



Department  
for Work &  
Pensions

# Government's new decision: Women's State Pension age communications

Response to the Parliamentary and Health Service  
Ombudsman's investigation

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January 2026

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This document replaces part of the December 2024 Government Response to the Parliamentary and Health Service Ombudsman's investigation into women's State Pension age and associated issues<sup>1</sup>.

The Government has made a new decision only in relation to communications about State Pension age changes. This document replaces the Government response with respect to that decision, replacing the content in that document from pages 4 and 6, and paragraphs 8-21, 36-45, 65-73, 75-77, 78-112, 116-132, Annex B and Annex C. The other issues in the December 2024 response are unchanged.

<sup>1</sup> Government response to Parliamentary and Health Service Ombudsman's Investigation into Women's State Pension age communications and associated issues, 17 December 2024; <https://www.gov.uk/government/publications/government-response-to-parliamentary-and-health-service-ombudsmans-investigation-into-womens-state-pension-age-communications-and-associated-issues>

# Summary

## State Pension age communications

### Maladministration and injustice

The PHSO found that between 1995 and 2004, DWP's communication of the changes to State Pension age reflected the expected standards. However, maladministration was found in two respects:

First, DWP failed to take adequate account of the need for targeted and individually tailored information based on research when making decisions about next steps in August 2005.

Second, DWP did not act promptly enough on a November 2006 proposal to write directly to affected women about changes to State Pension age, which was not progressed until December 2007.

When combined these led to a 28-month delay in beginning the direct mailing exercise to women affected by the 1995 Pensions Act.

The PHSO said that this delay *"resulted in the complainants losing opportunities to make informed decisions about some things and to do some things differently, and diminished their sense of personal autonomy and financial control."* The PHSO did not find that the complainants had suffered direct financial loss.

Later in their report the PHSO also describe injustice as a loss of chance to *"receive, read and act on a letter earlier."*

### Government response

We accept that decision-making between August 2005 and December 2007 resulted in a 28-month delay in beginning to send individual letters to 1950s-born women about the changes in State Pension age. We are sorry that we did not send individual letters earlier in this case.

However, we do not accept the PHSO's approach to injustice. The body of evidence indicates that letters would not definitely have been read and recalled - that for a majority of 1950s-born women, an earlier letter would not have influenced the choices they could or would have made. How effective an earlier letter would have been is clearly material in this case and the PHSO does not properly consider this.

We agree with the PHSO's finding that there was no direct financial loss.

### **Financial remedy**

The PHSO said they would have recommended compensation at level 4 (£1,000 to £2,950) for all six sample complainants; and recommended that DWP should provide a remedy for other 1950s-born women who have suffered injustice because of the maladministration found.

### **Government response**

We have decided against introducing financial compensation for women affected by the delay in sending out State Pension age letters.

In drawing our conclusion, we considered a number of complex issues, including the PHSO reports, Parliament's views, fairness and economic factors.

The PHSO's assumption that unsolicited letters, if received earlier, would definitely have been read and recalled is flawed as the evidence suggests otherwise. However, this flaw is not the only basis for the Government's decision.

The evidence is also clear that the majority of 1950s-born women knew that State Pension age was changing. While not everyone knew their exact State Pension age, it is reasonable to expect that those aware of the increase would seek to understand their own position.

It would not be the correct use of taxpayers' money to provide compensation to women who were aware that State Pension age was changing or for whom an earlier letter would have made no difference.

Creating a scheme to assess individual impact, or based on self-certification would be a highly impractical and time-consuming process, particularly given the difficulties of establishing what individuals knew around 20 years ago. Both rules-based and flat-rate systems would also face significant challenges with the potential for paying huge amounts of money to women who did not experience injustice or were aware that State Pension age was increasing.

Introducing a financial compensation scheme is neither fair nor feasible and would not represent good value for taxpayers, and, as a consequence, one will not be set up.

As there will be no scheme to pay compensation to 1950s-born women, we do not deem it would be appropriate to provide the sample complainants in the PHSO's investigation with a financial remedy.

### **Service Improvements**

We know there are lessons that can be learned from the PHSO's findings, and we are determined to build on the work we started in 2025. As part of this work, we will publish an Action Plan that focuses on State Pension communications.

# Background to this document

1. In 2018 the Parliamentary and Health Service Ombudsman (“PHSO”) started their investigation of the Department for Work and Pensions (“DWP”) communication of changes to the State Pension age for women, and associated issues. The PHSO investigated complaints from women born in the 1950s<sup>2</sup> that alleged the DWP failed to provide them with accurate, adequate and timely information about changes to the State Pension age and the number of qualifying years needed to claim the full rate of the new State Pension. The PHSO also looked at DWP’s and the Independent Case Examiner’s (“ICE”) complaint handling.
2. In July 2021, the PHSO published their findings on State Pension age maladministration and in March 2024 published a final report covering the remaining issues<sup>3</sup>.
3. The Government responded to the PHSO’s investigation in December 2024. The December 2024 response addressed the PHSO’s findings on State Pension age communications, new State Pension qualifying years, and DWP complaint handling.
4. In March 2025 a legal challenge was brought against the Government’s previous decision, specifically in relation to its conclusions on State Pension age communications. In October 2025 the grounds of challenge were amended to include reference to a research report<sup>4</sup> from 2007 which was not considered at the time of the December 2024 decision.
5. The report was “DWP Research Report 447: Evaluation of Automatic Pension Forecasts”, published in 2007. 16 million Automatic Pension Forecasts (APFs) were sent between December 2004 and December 2006 to people aged 20 to 64. APFs provided the estimated amount of State Pension a person would receive, and they aimed to improve understanding of pensions more generally and enable informed choices about retirement saving. IFF<sup>5</sup> Research was commissioned by DWP to undertake research to help determine the impact of sending out these APFs.
6. The report ultimately concluded (page 94) that *“overall...the evidence suggests negligible influence of the APF on pensions knowledge and retirement planning behaviour”*, and around this time the Department stopped sending APFs.

<sup>2</sup> The PHSO took this to cover women born between 6 April 1950 and 5 April 1960, inclusive.

<sup>3</sup> Women’s State Pension age: our findings on the Department for Work and Pensions’ communication of changes, 19 July 2021; and Women’s State Pension age and associated issues, March 2024; <https://www.ombudsman.org.uk/complaints-womens-state-pension-age>

<sup>4</sup> <https://data.parliament.uk/DepositedPapers/Files/DEP2025-0738/rrep447.pdf>

<sup>5</sup> They were ‘Industrial Facts and Forecasting’ until they shortened their name in 1978

7. Ahead of the December 2024 decision, the Department did not include any findings from the APF evaluation in advice to ministers. The Department understood the report to be about the effectiveness of APFs on improving understanding of pensions and supporting retirement planning. The effectiveness of APFs was not considered significant to the decision being made in 2024. The fact that the evaluation also included findings about the recall and readership of unsolicited communications, including subcategory breakdowns, was therefore not taken into account.
8. Upon reviewing the 2007 report, the Government concluded that it did include evidence relevant to the previous decision on State Pension age communications. On 11 November 2025<sup>6</sup> the Secretary of State committed to make a new decision on the State Pension age communications element of the decision, and to take into account all relevant information including the 2007 report.
9. To inform the new decision DWP has re-reviewed previously considered evidence and conducted new searches to identify relevant evidence. This has involved looking at a large number of historical documents. DWP has endeavoured to locate and review as much relevant information as is feasible. However, the maladministration took place around 20 years ago. This could mean there remain gaps in our information, for example, due to documents and information no longer being held in accordance with data retention rules. When coming to the new decision the Government have done so using the information made available which has been determined to be relevant to the making of the new decision.
10. This document provides the details of the Government's new decision, which is only in relation to State Pension age communication.
11. The Government's response in relation to new State Pension qualifying years and complaint handling are not part of the new decision. The Government's response on those issues remains the same as in the December 2024 decision and will not be covered in this document.
12. In the following pages of this decision document, we reference the PHSO's findings of maladministration, injustice and remedy relating to the communication of State Pension age changes and the Government's response to those findings; and the final section refers to the PHSO's findings on Service Improvements.

<sup>6</sup> Ministerial Statement, Pensions update, 11 November 2025; <https://hansard.parliament.uk/commons/2025-11-11/debates/9E67A480-A40E-4534-A3FE-C30156E7799C/Pensions>

# Maladministration

## Changes in State Pension age for 1950s-born women

13. From the 1940s the State Pension age was 60 for women and 65 for men. The Pensions Act 1995 equalised State Pension age by increasing women's State Pension age from 60 to 65 over the 10-year period from April 2010. The Pensions Act 2007 set out a schedule to increase State Pension age for women and men to 66, 67 and 68 over successive 10-year periods starting in 2024. The Pensions Act 2011 brought forward equalisation and the increase in State Pension age to 66 for both men and women, so that women's State Pension age reached 65 in November 2018 and the phased increase to 66 for both men and women was completed by October 2020. All 1950s-born women will have reached State Pension age by 5 April 2026. Other legislation brought forward the increase in the State Pension age to 67 for people born after 5 April 1960 but it is not relevant to the PHSO investigation<sup>7</sup>.
14. The PHSO investigated the communication by DWP of the changes in State Pension age, not the policy change itself.

## PHSO's findings

15. The PHSO found that between 1995 and 2004, DWP's communication of the changes to State Pension age reflected the standards they would expect. Accurate information about changes to State Pension age was publicly available, such as in leaflets, through DWP's pensions education campaigns, through DWP's agencies and on its website.
16. However, the PHSO found that DWP decision making resulted in maladministration in two respects.
17. First, the PHSO found that DWP failed to take adequate account of the need for targeted and individually tailored information, based on 2004 research when making decisions about next steps in August 2005.
18. Second, a November 2006 DWP proposal to write directly to affected women to tell them about changes to State Pension age was not progressed until December 2007. The PHSO found that DWP did not act promptly enough or give due weight to how much time had already been lost since the Pensions Act 1995.

<sup>7</sup> The Pensions Act 2007 introduced phased increases in the State Pension age to 67 and the Pensions Act 2014 brought forward that increase.



19. The PHSO found that DWP could have decided in August 2005 to write directly to affected women to tell them about changes to State Pension age; and they found that because DWP did not there was a delay of 28-months in beginning the direct mailing exercise to 1950s-born women affected by the Pensions Act 1995. DWP started sending letters to women in April 2009, but the PHSO concluded that DWP should have commenced this activity in December 2006.
20. The PHSO said that it is not their view *“that direct mail was the only effective way of communicating the changes”*, or that *“DWP has a duty to provide individualised communication about all policy matters”*. The PHSO concluded only that in this case, based on the decisions DWP made in 2006 that *“direct mail was necessary and..., it is likely it would have made a similar decision earlier but for the maladministration”*.
21. The PHSO found no maladministration in how DWP communicated the changes to the State Pension age in the Pensions Act 2011.

## Government response

22. We accept the PHSO’s findings on maladministration, that decision making between August 2005 and December 2007 resulted in a 28-month delay in beginning to send individual letters to 1950s-born women about the changes in State Pension age. Once DWP had decided to send individual letters, we agree that the Department could have done more to send those letters earlier. There is always more we can do as a Department, and we are determined to learn lessons going forward.
23. The PHSO considered communication on State Pension age over a period spanning around 30 years from 1995. In 1991, the Government first announced its proposals to equalise State Pension age and launched a public consultation. The Pensions Act was enacted in 1995 to make the changes.
24. We note that the PHSO recognises the significant amount of work undertaken by DWP in their finding that the communications by DWP in relation to the 1995 Act met the expected standards from 1995 to 2004 - as did the communications in relation to the 2011 Act. We agree with these conclusions.
25. We also welcome the PHSO’s acknowledgement that direct mail is not the only way of communicating changes and that there is no legal duty to provide individualised communications about all policy matters. On this occasion DWP did send personal letters to people about changes in State Pension age between 2009 and 2013. These letters were part of the much wider communications strategy on the changes to State Pension age. That strategy also included leaflets, TV, radio and print media campaigns, and employer and trade union engagement. A chronology is available at Annex A.

