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Features

Waspi women: could the £10,000 compensation un bill?

Many women born in the 1950s got a raw deal due to the pension age. The “Waspi” campaign group has been looking for compensation for years - we outline the journey so far, and they might finally receive some money.



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protesting outside parliament in March 2023
(Getty Images)



BY [RUTH EMERY](#)
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It's been nine years since the Women Against State Pension Age Inequality (Waspi) campaign group was set up to protest against the way changes to the state pension age were made.

From 2010 to 2018, the pension age for women gradually increased from 60 to 68, bringing it in line with men's [state pension age](#).

But the women affected by this - mainly those born in the 1950s - say the changes were implemented with little notice, leaving many in financial turmoil.

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[Waspi](#) has repeatedly lobbied ministers, held protests, and even launched a judicial review over an ombudsman's investigation into the way women were told about when they would receive their [state pension](#). However, they have so far received no compensation.



The campaign group claims the “injustice” potentially affects 3.6 million women, and that since 2015, 269,329 Waspi women have died.

But could we see some progress this year? Earlier this month an MP put forward a bill calling for a compensation scheme with payouts of at least £10,000 for affected women. Will the bill get any traction in parliament? And when will the ombudsman publish a final report and make recommendations about redress? Could anything actually happen in a [General Election](#) year?

We outline the Waspi journey so far - and what could happen next.

THE WASPI CAMPAIGN

Until 2010, women could claim their [state pension](#) from age 60, and men from 65.

The government announced that women's state pension age would be increased to match men's, and would therefore raise their age from 60 to 65 in stages, between April 2010 and 2020.

It then sped up those changes, so that by December 2018 the age at which you could first claim your state pension was 65 for men and women. By October 2020 it was 66.

As well as the changes happening quickly, Waspi says the [Department for Work and Pensions](#) (DWP) failed to communicate them properly, so some women were completely in the dark.

Many women made big life plans based on when they thought they were getting their state pension - which then proved to be wrong - leaving them in financial hardship as they waited extra years to receive their [pension](#).

Helen Morrissey, head of retirement analysis at the wealth manager Hargreaves Lansdown, comments: "This is a very difficult situation in that equalising state pension age for men and women is the right thing to do but it's fair to say that many women were taken unaware of the change. The way government chose to communicate these changes has been criticised as it left many women with very little time to prepare for what became a gaping hole in their finances."

While many MPs have supported the Waspi campaign, [ministers have repeatedly ruled out any concessions](#), such as compensation to bridge the gap between the change in their state pension age or a one-off payment.

THE OMBUDSMAN'S INVESTIGATION

The Parliamentary and Health Service Ombudsman (PHSO), an independent body that looks into complaints made to government departments or the NHS, has been investigating the way the pension age changes were introduced.

In 2021, during the early stages of its investigation, it said the DWP had "failed to make a reasonable decision about targeting information to the women affected by these changes. That was maladministration." It also concluded the DWP had "failed to act promptly" to write to the women.

The ombudsman was supposed to produce a draft report last year, but publication was delayed by a legal challenge by Waspi. The campaign group said: "The ombudsman's office has consulted a number of individual complainants and Waspi about a draft of the final report on the investigation into DWP maladministration.

"The draft report is confidential, and we will respect that. What we can say at this stage is that Waspi's legal team - Bindmans LLP and two expert barristers - have been working hard with us throughout December and January to prepare a detailed 31-page submission responding to the PHSO's current thinking."

It is hoped the ombudsman will give its verdict in March or April on whether the Waspi women should get compensation.

However, recommendations made by the ombudsman are not legally binding. It will be up to the DWP to decide if it will follow them; if it rejects them, the ombudsman could report to a parliamentary committee and ultimately there could be a parliamentary vote.

Steve Webb, partner at consultants LCP and a former pensions minister, tells *MoneyWeek*: "The ombudsman's role is to judge whether people lost out because of maladministration. He has been clear from the start of this process that he respects the rights of parliament to set state pension ages and cannot over-rule that power.

"Any recommendation therefore is likely to focus on potentially creating a very narrowly defined redress scheme which might apply only to those who were unaware of the changes to state pension ages at a time when the government should have done more to notify them and who lost out because of decisions taken in ignorance."

For example, a woman aged 58 might have handed in her notice at work thinking she could have her state pension in 18 months' time, only to find out she had to wait another three to four years – but then she couldn't get her old job back and never worked again. According to Webb, her loss could be said to be a direct consequence of the maladministration.

However, he adds: "Creating such a scheme would be incredibly challenging and it is likely the DWP would fight such a recommendation".

If there was a parliamentary vote, the fact there's an election this year could work in the Waspi women's favour. MPs wouldn't want to be seen to vote against the ombudsman's recommendation and harm their chances at the ballot box.

Having said that, setting up a compensation scheme could be delayed *because* of the election; it could easily be dragged into the next parliament. So even if redress looks like it might become a reality, it's likely to still be a distant reality.

Ros Altmann, a former pensions minister, says she hopes it "will not drag on much longer". The baroness was [repeatedly lobbied by Waspi](#) during her stint as pensions minister in 2015 and 2016. Since leaving government she has spoken about the need to help women affected by the rapidly rising state pension age.

Altmann tells *MoneyWeek*: "I had always hoped we could at least get help to the women who suffered hardship, those who made plans based on inadequate or misleading information and those who are caring for others with little or no income.

"I fear this would not be acceptable to the majority of those affected, but if the ombudsman does recommend widespread compensation for everyone, then I would be delighted. But as I am one of those women I would not wish to accept anything myself as I knew about it."

MP CALLS FOR £10,000 COMPENSATION

This month an MP put forward a bill calling for a compensation scheme for women born in the 1950s affected by the state pension age rise.

Alan Brown, a Scottish National Party politician, said the government should give compensation payouts of £10,000 or more.

Speaking in the House of Commons as part of a 10-minute motion, he said: "These women were given the bombshell that their state pension age was going to increase from 60 to 66 just as they were about to retire and it was too late to do any proper financial planning."

Brown added: "It's hard to believe that almost three years after the maladministration assessment, a solution is still to be recommended by the ombudsman.

"It's a scandal in itself that the Waspi women had to go to court to confirm the flaws in the second ombudsman report. This process should have been closed out a long time ago."

He said that with regards to compensation, a minimum Level 5 banding of the Parliamentary and Health Service Ombudsman remedy scales should be applied but that a Level 6 band with payouts of £10,000 or more would be "most appropriate".

Brown suggested that changing [capital gains tax rates](#) and non-dom tax status could be a way of funding the compensation scheme.

However, critics say a blanket payment scheme would fail to distinguish between people who knew their state pension age was going up and others who hadn't been properly contacted by the DWP and had suffered as a result. It would also be incredibly expensive, running into billions of pounds.

Morrissey notes: "I also think the £10,000 figure would be seen as insufficient by many of the affected women who believe their loss to be much more."

She adds that the government has always resisted the idea of paying compensation "and I would expect them to continue to do so. The workings of any compensation scheme could also be tricky – who would be eligible? Would it be all women in that cohort in which case the cost would be huge, or only those who had experienced the most financial hardship?"

The DWP says: "The government decided over 25 years ago that it was going to make the state pension age the same for men and women. Both the High Court and Court of Appeal have supported the actions of the DWP, under successive governments dating back to 1995, and the Supreme Court refused the claimants permission to appeal."