethnicity and financial disadvantage in later life*. Available from: [ethnicity and financial disadvantage in later life may 2021.pdf \(ageuk.org.uk\)](#) [accessed 26 October 2022]
- ¹¹ Independent Age (forthcoming), Thomas Wilson, Phil Mawhinney, Shelley Hopkinson, *Credit Where It's Due: A briefing on low uptake of Pension Credit*.
- ¹² House of Commons/Welsh Affairs Committee (2022), *The Benefits System in Wales*. Available from: [The Benefits System in Wales \(parliament.uk\)](#), p.33 [accessed 26 October 2022]
- ¹³ Eurofound (2015), *Access to social benefits: Reducing non-take-up*, Publications Office of the European Union, Luxembourg, p.66.
- ¹⁴ See Public Health Network Cymru, Making Every Contact Count, via [MECC // Public Health Network :: Home](#) [accessed 26 October 2022].