# Injustice

26. The PHSO selected a sample of six complainants, stating that this sample reflected the range of issues women had complained about. The PHSO then considered whether the maladministration identified had led to the injustice reported by the complainants.
27. Complainants told the PHSO that the delayed notification letters led to financial loss, financial hardship and suffering and meant they lost opportunities to make informed decisions and effectively plan for retirement. The complainants also said it led to negative effects on their health and wellbeing and caused disruption to their domestic lives.
28. The PHSO recognised that some 1950s-born women were angry and distressed about their State Pension age having changed and the effect that had on their finances. But the PHSO said *“We cannot consider the financial consequences of changes in the law relating to when a woman could claim her State Pension”*. A change in the law is not maladministration, and losses flowing from changes in the law are not recoverable.

## PHSO's findings

29. On the complainants' claims that they had suffered financial loss as a result of the maladministration, the PHSO concluded that they had not suffered direct financial loss. Any loss that is dependent on the choices someone would have made if the maladministration had not happened is not considered by the PHSO to be direct financial loss, because there are intervening events between the maladministration happening and the loss being experienced. The PHSO considered financial loss that is not direct financial loss and concluded that it is not appropriate to quantify losses stemming from lost opportunities to make different choices.
30. In relation to the health effects, the PHSO was unable to say whether the reported issues could have been avoided if the maladministration had not happened.
31. The PHSO described the injustice that they did find at several places throughout their final report. They summarised at paragraph 12 that they found injustice in that *“maladministration in DWP's communication about the 1995 Pensions Act resulted in complainants losing opportunities to make informed decisions about some things and to do some things differently, and diminished their sense of personal autonomy and financial control”*. The PHSO expanded on autonomy and control in paragraph 370: *“That has affected the level of personal autonomy they experience about their life choices. The sense of loss of financial control over their lives is an injustice common to them all that we think resulted from maladministration”*. The PHSO expanded on lost opportunities in paragraph 371:

*“we can and must take account of the relative likelihood of different choices being made, and what the consequences of those choices might have been, in considering the significance of any lost opportunity”.*

32. At paragraph 340 the PHSO described the injustice by stating that *“the sample complainants lost the chance to receive, read and act on a letter earlier”*.
33. At paragraph 337, the PHSO said that if DWP had begun the direct mailing exercise sooner the complainants would have been aware of their State Pension age sooner.
34. In paragraphs 495-496 the PHSO provided further views on the nature of any injustice. They stated that not all 1950s-born women will have suffered an injustice: *“for example, some women were aware their State Pension age had changed before DWP should have begun direct mail.”* Referencing DWP’s research between 2000 and 2007, the PHSO acknowledged that a *“proportion of those affected knew their State Pension age had risen.”* In addition, the PHSO said that *“Some women would not have had opportunities to do things differently”* even if they had wanted to, due to their personal circumstances; and that some women did not need to rely on knowing their State Pension age in order to plan effectively and therefore did not need to do anything differently.

## Government response

35. The PHSO is clear that not all 1950s-born women would have suffered injustice and that some women knew their State Pension age had changed before DWP should have written to them, and the personal circumstances of others meant they did not have any opportunity to do things differently anyway.

## The finding of injustice

36. On one view, it might be said that if the injustice suffered was loss of a chance to *“receive, read and act on an earlier letter”* (as per paragraph 340 of the PHSO’s report), then every woman not sent a letter earlier suffered an injustice. However, the PHSO expressly recognise in paragraphs 495-496 that if women’s personal circumstances would have meant they would not or could not have done things differently anyway, then they would not have suffered an injustice; and they also recognise that women would not have suffered an injustice if they already knew their correct State Pension age. In other words, the PHSO’s reasoning implicitly accepts that if the receipt of a letter would have made no difference to what a woman knew or what she had an opportunity to do, she would have not suffered an injustice.
37. We agree that if the receipt of a letter could realistically have made no difference to what a woman knew or what she had an opportunity to do, then they cannot have suffered injustice. Such a woman would have suffered no loss of opportunity to do some things differently.

## Effectiveness of letters

38. One element that would have clearly affected whether a 1950s-born woman lost any opportunity to do things differently would have been whether she would have actually read and recalled an earlier, unsolicited letter from DWP setting out her State Pension age. She would also have needed to have learnt something new in relation to her own situation which would or might have prompted her to take action. During the investigation DWP set out to the PHSO that sending letters only changed recipients' state of knowledge in a minority of cases. The basis for this was research from 2014<sup>8</sup> about unsolicited letters on the new State Pension. However, there is other evidence on the effectiveness of letters, which we have also considered such as the evaluations of APFs<sup>9</sup> and of Combined Pension Forecasts.
39. The APF evaluation findings on the recall and readership of the unsolicited APFs came to light as part of the legal challenge to the December 2024 decision. The timing of the APF evaluation is closer to the December 2006 date when the PHSO said notification letters should have begun to have been sent, and the APFs contained individualised State Pension information (albeit, in the case of APFs, the information was about the recipient's likely amount of State Pension, rather than the age at which they could expect to receive it).
40. The evaluation of APFs tells us that:
- 30% of people in their 40s (with no significant gender differences) had read some or all of the APF mailing<sup>10</sup> and
  - 59% of women in their 50s read some or all of the APF mailing.
41. At the time the research was undertaken, 1950s-born women spanned both categories roughly equally; their ages were from around their mid-40s to mid-50s. The report does not provide a breakdown for 1950s-born women, so it is not possible to robustly calculate figures that represent the cohort. Indicatively, a mid-point of the figures of 59% and 30% would be around 45%. This would support a conclusion that less than half of 1950s-born women read and recalled the APF.
42. We considered this research along with a broad range of further evidence that demonstrates that recall and readership of unsolicited letters relating to pensions is limited. For example:

<sup>8</sup> New State Pension direct mail trial evaluation <https://www.gov.uk/government/publications/new-state-pension-direct-mail-trial-evaluation>

<sup>9</sup> Evaluation of Automatic State Pension Forecasts (2007), <https://webarchive.nationalarchives.gov.uk/ukgwa/20130314011230mp/http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep447.pdf>

<sup>10</sup> The APF mailing included both a letter and leaflets. A slightly smaller proportion of women read the letter alone (26% for people in their 40s, and 57% for women in their 50s), and it may be that this is the more directly comparable statistic if the question is what proportion of the cohort would have read a letter.

- Evidence from 2005 showed that 38% of people aged 16-64 sent a Combined Pension Forecast remembered receiving one<sup>11</sup>.
- Evidence from 2006 showed that 32% of people aged 18-69 (and 42% of women aged 45-54) remembered receiving a State Pension Forecast (including APFs)<sup>12</sup>.
- The evidence from letters sent in 2014 explaining State Pension changes (referred to above) showed that around 26% of people aged 50-63<sup>13</sup> read and remembered letters<sup>14</sup>.

43. The evaluation of APFs also provides evidence on the groups who would be most likely to read such letters. It suggests that those most likely to have read the letters were those with the highest engagement and knowledge already, and that the letters were least effective for communicating to those without pre-existing knowledge. Readership of APFs was associated with higher levels of self-reported pensions knowledge:

- 46% of those with 'good' knowledge read the APF (letter and leaflet), compared with
- 35% of those with a basic knowledge,
- 26% of those with patchy knowledge and
- 16% of those with little or no knowledge.

44. This suggests that those with good knowledge were almost three times more likely to read the APF than those with little or no knowledge, though breakdowns of these figures for each age and gender category are not available<sup>15</sup>. The report concluded (page 94) that *"overall...the evidence suggests negligible influence of the APF on pensions knowledge and retirement planning behaviour"*.

45. The body of evidence we have reviewed indicates that in general, only a minority of people would have read and recalled unsolicited correspondence regarding pensions, and suggests that only a minority of 1950s-born women were likely to have opened and read a notification letter, had it been sent earlier. The evidence also suggests that those who were less knowledgeable would have been less likely to read the letter. We therefore conclude that, for a distinct majority of

<sup>11</sup> Combined Pension Forecasts – a survey of their impact on recipients (2005)

<https://webarchive.nationalarchives.gov.uk/ukgwa/20091222172300mp/http://research.dwp.gov.uk/asd/asd5/rports2005-2006/rrep293.pdf>

<sup>12</sup> Attitudes to Pensions: The 2006 Survey,

<https://webarchive.nationalarchives.gov.uk/ukgwa/20100208141655mp/http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep434.pdf>

<sup>13</sup> The trial was designed to send letters to people reaching their State Pension age within 15 years of April 2016. These people would have been aged 50-63 at the time of fieldwork

<sup>14</sup> New State Pension direct mail trial evaluation

<sup>15</sup> Readership by knowledge category is available for the 50+ group in DWP Research Report 374 'Evaluation of Automatic State Pension Forecasts for the over-50s', but no gender breakdowns are given

<https://webarchive.nationalarchives.gov.uk/ukgwa/20091222172300mp/http://research.dwp.gov.uk/asd/asd5/rports2005-2006/rrep374.pdf>

- 1950s-born women, an unsolicited letter sent earlier informing them of their State Pension age would not have made a difference to what they knew<sup>16</sup>.
46. DWP made the point around the effectiveness of letters during the investigation; however, the PHSO's report does not properly address the important point as to whether a letter would or might change what a woman knew, which is clearly material to whether she suffered injustice as the result of a delayed letter.
  47. The PHSO's report is based on findings in the cases of the six sample complainants. Three of the six sample complainants did not recall receiving any letter about State Pension age from DWP, although they were within the group of women to whom letters were sent, and the Independent Case Examiner had confirmed the correct contact details were held for them at the relevant time. That is consistent with the evidence above regarding readership of letters. However, the PHSO's report has not assessed (on the balance of probabilities) whether the sample complainants who did not remember any letter would have read and remembered an earlier letter; nor has it (on a loss of chance approach) addressed the prospect of them not reading and remembering a letter. Rather, the PHSO's report has assumed that all six complainants would have read and remembered an earlier letter, and thus that an earlier letter would have changed their knowledge of their State Pension age. And the PHSO's report has assessed the extent of any injustice the sample complainants have suffered on that basis.
  48. For the reasons already set out above, we consider that it is unlikely that the sample complainants who do not recall receiving a notification letter at any time would have read and recalled any earlier notification letter informing them of their State Pension age. We consider that point is clearly material to any injustice they may have suffered. We also consider that this point is equally relevant to any injustice that a "typical" complainant might have suffered. Having reviewed a range of evidence, we consider that failing to take account of how effective a letter would have been when assessing injustice is a logical flaw in relation to how the PHSO has dealt with injustice.
  49. On the basis of this flaw, we do not accept the PHSO's approach to injustice.
  50. We agree with the PHSO's finding that there was no direct financial loss.

<sup>16</sup> Other research has been reported to the Work and Pensions Select Committee and referenced by the PHSO in its final report. We have been unable to locate this research and therefore do not include it in the body of evidence mentioned above. It is said to show that 33% of recipients remembered receiving the personalised direct mail in relation to the 2012 State Pension age letter mail out that took place. This refers to 1.3 million personalised State Pension age letters which DWP issued, primarily to women born between April 1953 and April 1955 i.e. the letters that the PHSO said should have been sent earlier. In their report, the PHSO referred to these findings of the independent analysis undertaken by Ipsos MORI: *"An April 2016 ministerial submission commenting on direct mail options notes that previous direct mail exercises had had a low response rate. It highlights that only 33% of people sent letters in 2012 about State Pension age remembered receiving them"*.

# Remedy

## PHSO's comments on remedy

51. When finding maladministration and injustice the PHSO normally make recommendations for an appropriate remedy using their "Principles for Remedy", considering both financial and non-financial remedies.
52. In this case, the PHSO asked Parliament to consider what remedy was appropriate and to *"identify a mechanism for providing appropriate remedy"*. The PHSO shared their *"thinking about remedy, and the standards that influence our thinking, to help guide Parliament in its considerations."*

## Apology

53. The PHSO said that they would have recommended that DWP acknowledge the maladministration and apologise for the impact to those affected. Many women have said that they would like a personal apology, but the PHSO said that timeliness and available resources should also be considered in what would be proportionate.

## Compensation

54. The PHSO stated that they would have recommended compensation at level 4 (£1,000 to £2,950) on their Severity of Injustice scale<sup>17</sup> for all six of the sample complainants, with five of them at the higher end of that scale and one at the lower end. The PHSO also said they would have recommended that DWP provide a remedy for other 1950s-born women who have suffered injustice because of the maladministration they found.
55. The PHSO explain that not all 1950s-born women will have suffered injustice, as some women were aware that their State Pension age had changed, some women would not have had opportunities to do things differently, and some women would not have needed to consider doing things differently. However, they conclude that there will likely be a significant number of women who will have suffered injustice, and the PHSO would have recommended a remedy for them.
56. The PHSO say that as *"a matter of principle, redress should reflect individual impact"*. However, the numbers of people potentially in scope, *"the need for remedy to be delivered without delay, and the cost and administrative burden of*

<sup>17</sup> The PHSO has since increased the amounts for each level of their Severity of Injustice scale by around 25%, so if compensation were paid at the new levels it would be higher.

*assessing potentially millions of individual women's circumstances may indicate the need for a more standardised approach."*

57. PHSO say that Parliament may wish to consider a way of assessing individual claims or if a flat-rate payment may deliver a more efficient solution. The PHSO acknowledged that a flat-rate payment would mean some women receiving more or less compensation than they otherwise would under an individual claims process.
58. The PHSO assessed the cost of a flat-rate payment, based on all 1950s-born women receiving a payment at level 4 of their Severity of Injustice scale, at between £3.5 billion and £10.5 billion<sup>18</sup>.
59. The PHSO recognised the very significant cost to taxpayers, and that public bodies need to balance responding appropriately to people's complaints and acting proportionately with available resources. But the PHSO's report also says, *"finite resources should not be used as an excuse for failing to provide a fair remedy"*.

#### **Work and Pensions Select Committee proposal and evidence sessions**

60. The PHSO asked Parliament to identify a mechanism for providing an appropriate remedy. In May 2024 the Work and Pensions Select Committee held an evidence session on the findings of the PHSO's report<sup>19</sup>. Witnesses included representatives from the WASPI campaign group, Co-Chairs of the All-Party Parliamentary Group on State Pension Inequality for Women, the interim Ombudsman and the PHSO's Director of Legal and Casework.
61. The Chair of the Select Committee then wrote to the Secretary of State for Work and Pensions suggesting that a rules-based scheme should be considered. The letter describes a system where payments are adjusted within a range (based on the PHSO's Severity of Injustice scale) to reflect the extent of change in the individual's State Pension age and the notice of the change the individual received. The letter recognised that such a scheme would not be perfect but said that, in their view, it would be quick to administer, and inexpensive compared to a more bespoke scheme.<sup>20</sup>
62. The letter further suggested that there should also be flexibility for individuals to make a case for additional compensation for direct financial loss.
63. At a further Committee hearing in January 2025<sup>21</sup> the Deputy PHSO presented his thoughts on a compensation scheme, which included self-certification, acknowledging amongst other things that a scheme would want to avoid burdensome investigations. He felt it was not proportionate to expect DWP to

<sup>18</sup> PHSO reported the overall cost of a blanket scheme rounded to £10.5bn. The actual figure based on the whole cohort receiving compensation at the top of level 4 is closer to £10.3bn.

<sup>19</sup> Work and Pensions Select Committee oral evidence session on the PHSO report May 2024: [committees.parliament.uk/oralevidence/14780/pdf/](https://committees.parliament.uk/oralevidence/14780/pdf/)

<sup>20</sup> Work and Pensions Select Committee Chair letter to DWP Secretary of State, 15 May 2024 [committees.parliament.uk/publications/44792/documents/222433/default/](https://committees.parliament.uk/publications/44792/documents/222433/default/)

<sup>21</sup> Work and Pensions Select Committee oral evidence session on pensioner poverty 22 January 2025: [committees.parliament.uk/oralevidence/15266/pdf/](https://committees.parliament.uk/oralevidence/15266/pdf/)



identify people, and he envisaged that people would contact DWP and say that they did not know about the changes. They would then provide a statement about why they did not know and what the resulting impact of not knowing was, as (he stated) one would not want to provide compensation to someone who did know. It was then for DWP to determine what they thought was the proportionate criteria on how to assess any applications. He also said that the Government should consult WASPI and others to understand what they expect from a scheme.

## Service improvements

64. The PHSO explained in paragraph 509 that *their “Principles for Remedy say it is a false economy and poor administrative practice to deal with complaints only as they arise and to fail to correct the cause of the problem. ‘Seeking continuous improvement’ includes that ‘Part of a remedy may be to ensure that changes are made to policies, procedures, systems, staff training or all of these, to ensure that the maladministration or poor service is not repeated. It is important to ensure that lessons learned are put into practice.’”*
65. The PHSO further pointed out that DWP’s Financial redress for maladministration: staff guide and the Government guidance for Managing Public Money, both agree that responding to complaints involves improving systems or processes where appropriate to address the underlying cause of the complaint.
66. The PHSO said that in relation to the maladministration they found that DWP had failed to adequately respond to what research and feedback was telling it, including between 2005 and 2007 when the State Pension age maladministration occurred. The PHSO’s report suggested that Parliament may want to take steps to make sure DWP is held to account to demonstrate continuous improvement in the service it provides.

## Government response on Remedy

### Acknowledgement and apology

67. The PHSO found maladministration resulting in a 28-month delay in sending individual letters to 1950s-born women about State Pension age changes and said DWP should have written earlier. We accept those findings, and we are sorry that we did not write earlier. Having decided that writing letters was the correct thing to do, DWP should have done so earlier.
68. The Secretary of State decided to make a public apology in the House of Commons when announcing the Government response to the PHSO’s report. This is the most proportionate and timely means for communicating an apology to the affected women.

## Compensation

69. Our decision is not to offer a financial remedy based on the reasons provided below.
70. The underlying principle when considering remedy is that the complainant is restored to the position they would have been in if the maladministration had not occurred, or where that is not feasible that they should be compensated appropriately. Where financial payments are considered they should be fair, reasonable and proportionate to the damage suffered. It is therefore fundamental that any compensation scheme targets and awards compensation to those 1950s-born women who experienced injustice. For the purpose of remedy, we have also considered whether compensation should be given to those 1950s-born women who were aware State Pension age was increasing, on the basis that it is reasonable to expect them to check how this change affected them personally.
71. The remedy decision takes account of a large number of complex issues. In summary, we have considered:
- the evidence that a significant majority of women knew that State Pension age was changing;
  - the overall costs of paying compensation; and
  - the feasibility of delivering a targeted compensation scheme, which takes into account fairness, fraud and error and value for money considerations.
72. We have also considered the PHSO's findings on injustice and how they play into remedy. This section deals with injustice and awareness separately, and then goes on to consider the issues relating to costs and compensation schemes.
73. When considering the above we have taken into account particularly:
- The PHSO's two investigation reports.
  - The PHSO's "Principles for Remedy" and "Our Guidance on Financial Remedy"<sup>22</sup> which guide public bodies in providing remedies for injustice and hardship resulting from maladministration or poor service.
  - Parliament's views (notably the views of the Work and Pensions Select Committee).
  - The views of key stakeholders, including but not limited to those of the Deputy PHSO and the affected women.
  - The points raised by the PHSO and WASPI Ltd as part of the Court proceedings.

<sup>22</sup> [https://www.ombudsman.org.uk/sites/default/files/Our-guidance-on-financial-remedy-1\\_0.pdf](https://www.ombudsman.org.uk/sites/default/files/Our-guidance-on-financial-remedy-1_0.pdf) The Severity of Injustice scale in the guidance was updated in 2024 but we considered the range in place when PHSO conducted their investigation, which puts level 4 at £1000 - £2950.

- DWP and wider external research, including research on State Pension age knowledge/awareness and on the effectiveness of letters.
- Broader factors such as macro-economic issues, and managing public money<sup>23</sup> principles of regularity, propriety, value for money and feasibility. The public, and Parliament acting on their behalf, have a right to expect that funds raised using powers agreed by Parliament will be used for the purposes intended. We have a duty to use public money responsibly. Much of what managing public money requires is good common sense and sound financial management.

### **The PHSO's finding of injustice**

74. As described above, the purpose of a remedy scheme would be to address the injustice which the PHSO found. As already covered, the PHSO found no injustice for direct financial loss. In summary, the PHSO's findings on injustice related to complainants losing opportunities to make informed decisions about some things and to do some things differently, and diminished their sense of personal autonomy and financial control. The PHSO have also described the injustice by saying that the sample complainants lost the chance to "*receive, read and act on a letter earlier*".
75. The PHSO found that DWP should have written earlier, and this period of lost opportunity has caused injustice. The PHSO suggest that the appropriate level of compensation on their Severity of Injustice scale for the six sample complainants is level 4 (£1,000-£2,950).
76. However, we must consider the logical flaw we believe the PHSO made in making the finding of injustice; that is, the PHSO failed to consider properly whether 1950s-born women would have read and recalled a letter had it been sent to them earlier. The PHSO considered whether the three sample complainants who *did* remember getting letters would have remembered getting earlier letters. But as we have explained, the PHSO should also have considered whether the three who *did not* remember getting letters would have remembered getting earlier letters, rather than simply assuming they would have done.
77. The PHSO has described the injustice elsewhere as a loss of chance to "*receive, read and act on a letter earlier*". However, the PHSO does not properly engage with this either. The PHSO does not attempt to quantify the loss of chance. If a chance is lost to "*receive, read and act on a letter earlier*" it is logical to assume that the chance of reading such a letter, when sent, is material in order to assess the extent of the injustice suffered.
78. When making our new decision, we have looked at the body of evidence available, which suggests that only a minority of 1950s-born women would have read and recalled an unsolicited letter regarding pensions. As previously detailed,

<sup>23</sup> Managing public money, <https://www.gov.uk/government/publications/managing-public-money>

evidence also suggests that those most likely to have read the letter were those who were more knowledgeable on the subject.

79. We therefore conclude, based on the evidence, that for a majority of 1950s-born women, an earlier letter would not have influenced the choices they could or would have made.
80. We consider that there would be two possible approaches in such cases, if we were to attempt to compensate women only for injustice actually suffered. One would be to attempt to ascertain whether (on the balance of probabilities) any given complainant would or would not have read and remembered an earlier letter, and to provide compensation only to those who we consider would have read and remembered it and did not already know their State Pension age had changed. The other would be to assume that all complainants had lost the same chance to read and remember an earlier letter, but to reduce compensation to take into account the substantial chance that any “typical” complainant would not have read and remembered the letter.
81. We consider that both of these have substantial problems. Firstly, we do not consider that there would be any remotely practicable way of setting up a scheme which was capable of reliably assessing whether any given complainant would have remembered and read an earlier letter nor whether it would have affected what they knew or did (see section on assessing eligibility below). As to the second approach, this would under-compensate those who would have read and remembered an earlier letter, and over-compensate those who would not. It would be a blunt instrument to deal with compensation.
82. Conversely, the suggestion put forward by the PHSO of setting up a scheme to compensate all 1950s-born women at the level 4 range would, if adopted, mean that DWP was substantially overcompensating a very large number of complainants. It would not represent a responsible use of public money.
83. We have not reached a decision to offer no financial remedy solely on the basis that the majority of 1950s-born women would not have read and remembered an earlier letter. We have considered other factors and reached the decision on the basis of those factors as well as we explain below.

#### **Awareness of changes in the State Pension age**

84. The announcement<sup>24</sup> that the Government had decided to equalise the State Pension age to 65 was made in the 1993 Budget statement by the then Chancellor of the Exchequer, Kenneth Clarke. It meant no women aged 45 or over in 1995 (i.e. those born before 6 April 1950) were affected by the decision to equalise the State Pension age.
85. The changes were enacted through primary legislation and there was a 15-year period from 1995 to 2010 when the changes started to take effect. As such it was deemed there was sufficient time for people to adjust their plans. Broadly

<sup>24</sup> <https://hansard.parliament.uk/%E2%80%8CCommons/1993-11-30/debates/b5d33477-86a7-4324-9774-53b97f04881e/StatePensionAge>

speaking, the window of opportunity for 1950s-born women to make alternative choices as a result of the equalisation of State Pension age spanned between 15 – 30 years depending on a woman's date of birth.<sup>25</sup>

86. Despite there being no legal duty to notify those affected by the change in State Pension age change, which the High Court and Court of Appeal confirmed in 2019 and 2020, DWP used a variety of methods to communicate these changes. This included using leaflets explaining the legislative changes and advertising campaigns to raise awareness. From 1995, there was the ability to request personalised information in the form of a State Pension Forecast which showed when a person would reach State Pension age, according to the legislation at the time requested. In addition, there was extensive media and TV news coverage of the changes in the State Pension age. See Annex A for more details on communications.
87. We can see from research in 2004<sup>26</sup> that 43% of all women affected by the Pensions Act 1995 knew their State Pension age was not 60 (that is, they thought it was either 65, or between 60 and 65). That 43% figure included all age groups from age 16 upwards, and included women born in the 1960s, 1970s and 1980s.
88. The PHSO placed particular emphasis upon the 43% figure, concluding that there was a need to provide targeted information to 1950s-born women, were 43 to 54 at that time. The evidence also shows that awareness that women's State Pension age was increasing was high amongst the 1950s-born respondents.
89. The research from 2004 also showed that 62% of working age women and 73% of people aged 45-54 (the age group best aligned to 1950s-born women)<sup>27</sup> said that they were aware that State Pension age was increasing. The 45-54 age group had the highest levels of awareness.
90. By 2006, the same year the PHSO found the direct mailing should have begun, further research showed that awareness among the 45-54 age group<sup>28</sup> that State Pension age was increasing had increased to 90%<sup>29</sup>.
91. Separate academic research also showed high levels of awareness in 2006/07, with 85% of women aged 48-59 aware that State Pension age was increasing<sup>30</sup>.
92. Overall, the evidence therefore shows both that a very substantial majority of 1950s-born women were aware the State Pension age was changing and that

<sup>25</sup> A woman born April 1950 would have been 45 in 1995 and would have reached State Pension age in 2010 on or around her 60<sup>th</sup> birthday; a woman born April 1960 would have been 35 in 1995 and reached State Pension age (based on the 1995 Pensions Act) on her 65<sup>th</sup> birthday

<sup>26</sup> Public awareness of State Pension age equalisation - <https://webarchive.nationalarchives.gov.uk/ukgwa/20130314011743mp/http://research.dwp.gov.uk/asd/asd5/rports2003-2004/rrep221.pdf>

<sup>27</sup> The 1950s-born women were 43-53 during the 2004 research.

<sup>28</sup> The 1950s-born women were 46-56 during the 2006 research.

<sup>29</sup> Attitudes to pensions: The 2006 survey - <https://webarchive.nationalarchives.gov.uk/ukgwa/20100208141655mp/http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep434.pdf>

<sup>30</sup> [Inequalities in women's awareness of changes to the State Pension Age in England and the role of cognitive ability | Ageing & Society | Cambridge Core](#)

awareness the State Pension age was changing was generally on an upward trend at the time the PHSO said letters should have been sent in 2006.

93. It is not surprising that the great majority of 1950s-born women were aware that State Pension age was changing. They were approaching retirement, so that information about State Pension age was likely to have been particularly important to them.
94. We do not know from those 62%, 73%, 90% and 85% awareness figures amongst women who were aware that State Pension age was changing, what those women understood their own State Pension age to be. But we do know that the substantial majority were aware that the State Pension age was changing.
95. It would not be right to pay taxpayers' money to those 1950s-born women that did know their own State Pension age, as they cannot have suffered any injustice. That of course does not apply to all those who were aware that State Pension age was changing. But it will apply to at least many of them (even if it is impossible to say exactly who it does apply to, for the reasons set out under "assessing eligibility").
96. There is also the question of whether it would be right to set up a scheme which would entail compensating the very substantial majority of 1950s-born women who were aware by 2006 that State Pension age was changing, even if they may not have been aware of their own State Pension age. We consider that such knowledge meant those women could go on to check how the increase in State Pension age affected them. This is what the Government at the time the changes were enacted envisaged they would do, as described below.
97. The High Court considered DWP's communications approach in 2019<sup>31</sup> and stated in paragraph 94 that *"The approach to communicating the changes to SPA [State Pension age] from the 1995 Act onwards are, it is said, consistent with that [DWP's] general approach. As part of the 'Compliance Cost Assessment' of the 1993 White Paper it is clear that the government at the time saw its role as one of publicising the changes generally, but considered that individuals were primarily responsible for finding out how they were affected by changes in primary legislation, and that affected citizens would be notified individually by their employers or occupational pension providers, since at that period the State Pension age and the age of retirement from work were generally synonymous"*. At paragraph 122 the High Court also shared its findings on providing individual notice of State Pension age changes: *"In our judgment in the instant case there is no question of a clear and unambiguous undertaking that the individuals affected by these successive Acts of Parliament would be given individual notice of the changes to SPA affecting them"*.
98. Retirement is a significant step in life. It is reasonable to expect people to plan for it, to take personal responsibility and check expert advice. This is particularly

<sup>31</sup> <https://www.judiciary.uk/wp-content/uploads/2019/10/Delve-and-Glynn-v-SSWP-CO-3174-2018-Final.pdf>

the case if they are aware that State Pension age is increasing. Moreover, many of these individuals may have been aware of how the changes would affect them personally as a result of the significant amount of information provided by DWP- for example, through helplines, in the local and national press and radio, cinema and TV, magazines and specialist publications, by their employers and trades unions, through an online checker, on the internet, in Jobcentres and through charities and advice groups. There was also information on buses, phone boxes, in post offices and at exhibitions like the Ideal Home Show. We note in this regard that the PHSO found that accurate information about changes to State Pension age was publicly available, such as in leaflets, through DWP's pensions education campaigns, through DWP's agencies and on its website.

99. We consider that a number of readily accessible avenues were available to women to check their own State Pension age. Information was available in 2006 that women who were aware that the State Pension age was changing, could have accessed to find out more about how the changes in State Pension age impacted them personally. For example:
- i. There were a range of guides/leaflets available including
    - a. A Quick Guide to Pensions Leaflet, (February 2006), Pensions: the basics
    - b. A Guide from the Government Leaflet, DWP (September 2006), and
    - c. 'State Pensions – Your Guide', (November 2005)
  - ii. Enquiries could have been made by contacting the DWP either by attending a local benefits office, via telephone or post. DWP would have been able to provide information based on the individual's date of birth and gender. This included requesting a personalised State Pension Forecast from DWP, which would have indicated when they reached State Pension age.
  - iii. Information was available via external organisations such as Citizens Advice.
  - iv. Information was available online via the Government's website or through an individual using a search engine to determine their State Pension age. There was also an online State Pension age checker<sup>32</sup>.
  - v. Information was available from The National Pensions Debate (2006) which included public consultation; and State Pension age changes were included in advertorials that appeared in women's and TV listings magazines, the Reader's Digest and community media.

<sup>32</sup> Introduced around 2001. Originally on the Department for Social Security website, and then on the Pension Service website.

100. We accept the evidence shows that in 2004, around 27% of 1950s-born women were not aware that State Pension age was changing and that this had reduced to around 10%-15% of 1950s-born women not being aware in 2006. Whilst small proportionately, this is still a significant number of 1950s-born women. Such women would not have been aware they might need to check their own State Pension age, and we accept that if they would have read and remembered an earlier notification letter, and might have done something different as a result, they will have suffered injustice accordingly. However, the likelihood is they would not have done this, as evidence shows that those least likely to read an unsolicited letter on pensions are those with little or no engagement with pensions.
101. In fact, given the very large majority of 1950s-born women who were aware that the State Pension age was changing, together with the practical impossibility of accurately assessing who was aware of their own State Pension age and who was not, we consider it would not be right to set up a scheme which compensated this cohort, even if letters had been universally read and recalled (which they were not).
102. Moreover, the evidence on the ineffectiveness of letters also combines with the evidence on the awareness of State Pension age changes amongst 1950s-born women in a stark way. Paying compensation would mean taxpayers' money being spent where the substantial majority of the group were aware that the State Pension age was changing, and another majority would not have read and recalled a letter sent to them, so that sending a letter earlier would in practice have not made a difference in their cases.
103. The following sections deal with the feasibility and costs associated with delivering compensation schemes. Some points have been touched on already in the discussion above.

## **Assessing eligibility**

### **Individualised assessment scheme**

104. As discussed above any remedy should be fair, reasonable and proportionate to the damage suffered. In order to ensure that any remedy was proportionate, we would need to set up a compensation scheme that identified the affected women and assessed them against the relevant criteria (for example the specific injustice suffered).
105. A scheme that assessed individual claims would be the fairest way to compensate individuals as it would help to ensure that it only paid compensation to those people who suffered injustice and that they received a remedy that reflected the extent of any injustice they had suffered. This would reduce the risk that anyone was over or under compensated.



106. The PHSO found that individuals' letters were delayed by between 4 months and 4 years 2 months<sup>33</sup>. So, to determine the impact of the delayed letter, DWP would need to look at each individual claim and consider among other matters:

- What the complainant knew about their State Pension age at the point the PHSO concluded a letter should have been sent. (If they knew their State Pension age, there is no impact and no reason to compensate.)
- What they would have done differently if they had known their State Pension age earlier. (If they would not, or could not, have done anything differently there is no impact and no reason to compensate)
- Whether they remember receiving a State Pension age direct mail notification letter. (If they do not remember receiving a letter at any point, this may be relevant to whether they would have opened and read an unsolicited letter sent earlier.)

107. It is difficult to envisage what evidence 1950s-born women may have now, of what they knew about their State Pension age, what they might have done differently or how they could show that they would have read and remembered a letter sent earlier. Many women are unlikely to have evidence to support their assertions. The decision would need to be reached on a balance of probabilities (that is more likely than not that the award is justified)<sup>34</sup>, which is complex and requires judgement, so would require people at a decision-making grade.

108. Accepting that it would be very difficult for 1950s-born women to evidence and remember events around 20 years ago, their claims would largely be based on assertion. Where DWP currently have complaints with no or very little evidence to support their claim, we can refuse redress<sup>35</sup> - but the inherent difficulties of providing evidence in respect of matters taking place such a long time ago means that it would likely be seen as unfair for DWP to apply that approach in this instance. However, without supporting evidence, DWP would be faced with the problem of being unable to effectively assess cases to determine whether claimed impacts from the maladministration are accurate reflections of injustice suffered. So, whilst individual assessment might appear to be the best solution for identifying those who merit redress, the reality is that it would be impossible to guarantee we were only paying those who had suffered injustice. These difficulties also mean that we cannot be certain we can prevent fraud and error, which would raise propriety and value for money concerns<sup>36</sup>.

<sup>33</sup> The PHSO reference a "28-month delay" in sending letters. But at an individual level they say people are affected differently and they create a mailing schedule to show the individual impacts.

<https://www.ombudsman.org.uk/sites/default/files/Women%E2%80%99s-State-Pension-age-our-findings-on-injustice-and-associated-issues.pdf> – see Annex B.

<sup>34</sup> The standard applied in civil proceedings.

<sup>35</sup> Such claims would be very difficult to assess fairly. We would not usually award redress solely on an individual's assertions and we would check for other information, such as customer records to help corroborate what happened. However, we have considered what records DWP might still hold from 2006, and concluded it is unlikely that DWP will hold anything to support or refute the claims either.

<sup>36</sup> Also, the individual might very well disagree with the decision. In order to be fair we might want to provide an appeal process. That would add an extra layer of administrative difficulty and cost, which would have all the same problems of needing to make subjective judgements and would take extra time.

109. We also think such a scheme would be wholly impractical, as we expect a large number of 1950s-born women would apply. We would not expect all 1950s-born women to make a claim as many will not have suffered injustice, for example because they would not have any opportunities to do anything differently when the PHSO concluded that DWP should have written to them. However, there are a number of factors that would drive take-up. For example, we would expect:

- campaign groups to support a claims process;
- promotion from key stakeholders including Parliamentarians and high profile consumer experts;
- that ease of process will not deter people;
- claims management companies to intervene to encourage people to claim in exchange for a share of their compensation; and
- claims from women who have suffered no injustice, as it may be difficult for them to recall their circumstances around 20 years ago.

110. Given the increased propensity for fraudulent activity in society and the erosion of trust in institutions, some people may inflate their claim to what they think they should get, rather than what they are entitled to (particularly in circumstances where certain aspects of asserted claims – such as information on an individual's state of knowledge in the past – are so difficult for DWP to test or verify). For example, many women are unhappy with the State Pension age increases that raised the State Pension age for women beyond 60, aligning it with men, and especially the escalation of those increases introduced in the Pensions Act 2011 which accelerated equalisation, bringing it forward by 18 months. The 2011 Act also brought forward the increase in State Pension age for all to 66, five and half years earlier compared to the Pension Act 2007. The maladministration, which occurred between 2005 and 2007, is separate to the policy change which was agreed by Parliament. But this has not stopped people asking for redress and citing financial 'losses' in relation to the policy change.

111. It is challenging to accurately estimate take-up of a compensation scheme for the 1950s-born women cohort, although for the reasons already given, we expect claim volumes to be high. We consider it is appropriate to use the mid-point, i.e. a 50% take-up, as a starting point for illustrative purposes only<sup>37</sup>. This could be an overestimate or an underestimate. For example, if 50% of the 3.5 million cohort submitted a claim to establish whether they qualified for compensation, then, based on DWP's experience of running the State Pension Underpayments

<sup>37</sup> In the December 2024 decision we used 60% of claims as an illustration, explaining that this could be an overestimate or an underestimate. As we cannot confidently estimate the volumes, we have decided it is more appropriate to use 50% as this is the mid-point of the possible range, although we think take-up will be dependent on the scheme that is operated.

LEAP<sup>38</sup> exercise and managing complex special payments cases<sup>39</sup>, it would take approximately 1,850 full time staff, at a cost in the region of £275 million<sup>40</sup>, around 2 to 3 years to process the claims<sup>41</sup>. (We have used the State Pensions Underpayments LEAP exercise to establish process and productivity only, on the basis that cases would be similarly complex even if different in nature.)

112. We consider it would be very difficult to deliver a compensation scheme for 1950s-born women quickly, as the productivity levels would be similar to the State Pensions Underpayments LEAP exercise and the likely caseload would be very much bigger<sup>42</sup>. The estimates are based on analogous caseload and complexity of cases with agents clearing on average 2 cases per day<sup>43</sup>.
113. DWP would need to recruit and train new people, which could take around 12 months to do. In addition, existing staff would need to be re-deployed away from administering other claims to fully (and adequately) train new staff. Transferring any number of existing staff to administer such a scheme would have consequential costs and impacts on the administration of current benefit claims, which could disadvantage some of our most vulnerable pension age customers and other claimants.
114. Given all this we consider it would not be a feasible option to pursue within realistic and reasonable timescales and costs limits.

#### **“Streamlined” compensation scheme approaches**

115. The PHSO suggested in paragraphs 502 and 503 that in circumstances such as these where there is *“the need for the remedy to be delivered without delay, and the cost and administrative burden of assessing potentially millions of individual women’s circumstances”*, may require a more standardised approach. They suggested Parliament may want to consider whether *“a flat-rate payment would deliver more efficient resolution, recognising that will inevitably mean some women being paid more or less compensation than they otherwise would.”* We have looked at the range of compensation schemes that aim to remedy injustice and have concluded that this could be a self-certification scheme or a blanket payment scheme to all 1950s-born women.
116. A self-certification scheme would invite eligible women to self-certify their claim. For example, they could be required to respond to a series of closed questions to determine whether and to what extent they had suffered injustice. Compensation could be a flat rate amount for every claim that was determined as eligible. Such a scheme would be simpler and quicker to deliver than

<sup>38</sup> Legal Entitlements and Administrative Practices (LEAP).

<sup>39</sup> The caseloads for both are analogous, have a similar level of complexity and use Executive Officer grade decision-makers, as decisions require judgement.

<sup>40</sup> Costs for IT kit and initial training are included, but clerical costs such as a supporting telephony service are excluded. (An internal review process is assumed for illustrative purposes. A review process would need to be introduced as a matter of fairness and would have the same problems of needing to make subjective judgements.)

<sup>41</sup> The administrative costs are less than they were in the December 2024 decision. This is due to a number of factors including revised claims volumes and FTE figures; and a more detailed set of resourcing assumptions.

<sup>42</sup> At its peak State Pension Underpayments LEAP employed 1,500 staff. Expertise was built up over time – e.g. it took 12-months to train people and there were high levels of attrition.

<sup>43</sup> The National Special Payments Team completes on average one complex case per day and 2-3 more straightforward cases, whereas the State Pension LEAP exercise cleared 2 cases on average per day.

individualised assessments. Based on the illustrative 50% take-up it is feasible that this scheme could be delivered with around 670 full time staff over a 2-3 year period, with costs of around £90 million<sup>44</sup> and digital costs of at least £2.3 - £3.4 million<sup>45</sup>.

117. This scheme has some similarities with that presented to the Work and Pensions Select Committee by the Deputy PHSO in January 2025, which included a self-certification statement as evidence. But that proposal does not appear as straightforward as it also includes making an assessment over the phone, which places it somewhere between an individualised assessment and self-certification scheme.
118. As with the individualised assessment scheme we think, for all the reasons stated previously, that claim volumes will be high. We would also expect it to be greater than it would be in an individualised assessment scheme as a digital self-certification scheme would be very simple to navigate, with for example “yes” and “no” type responses which require very little effort. We would need to quantify this assumption about this increased take-up, hence a 50% take up is illustratively used for this approach also.
119. The practical problem with such a scheme is that the information put forward by the claimant is assumed to be true (unless proven otherwise). But the Department is unlikely to hold information to verify these claims as any evidence of contact with the Department will no longer be held in line with departmental rules<sup>46</sup>. Even by asking targeted questions it will be very difficult to get reliable information in respect of issues as to who would have opened and read a letter, beyond asking if the claimant recalls opening and reading the actual letter sent.
120. We know that many 1950s-born women did not suffer injustice based on the PHSO’s findings; and many women will not make a claim as they know they are not eligible for compensation. But as described above it is not at all straightforward for women to recall their circumstances around 20 years later and claims could be made incorrectly in good faith. Also, DWP would have no way of checking the accuracy of any claims – for example because DWP could not determine when an individual became aware of the changes to State Pension age, whether they would have had opportunities to do things differently, or whether they read and remembered letters.
121. The fact that DWP would have no means of verifying an individual’s claim that they did not know about the changes to the State Pension age is particularly problematic in the context of the evidence of high levels of awareness among the relevant cohort that State Pension age was changing. People may also misrepresent their circumstances to obtain compensation, introducing a fraud

<sup>44</sup> Excluding recruitment, and any FTE saving because of digital identify verification

<sup>45</sup> As compensation is intended to remedy the level of injustice, we could also consider asking some open questions and vary the compensation payment to reflect the responses. This would come at increased cost, and the decision may require judgement, and Executive Officer decision-makers, if the questions were not closed.

<sup>46</sup> If a request for a forecast had come in prior to their State Pension age then it is unlikely that the Department would have any record of this.

risk. There would be a very significant risk of a high proportion of payments being unjustified, and DWP could not provide any guarantee that payments only went to people for whom the compensation was intended.

122. A blanket scheme where we provide a flat-rate compensation payment to all 1950s-born women eligible for the State Pension would ensure that all women who had experienced injustice received compensation, but it would also involve paying huge amounts of money to women who did not experience injustice or were aware that State Pension age was increasing.
123. The self-certification scheme, and the blanket payments scheme in particular, permit a greater amount of automation and are comparatively quicker and less costly to set up compared to an individualised assessment scheme. However, it is very difficult to justify either scheme on value for money or propriety grounds, or on the basis of fairness, as we would be paying many people regardless of whether they had suffered an injustice. Managing Public Money principles recommend each case is assessed on its merits, which making blanket payments does not do. (Although the self-certification scheme is built around the premise that payments will only be made to those people who have suffered an injustice, as referenced above, we cannot guarantee that a large number of unjustified payments will be made due to the passage of time and the very substantial potential for fraud and error.)
124. We have also carefully considered some alternative approaches including the proposals put forward by the Work and Pensions Select Committee in May 2024, but these schemes are either variants of the options provided above or do not make payments based on injustice.
125. For example, the Work and Pensions Select Committee proposed a rules-based system where *“payments would be adjusted within a range...to reflect the extent of change in the individual’s State Pension age and the notice of the change the individual received...the less notice you had of the change and the bigger the change in your SPA , the higher the payment you would receive.”* Given the findings of the investigation, we could take *“notice”* in this context to be the difference between the date they were sent their State Pension age direct mail letter and their 60<sup>th</sup> birthday. We do not have specific dates for this, but we know broadly when letters were sent and to which age group. Although a broadbrush approach, there is some merit in linking to when the letters were sent as the PHSO found that DWP did not send them early enough.
126. A rules-based approach based on known data is clearly more straightforward than having to take and process applications. However, it is essentially a variant of the blanket payment scheme<sup>47</sup> and would provide compensation to people regardless of whether they had suffered an injustice or not. The variation in the compensation rate would not reflect individual impacts, with some people being over compensated and others undercompensated. It is therefore difficult to justify

<sup>47</sup> The digital build would be slightly more costly and complex though, as the payment varies depending on the person’s date of birth because date of birth determined both what the changed State Pension age would be and when DWP wrote to them.

this scheme on value for money and propriety grounds. This approach is also linked to changes in the policy (i.e. the increase in State Pension age), rather than the way in which the policy was communicated, as the amount changes depending on the increase. The PHSO are clear that the effect of the change in the State Pension age is not what their report is considering. The change of State Pension age was made by Parliament in primary legislation. It is not appropriate to pay compensation in relation to such changes<sup>48</sup>.

### **Affordability**

127. We must also consider the context of the current public finances and competing departmental priorities. The public finances remain challenging and as a fiscally responsible Government we have to be prepared to make tough decisions.

128. Compensation payments vary depending on the scheme, and the PHSO recognised the significant cost to the taxpayer of compensating all 1950s-born women who were affected by the maladministration. But the PHSO also say that *“finite resources should not be used as an excuse for failing to provide a fair remedy”*. Compensating all 1950s-born women at the level 4 range would cost between around £3.5 billion and £10.3 billion of public funds, excluding the costs of staff and IT to administer this, which depending on the scheme could add significant extra costs<sup>49</sup>.

129. Paying compensation payments of up to £10.3 billion would involve paying out an amount close to the Department’s entire running costs, which for Financial Year 25/26 are circa £11 billion, and would therefore be entirely outside the scope of the agreed annual departmental budget. As no money has been set aside for it, the burden of such a significant financial commitment would fall on current and future taxpayers, and there are very clear indications that borrowing today will greatly restrict opportunities to improve public services<sup>50</sup>.

130. This Government is supporting vulnerable pensioners by increasing the rate of the State Pension, supporting the poorest through Pension Credit, and investing more money in the NHS.

131. The Government has announced its current priorities in the recent Budget. These were:

- **Cost of Living:** Including capping energy bills, freezing rail fares, expanding free school meals, and warm homes support.
- **Public Services (NHS):** Making significant investment to reduce waiting lists, protecting and strengthening vital services.

<sup>48</sup> The Work and Pensions Select Committee also recommended a separate outlet “for individuals to make the case, after they have received the payment using the rules-based system...that they experienced direct financial loss and that they are therefore due a higher level of compensation. Such a system would need specific criteria for people to be able to apply”. The PHSO did not find any evidence of direct financial loss and stated that such evidence would be very unlikely. We agree with that finding.

<sup>49</sup> Payment levels could vary for a number of reasons – for example for option 1 complainants are being individually assessed so the payment will reflect the degree of injustice, and there was a circa £2000 variance in suggested compensation within the PHSO’s sample caseload.

<sup>50</sup> CP 1343 – Office for Budget Responsibility – Fiscal risks and sustainability

- **Economic Growth & Investment:** Boosting capital investment in infrastructure (roads, rail, schools), focusing on research and development and implementing supply-side reforms for long-term growth.
- **Welfare Reform:** Abolishing the two-child limit to lift hundreds of thousands of children out of poverty.

132. Those were difficult choices to make with limited public funds, but the Government decided that it was the appropriate way to spend public funds to meet its stated priorities.

### **Decision not to pay compensation**

133. For all these reasons of propriety, fairness, value for money and feasibility we have decided not to introduce a financial compensation scheme.

134. This decision takes into account a broader perspective of fairness and fiscal responsibility, as Government must do. Making awards to up to 3.5 million people, very many of whom will not have suffered injustice and/or will have been aware that the State Pension age was increasing, is neither fair nor affordable, particularly during a period of great pressure for the public finances. And there is no acceptable way to set up a scheme for any such payments, for the reasons we have explained above.

135. Not making compensation payments does not mean that the Department takes no action. As noted by the PHSO, remedies can include financial and non-financial measures. Whilst there has been no direct financial loss, the Government understands that many 1950s-born women may have experienced a feeling of a loss of opportunity or personal autonomy. We are sorry that we did not send individual letters to 1950s-born women earlier.

### **The sample complainants**

136. The PHSO selected a sample of six complainants and investigated their complaints in detail. These women have been involved in the investigation for many years and provided lots of personal information to the PHSO for their investigation. We appreciate this may have been difficult at times. The result of the sampling approach is that we have more information about the sample complainants than we do about other individual 1950s-born women and our position as set out above applies differently to the sample complainants. For example, the PHSO determined when each of the sample complainants became aware of the changes to the State Pension age. And as already covered, we also know that three of the sample complainants reported receiving the notification letter and three did not, despite the ICE having confirmed the correct address details were held. So there remains some uncertainty as to the levels of injustice.

137. The sample complainants were selected by the PHSO because the PHSO considered they represented the range of issues being complained about. Therefore, it is likely there are other 1950s-born women in very similar situations who were not selected by the PHSO. They may even have submitted a complaint

to the PHSO. It would not be fair to pay compensation to some and not others based purely on who the PHSO chose as representative of their caseload. We have therefore concluded that it would not be appropriate to pay compensation to the six sample complainants.



# Service improvements and learning lessons

138. The Government response on injustice and remedy is set out above.

139. DWP recognises the importance of continuous learning, so separate to the remedy position, we reaffirm the Department's commitment to learning lessons and will take action to build on the work we have already started. We will:

- resume developing and publish an Action Plan that focuses on State Pension communications so that lessons from the investigation can be learnt.
- build a communication strategy for effective, timely and modern communications on the State Pension; and
- set clear and sufficient notice of any future changes in the State Pension age.

# Annex A – Chronology of State Pension age related communications activities 1991-2013 - highlights

Date	DWP State Pension communications
1991	<b>Green paper: “Options for Equality in State Pension age”</b> <ul style="list-style-type: none"> <li>Public consultation on the policy rationale <b><u>which received 4000 responses.</u></b></li> </ul>
1993	<b>White paper: “Equality in State Pension age”</b> <ul style="list-style-type: none"> <li>Set out the Government’s intention to equalise men and women’s State Pension age at 65.</li> </ul> <b>Leaflet (EPQ1): “Equality in State Pension age – A summary of the Government proposals”.</b> <ul style="list-style-type: none"> <li>Pre-empted 1995 Act and informed individuals about the changes to State Pension age</li> </ul> <b>Poster for Social Security Offices</b> <ul style="list-style-type: none"> <li>Included a telephone number to request EPQ1</li> </ul>
1995	<b>DSS Pension order-line set up</b> <b>Leaflet (EQPLA): “Equality in State Pension age – A summary of the changes”.</b> <ul style="list-style-type: none"> <li>Informed individuals about the State Pension age changes, the specific impact on women, and included a table showing date of birth and proposed new SPa. <b>Republished in 1996.</b></li> </ul> <b>State Pension Forecast</b> <ul style="list-style-type: none"> <li>Requested by post and telephone (and recently online).</li> </ul>
1996	<b>Booklet (EQP201): “Changes to your future – Will the Pensions Act affect your State Pension?”</b> <ul style="list-style-type: none"> <li>Provided an overview of the Pensions Act 1995 and its implications.</li> </ul>
1997	<b>Pension Power pilot campaign</b> <ul style="list-style-type: none"> <li>Trade Union Congress led campaign and helpline aimed at women</li> </ul>
1997	<b>Pensions Education Working Group (1997-2000)</b> <ul style="list-style-type: none"> <li>Stakeholders included Trade Union Congress, Natwest, Equal Opportunities Commission.</li> <li>Produced a report called ‘Getting to know about Pensions’ which recommended that the Department “<i>should develop a major pensions educations and awareness programme.</i>”</li> </ul>

1998	<b>Multi-channel Pensions Education Campaign</b> <ul style="list-style-type: none"> <li>• Encouraged ownership of pensions stating ‘don’t leave it to chance’.</li> <li>• Approach included press, adverts, leaflets about SPa changes directed at women, a website (www.gogetpensions.gov.uk) and direct mailings to 75,000 individuals.</li> </ul> <p><b><u>DWP received 1.5 million requests for information leaflets (including from 8000 organisations).</u></b></p>
1999	<b>Pension Power for You campaign</b> <ul style="list-style-type: none"> <li>• Trade Union Congress led helpline promoted through radio and press.</li> <li>• <b><u>Received 6500 calls in the first 5 days, of which 56% were about State Pension.</u></b></li> </ul>
2000	<b>1998 Multi-channel Pensions Education Campaign (extended)</b> <ul style="list-style-type: none"> <li>• Approach included press, TV, women’s magazines</li> </ul>
2001	<b>New multi-channel Pensions Education Campaign</b> <ul style="list-style-type: none"> <li>• Encouraged retirement planning.</li> <li>• A creative approach worth £6.5m including leaflets, TV advertisements, cinema and supported by stakeholders.</li> <li>• <b><u>1 million website visits, 2 million guides were issued, and 430,000 calls to the helpline.</u></b></li> </ul> <p><b>Leaflet (PM2)</b></p> <ul style="list-style-type: none"> <li>• Updated to include reference to SPa.</li> </ul> <p><b>Website</b></p> <ul style="list-style-type: none"> <li>• Included SPa checker.</li> </ul>
2003	<b>Automatic Pensions Forecasts</b> <ul style="list-style-type: none"> <li>• Including a booklet notifying women about increases to State Pension age, guide to State Pension and planning for retirement.</li> </ul> <p><b><u>Approximately 17.8<sup>51</sup> million sent to individuals between 2003 and 2006.</u></b></p>
2004	<ul style="list-style-type: none"> <li>• Range of Pension Service booklets updated to include references to SPa changes. Booklets were available through telephone request, and from the Pension’s website.</li> </ul>
2006	<b>Public consultation</b> <ul style="list-style-type: none"> <li>• National Pensions debate</li> </ul>
2008	<b>Marketing activity aimed at women</b> <ul style="list-style-type: none"> <li>• Included TV adverts</li> </ul>
2009 to 2011	<b>Direct mailing</b> <ul style="list-style-type: none"> <li>• Letters to all individuals affected by the Pensions Act 1995 using postal address held on DWP’s customer information system.</li> <li>• <b><u>1.2 million letters sent to women.</u></b></li> </ul>
2012 and 2013	<ul style="list-style-type: none"> <li>• <b>Direct mailing</b></li> <li>• Letters to all individuals affected by the Pensions Act 2011.</li> <li>• <b><u>5 million letters and information leaflets.</u></b></li> </ul>

<sup>51</sup>16 million is referenced in the APF report because the evaluation of APFs did not include self-employed people.

# Annex B - Equality Analysis

For decision on whether to provide financial compensation to 1950s-born women affected by communication of State Pension age changes in response to the Parliamentary and Health Service Ombudsman's reports

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## Abbreviations

BAU	Business As Usual
DWP	Department for Work and Pensions
EA	Equality Analysis
GLD	Government Legal Department
LGBO	Lesbian, Gay, Bisexual, Other
PC	Protected Characteristics
PSED	Public Sector Equality Duty
PHSO	Parliamentary and Health Services Ombudsman
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities
UNCRC	United Nations Convention on the Rights of the Child
CEDAW	The Convention on the Elimination of All Forms of Discrimination Against Women
SPa	State Pension age

## **1. Introduction**

1. This document records the analysis undertaken by the Department to enable Ministers and DWP to consider the needs of individuals in Ministers' and DWP's day to day work - in shaping policies, making secondary legislation, delivering services, and in relation to their own employees to fulfil the requirements placed on them by the Public Sector Equality Duty (PSED) as set out in section 149 of the Equality Act 2010.
2. The PSED requires a public authority to have due regard to the need to:
  - eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and those who do not; and
  - foster good relations between people who share a protected characteristic and those who do not.
3. The above requirements apply to eight of the nine protected characteristics – age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The protected characteristic of marriage and civil partnerships are slightly different in that the requirement is only in respect to have due regard to the need to eliminate discrimination.

## **2. Brief outline of policy or service and main aims and outcomes**

4. Following the findings of the Parliamentary and Health Services Ombudsman (PHSO) reports “Women’s State Pension age: our findings on the Department for Work and Pensions’ communication of changes” and “Women’s State Pension age: our findings on injustice and associated issues”, the Government is making a new decision on its response, including decisions on paying compensation to 1950s-born women<sup>52</sup> who were affected by issues in the communication of changes to State Pension age (SPa). This equality analysis is being undertaken to inform the policy decision being taken by ministers.
5. The decision on whether to pay compensation will affect those in the affected cohort i.e. women born between 6 April 1950 and 5 April 1960, inclusive, an estimated 3.5 million women<sup>53</sup>. Whilst the PHSO found that not all women in the affected cohort would have suffered an injustice, the Government cannot identify the subset which did so without individual assessment; even with individual assessment, it will be challenging to do this given the time passed, people’s ability to recall accurately and the fact that DWP cannot verify assertions about individuals’ state of knowledge. The new decision includes consideration of whether to pay compensation or not. The equality analysis set out below covers the whole cohort and therefore considers what the impacts within that group, and between that group and other groups, would be if a decision was made to pay compensation to all 1950s-born women, or if a decision was made not to pay any 1950s-born women. However, if the decision is to pay compensation, there may be further work to consider the impacts from the design of any compensation scheme. The precise equality impacts would depend on the specific design of any compensation scheme, including whether there is any degree of targeting, and/or the take up of payments if an application system is used.
6. The equality impacts both within the affected cohort, and as between the affected cohort and other groups, are presented in Section 4 below. The PHSO report said that some of the affected group lost opportunities to plan their retirement due to ineffective communications on SPa changes. While a decision to pay compensation would aim to address this lost opportunity, there will be no impacts on equality of opportunity within the affected cohort since compensation to the entire cohort is considered here. Similarly, there are no impacts on good relations within the affected group, also because compensation for the entire cohort is being considered here.
7. Regardless of the decision, it remains important for future pensioners to be aware of their State Pension age so they can plan effectively for their retirement. We will continue the department’s work to communicate State Pension age to future pensioners.

<sup>52</sup> Within this document, the term “1950s-born women” is used as shorthand for women born between 6 April 1950 and 5 April 1960.

<sup>53</sup> The estimate of 3.5 million women is based on actual State Pension claims plus one year of population estimates. However, it also includes State Pension Claims from women based overseas, (an estimated 215,000 claims were overseas) who would not be included in the Census data used for this Equality Analysis.

### **3. Considering United Nations Conventions**

#### **8. United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).**

The Convention is a human rights treaty, which the UK government ratified in 2009. It establishes internationally recognised benchmarks for disabled people's rights in all areas of life, including employment, non-discrimination, education, health and sport.

9. There are a number of Convention articles which will be relevant to DWP. The main articles are:
- all forms of discrimination should be outlawed and government should ensure that reasonable accommodation is made for disabled people (Article 5);
  - accessibility – information, buildings, transports etc should be accessible to disabled people (Article 9);
  - equal recognition before the law (Article 12);
  - the right to live independently and be included in the community (Article 19);
  - the right of freedom of expression and opinion, including the right to receive information in accessible formats and technologies (Article 21);
  - the right to work and employment (Article 27);
  - the right to an adequate standard of living and social protection (Article 28);

The Convention includes some general obligations that are also important, including:

- Article 4(2) –progressive implementation of economic, social and cultural rights to the maximum of available resources.
- Article 4(3) – involving disabled people in the development of legislation and policies that will affect them.
- Articles 6 and 7 – protection for disabled women and disabled children

10. The United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) does not apply to this policy decision since it will apply to the entire affected cohort regardless of disability status, so will not discriminate against disabled people or affect the rights of disabled people.

11. The United Nations Convention on the Rights of a Child (UNCRC) does not apply to this policy decision as there are no children in the affected group.

12. The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) is not considered to apply to this policy since the High Court found that raising the State Pension age for women was not discrimination and the PHSO reports found maladministration and injustice but not discrimination. Also, the payment of compensation is not expected to discriminate against women since it would be paid exclusively to women.



## **4. Evidence and Analysis Impacts**

### **4.1. Analytical approach to the Equality Analysis**

13. For the purposes of this Equality Analysis (EA), the baseline is the total Great Britain population (England, Wales and Scotland, adults and children).<sup>54</sup>
14. The EA then compares the protected characteristics of 1950s born women resident in Great Britain<sup>55</sup> to the wider Great Britain population (baseline). As the decision to pay compensation affects the whole cohort, the equality breakdowns provided reflect the whole cohort.
15. Analysis of protected characteristics for 1950s born women is produced using the 2021 Census for England and Wales and the 2022 Census for Scotland as this has the most detailed data on the relevant age groups and protected characteristics.
16. Additional evidence on the potential impacts of the policy on individuals by their protected characteristics, identified as part of the review of the policy, are also included where appropriate.

### **4.2. Summary of Conclusions**

17. Limited equality impacts are expected from a decision to pay or not pay compensation to all members of the 1950s-born women group since:
  - a) the entire cohort of 1950s-born women would be affected equally by the decision;
  - b) the decision to pay or not pay compensation does not entail any unlawful discrimination as between 1950s-born women and other groups because other groups are not in a comparable situation. The PHSO did not find that other groups were in a position where DWP should have sent them earlier letters notifying them of changes to their State Pension age. The maladministration found was specific to 1950s-born women.
  - c) DWP does not consider it likely that an impact on good relations between 1950s-born women and other groups will arise, whether or not compensation is paid; and
  - d) the only potential equality impact concerns the question whether payment of compensation might be said to advance equality of opportunity as between the cohort of 1950s-women and those in other cohorts. This equality analysis also considers evidence on the differences in awareness of State Pension age between white and non-white 1950s women. Although this does not raise equality concerns in the case of a blanket compensation scheme being considered here, it does highlight a potential

<sup>54</sup> The GB baseline includes all residents of Great Britain, adults and children.

<sup>55</sup> Some of the affected cohort of 1950s born women may be living outside of Great Britain (estimated to be 215,000) and have been excluded from this equality analysis due to lack of accurate data on their characteristics.

indirect discrimination impact should a different approach be considered (see paragraphs 32-34).

Where possible the breakdown of the cohort by protected characteristics is given below alongside the same for the general population, for additional contextual information.

18. Should the decision be made to compensate, DWP would develop recommendations as to who would be eligible for compensation as well as how to identify and reach the affected cohort. Whether compensation is paid or not, mitigations to address the finding of loss of opportunity include existing welfare support available for people on low income who feel they missed the opportunity increase their income, service improvements to avoid similar situations, and potentially an apology.
19. The PHSO raises the possibility of paying a flat rate of compensation to all 1950s-born women. This is despite the fact that not all of them will have suffered an injustice, and the possibility that standardised approaches to compensation may be chosen based on the complexity of processing individual cases. The decision considered here in relation to equality analysis is whether to pay this entire cohort or not. For these reasons, data described below is for all 1950s-born women from the 2021/2022 censuses in England and Wales and Scotland. It should be noted that there may be a small number of individuals included in this analysis that would not be affected as they were not entitled to State Pension, but it is not possible to identify that group in the data so the whole population has been analysed.<sup>56</sup>
20. This analysis shows that compared to the whole population (adults and children) in England, Wales and Scotland, women born in the 1950s are more likely to be white, disabled, married, and Christian, and less likely to be LGBO. It is not possible to assess the equality impacts regarding gender reassignment as the department does not hold relevant gender reassignment data.

#### **4.3. Age**

21. Survey evidence suggested that awareness of State Pension age changes (SPa change from 60 to 65) increased with age: in 2003/04, 36 per cent of all respondents aged 16 to 24 were aware of the changes compared to 72 per cent of respondents aged 55 to 64<sup>57</sup>.
22. While awareness levels of SPa changes may have increased with age, there is no impact on discrimination or equality of opportunity or good relations within the cohort, since the decision on compensation relates to the entire affected cohort.
23. There is also no impact on discrimination and no expected impacts on good relations between the affected cohort and older or younger cohorts. The decision whether to pay compensation relates to a specific age group – those women born

<sup>56</sup> An estimated 3 per cent of the affected cohort may not be entitled to State Pension – this is based 97% of the ONS Great Britain population projections who are claiming State Pension.

<sup>57</sup> DWP (2004) *Public awareness of State Pension age equalisation*, DWP Report 221

between 6th April 1950 and 5th April 1960, who will be aged 65 to 75 years old in November 2025. A decision to pay compensation might be said to advance equality of opportunity between 1950s-born women and older cohorts, insofar as some 1950s-born women lost the opportunity to make informed life choices because of lack of knowledge that their State Pension age was changing, whereas older cohorts will have had that opportunity because their State Pension age remained at 60 (for women). A decision to pay compensation might also be said to advance equality of opportunity between 1950s-born women and younger cohorts, because younger cohorts of women will have had many years' opportunity to know that their State Pension age is the same as that of men (and, it might be said, greater opportunity to make life choices in that knowledge).

24. There is a minor risk that, should the decision be made to award compensation, this could have an adverse effect on younger cohorts who could be concerned about intergenerational fairness, fiscal sustainability and future debt costs which could potentially impact good relations between the affected cohort and other cohorts.

#### **4.4. Gender reassignment**

25. There is no impact on discrimination, equality of opportunity or good relations within the cohort since the decision on compensation relates to the entire affected cohort. More generally, comparing across cohorts, there are not considered to be any equality impacts by reference to gender reassignment, and the department does not hold data to determine whether the cohort would be more or less likely to be affected by gender reassignment.
26. Should the decision be made to compensate, DWP will develop recommendations as to how to identify and reach the affected cohort, including determining policy on inclusion of individuals who have undergone gender reassignment (See paragraph 5).

#### **4.5. Pregnancy and maternity**

27. There is no impact on discrimination, equality of opportunity or good relations since the decision on compensation relates to the entire affected cohort. More generally, there are not considered to be any equality impacts by reference to pregnancy or maternity. Given that this decision only affects women born before 5 April 1960, there is likely only a very small numbers of women within this cohort with this characteristic at the time the decision is being made; we therefore do not expect there to be a disproportionate impact on persons with this characteristic.

#### **4.6. Race**

28. Of the 1950s cohort of women in England and Wales, 90.8% were of a white category according to the 2021 census; while 81.7% of the whole population was white. In Scotland in 2022, 97.9% of those 65-69 (a subgroup of 1950s-born women)<sup>58</sup> were white, while 87.1% of the general population were white. The data

<sup>58</sup> The sub-group of women aged 65-69 was used from the Scotland Census as Scottish census data is only available in 5-year bands and, as the data was collated in 2022 when the 1950s-born women would be aged would be 63-72, the 65-69 band

therefore indicates that individuals within the cohort of 1950s-born women are more likely to be white, than the general population.

29. There is no impact on equality of opportunity or good relations within the cohort since the decision on compensation relates to the entire affected cohort. There are no expected impacts on good relations between racial groups more generally whether compensation is paid or not.
30. One study, using analysis of survey data from 2006/07, 2008/09 and 2010/11, found that there were lower levels of awareness of the increase in State Pension age for women from 60 to 65 in non-white groups compared to white groups: 85% of white women were aware of the change in 2006/07 compared to 77% of non-white women.<sup>59</sup> In 2008/09, 83% of white women compared to 70% of non-white women were aware, while 96% of white women in 2010/11 compared to 90% of non-white women were aware of the changes.
31. However, while there may have been some differences in levels of awareness of changes in State Pension age, the decision on compensation relates to the entire affected cohort.
32. Noting that those awareness levels are all 70% or higher, a decision not to pay compensation might be said to disproportionately impact non white women because that study found more non-white women to be unaware of the changes in State Pension age. An argument might be made that this higher level of unawareness means that non-white women are disproportionately impacted by a decision not to pay compensation, because: (i) proportionately fewer non-white women would already have known their State Pension age before they should have received a notification letter; (ii) therefore an earlier notification letter would or might have made a difference to the life opportunities for proportionately more non-white women, and a higher proportion have suffered injustice accordingly; and (iii) on that basis, compensation for the entire cohort might be particularly valuable for them.
33. We consider this is a tenuous basis for claiming indirect discrimination, because it assumes that the “value” to any particular woman of receiving a blanket payment of compensation in 2026 can be correlated to whether or not she lost an opportunity many years ago. We note in this regard that a blanket scheme to pay the whole cohort would not compensate any woman based upon whether or to what extent she had suffered injustice.
34. However, the Secretary of State may want to take this point into account, noting that if a decision were made only to compensate those who claimed to have suffered injustice, non-white women could potentially be affected for the reasons stated. As noted, at para 5 “the precise equality impacts would depend on the

would be wholly within the 1950s cohort whereas 65-74 which would introduce 2 years that were not in scope. The decision was made to only include those that were wholly within the affected cohort (those aged 65-69) rather than to include individuals who were not within the affected cohort (those aged 70-74).

<sup>59</sup> Daniel Holman et al., “Inequalities in women’s awareness of changes from the State Pension Age in England and the role of cognitive ability” [2020] 40 *Ageing & Society* 1, 144-161. Accessible at: <https://www.cambridge.org/core/journals/ageing-and-society/article/abs/inequalities-in-womens-awareness-of-changes-to-the-state-pension-age-in-england-and-the-role-of-cognitive-ability/295D327F000A9790C1C92903E6621B18>

specific design of any compensation scheme, including whether there is any degree of targeting, and/or the take up of payments if an application system is used.” Therefore, should the decision be taken to pay compensation, a new equality analysis would be produced based on the specific design.

#### **4.7. Disability**

35. 27.4% of the 1950s cohort of women in England and Wales were disabled as defined by the Equality Act in the 2021 census, compared to around 17.8% of the overall population in the same census. In Scotland, 39.3% of women aged 65-69 in 2022 (a subgroup of 1950s-born women) said that a health condition or disability affected their day-to-day activities ‘a lot’ or ‘a little’, whereas 24.1% of the general population of Scotland said this. The data therefore indicates that individuals within the cohort of 1950s-born women are more likely to be disabled, than the general population.
36. There are no expected impacts on discrimination or good relations between groups based on disability more generally, whether compensation is paid or not. While the affected cohort is more likely to be disabled than the general population, this level of difference is not thought likely to affect good relations between people who are disabled and those who are not.
37. In respect of s 149(10)(c) (due regard to equality of opportunity), a decision to pay compensation may advance equality of opportunity for the 1950s-born women, who have a higher rate of disability than other cohorts.
38. Levels of awareness of the change in State Pension Age from 60 to 65 amongst people with a disability (combined with respondents who were unemployed or running a home) may have been lower than people who were employed prior to the change being implemented. In 2006/07, 70% of people with a disability, unemployed or running a home were aware of the changes compared to 89% of employed people; in 2008/09, 67% of people with a disability, unemployed or running a home were aware of the changes compared to 88% of employed people; and in 2010/11, 90% of people with a disability, unemployed or running a home were aware of the changes compared to 97% of employed people.<sup>60</sup> These findings were all statistically significant.<sup>61</sup> However, the survey from which these results were obtained, included people who were unemployed and running a home within the same category as people who were disabled – it is therefore not possible to determine whether the true differences within this group concern the protected characteristic of disability given this group have not been isolated. Furthermore, the comparison for this group (disabled/unemployed/home) is employed respondents rather than non-disabled people. It is therefore not

<sup>60</sup> Daniel Holman et al., “Inequalities in women’s awareness of changes from the State Pension Age in England and the role of cognitive ability” [2020] 40 *Ageing & Society* 1, 144-161. Accessible at: <https://www.cambridge.org/core/journals/ageing-and-society/article/abs/inequalities-in-womens-awareness-of-changes-to-the-state-pension-age-in-england-and-the-role-of-cognitive-ability/295D327F000A9790C1C92903E6621B18>

<sup>61</sup> Statistically significant means the result is unlikely to have happened by chance. Results here were deemed statistically significant where they had a p value of or less than 0.05 – this means there was a 5% chance or less that the result happened by chance.

possible to conclude whether there were any meaningful differences in awareness in disabled people compared to non-disabled people.

#### **4.8. Marital status**

39. There is no impact on discrimination, equality of opportunity or good relations within the cohort since the decision relates to the entire affected cohort.
40. For additional information, the breakdown in marriage status of 1950s-born women as of the England and Wales 2021 census was as follows: Divorced or civil partnership dissolved 18%, Married or in a registered civil partnership 60.5%, Never married 7.6%, Separated but still legally married or in a civil partnership 2.2%, Widowed or surviving civil partner 11.7%. The proportion of the adult population of England and Wales who were married or in a civil partnership was 46.9% in 2021, a lower rate. 9.1% were divorced or had a civil partnership dissolved, which was also a lower rate than in the 1950s women group.
41. The breakdown in marital status of those aged 65-69 in Scotland in 2022 (a subset of 1950s-born women) was as follows: Never married or in a civil partnership 8.1%, married or in a registered civil partnership 59.1%, separated but legally married or in a civil partnership 2.5%, divorced or civil partnership dissolved 17.4%, widowed or surviving civil partner 13%. 44% of the adult population of Scotland were married on the other hand. The data therefore indicates that individuals within the cohort of 1950s-born women are more likely to be married than the general population.
42. Survey evidence from 2003/04 suggested that there may have been a difference between married and unmarried women with regard to knowledge of their State Pension Age: in 2003/04, 48% of married women knew their own SPa compared to 38% of unmarried women.<sup>62</sup> However, the research states that “this is not surprising given that single women were younger on average than married women (the mean age of single female respondents was 27 in contrast to 43 years for married women) and awareness increases with age” (pg. 27). Furthermore, the research found that divorced and separated women were neither more nor less likely to know their own SPa than those who were married and living with their spouse. It is therefore possible that the observed differences between married and unmarried women relate to age rather than any true difference related to marital status.
43. There are no expected impacts on good relations between groups based on marital status more generally whether compensation is paid or not. There are also no expected direct impacts on equality of opportunity between groups more generally based on marital status, although a decision to pay compensation may advance equality of opportunity for the 1950s-born women, who have a different profile of marital status than other cohorts.

<sup>62</sup> Murphy, C. (2004) Public awareness of State Pension Age Equalisation. *Department for Work and Pensions*. Accessible at: <https://webarchive.nationalarchives.gov.uk/ukgwa/20130314011743/http://research.dwp.gov.uk/asd/asd5/rports2003-2004/rrep221.pdf>

#### **4.9. Sexual orientation**

44. There is no impact on discrimination, equality of opportunity or good relations within the cohort since the decision on compensation relates to the entire affected cohort.
45. For additional information: precise England and Wales 2021 census data for sexual orientation among 1950s-born women is not available, but the closest category is those aged 65-74 in 2021; 91.8% of these were straight, 0.6% were of the lesbian, gay, bisexual or other category, and 7.6% chose not to answer the question. 89.4% of the adult population identified as straight while 3.2% identified as lesbian, gay, bisexual or other in the adult population of England and Wales in the same year.
46. According to census data, in Scotland in 2022, those aged 65-69 (a subgroup of 1950s-born women) had the following breakdown of sexual orientation: heterosexual 89.6%, gay or lesbian 0.4%, bisexual 0.2%, other sexual orientation 0.1%, not answered 9.8%. There were slightly larger shares of heterosexual respondents and those who didn't answer in this group, and lower shares of other groups, compared to the adult population of Scotland. The statistical data therefore indicates that individuals within the cohort of 1950s-born women are less likely to be LGBO, than the general population.
47. There are no expected impacts on good relations between groups based on sexual orientation more generally whether compensation is paid or not. There are also no expected direct impacts on equality of opportunity between these groups more generally, although a decision to pay compensation may advance equality of opportunity for the 1950s-born women, who have a different profile of sexual orientation than other cohorts.

#### **4.10. Religion or belief**

48. There is no impact on discrimination, equality of opportunity or good relations within the cohort since the decision on compensation relates to the entire affected cohort.
49. For additional information, the religious breakdown of 1950s-born women as of the England and Wales census in 2021 was as follows: Buddhist 0.5%, Christian 69.7%, Hindu 1.4%, Jewish 0.5%, Muslim 2.3%, No religion 18.9%, Other 0.6%, Sikh 0.8% with 5.3% not answering. Christians were 46.2% of the general population while those of no religion were 37.2%, and Muslims 6.5%.
50. The religious breakdown of Scottish women aged 65-69 in 2022 (a subgroup of 1950s-born women) was as follows: Church of Scotland 37.3%, Roman Catholic 15.6%, Other Christian 6.4%, Buddhist 0.3%, Hindu 0.1%, Jewish 0.2%, Muslim 0.6%, Sikh 0.1%, Pagan 0.2%, Other religion 0.3%, No religion 31.8%, Not stated 7.2%. Christian categories had lower rates in the general population, while no religion, Muslim and some other categories with small proportions had a higher rate in the general population by comparison. The statistical data therefore

indicates that individuals within the cohort of 1950s-born women are more likely to be Christian, than the general population.

51. There are no expected impacts on good relations between religious groups more generally whether compensation is paid or not. There are also no expected direct impacts on equality of opportunity between religious groups more generally, although a decision to pay compensation may advance equality of opportunity for the 1950s-born women, who have a different profile of religion than other cohorts.

#### **4.11. Sex**

52. There is no impact on discrimination, equality of opportunity or good relations within the cohort since the decision on compensation relates to the entire affected cohort. The policy decision affects females only, due to the nature of State Pension age equalisation. A decision to pay compensation might therefore be said to advance equality of opportunity between women born between 6<sup>th</sup> April 1950 and 5<sup>th</sup> April 1960, insofar as they lost the opportunity to make informed life choices because of lack of knowledge that their State Pension age was changing, and men who did have (or will have) that opportunity. There are also no expected impacts on good relations between the affected cohort and other cohorts.

### **5. The Family Test**

53. The PHSO found that maladministration in DWP's communication about the 1995 Pensions Act resulted in complainants losing opportunities to make informed decisions about some things and to do some things differently, and diminished their sense of personal autonomy and financial control.
54. It is for this finding of injustice that a payment of compensation is being considered.

#### **Family Test questions**

1. What kinds of impact might the policy have on family formation?
2. What kind of impact will the policy have on families going through key transitions such as becoming parents, getting married, fostering or adopting, bereavement, redundancy, new caring responsibilities or the onset of a long-term health condition?
3. What impacts will the policy have on all family members' ability to play a full role in family life, including with respect to parenting and other caring responsibilities?
4. How does the policy impact families before, during and after couple separation?
5. How does the policy impact those families most at risk of deterioration of relationship quality and breakdown?



55. Having considered the Family Test questions, a decision on a compensation payment to individuals to address the PHSO's findings of injustice will not have a family impact.

## **6. Summary of analysis**

56. The decision is not to pay compensation.

57. We have looked at two scenarios in this EA – (1) a decision to pay compensation to the whole 1950s-group and a (2) a decision to pay no compensation to the same group. There were no impacts within the 1950s cohort in respect of the need to eliminate discrimination (limb a) and fostering good relations (limb b). With regard to advancing equality of opportunity (limb c), a decision to pay compensation might be said to advance equality of opportunity between women born between 6<sup>th</sup> April 1950 and 5<sup>th</sup> April 1960, insofar as they lost the opportunity to make informed life choices because of lack of knowledge that their State Pension was changing, and older and younger cohorts who did have (or will have) that opportunity. In respect of limbs b and c, the analysis also compared with the broader population and showed that women born in the 1950s are more likely to be white, disabled, married and Christian, and less likely to be LGBO, but there is no impact regarding limb b, or adverse impact regarding limb c.

## **7. Plans to monitor and evaluate the equality decision**

58. The decision is not to pay compensation. Policies that will mitigate the decision are noted below. There will be no scheme to monitor or evaluate, therefore we do not intend to carry out an evaluation.

## **8. Outcome of the evaluation**

59. The Government is supporting pensioners by increasing the rate of the State Pension, supporting the poorest through Pension Credit, and investing more money in the NHS.