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EXCLUSIVE We wasted thousands on state pension top-ups after **WRONG** advice - savers tell how their cash

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- **New online state pension top-ups service delayed - no launch date yet**
- **Facing top-up delay? Email your MP and pensionquestions@thisismoney.co.uk**

By **TANYA JEFFERIES**

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Savers who fell foul of the state pension top-ups system have accused the Government of encouraging them to make unnecessary payments, then failing to help find and refund their cash.

Untold sums of top-ups cash could be sitting in Government coffers, instead of being repaid to people who are still in the dark about what has happened to their money.

Kathryn Tattum, pictured right, is among those who followed official advice to check with Government staff first, before she handed over around £3,300 in May last year in the belief it would boost her state pension.

The retired local government officer only discovered she had been misinformed after appealing to This is Money to help find her missing money nearly a year later.

'I did make sure. I checked with them first,' she told us. 'I spoke to two or three people at the Department for Work and Pensions and at no time did they say don't send money.'

'All they told me when I rang up is there is a backlog. The system is so overwhelmed no one is taking responsibility.'

Sylvia Popplestone paid £5,700 last October after a four-month wait for a letter from the DWP that confirmed this amount would increase her state pension.

After This is Money intervened and covered the [case of her missing state pension top-ups in January](#), she was subsequently told she had overpaid by £4,600 - but the backlog for refunds was nine weeks.



Kathryn Tattum: All they told me when I rang up is there is a backlog. The system is so overwhelmed no one is taking responsibility

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Why are people complaining about state pension top-up chaos?

Frustrated savers have complained of state pension top-ups chaos for the past year, and today we cover FOUR cases in total of lost cash and staff giving wrong information or unable to help.

The Government has promised a new online service that will allow people to [check if buying top-ups will boost their state pension](#) and to make payments.

Despite its assurances this should be ready by early April, it has been delayed and there is no start date yet.

Buying top-ups can give a generous boost to retirement income if you buy the correct years on your record.

The system was overwhelmed early last year when a rush of buyers jammed phonelines ahead of a crunch deadline to buy top-ups going back to 2006, rather than the usual six years

That ultimately forced the Government to extend it twice, now to April 2025.

The scheme, run jointly by HMRC and the DWP, is confusing and it is easy to make innocent errors, or ring up the wrong

Why do some top-ups NOT improve the state pension?

An overhaul in April 2016 replaced the old two-tier system with a flat-rate state pension, which is now worth £221.20 a week if you qualify for the full amount.

As a result of the revamp, some people have already maxed out any possible benefits from the old basic rate state pension, and will only find it worth buying top-ups - officially known as

department because you don't know which one handles each stage of the purchase, or at what point it might have gone awry.

The process currently involves contacting the DWP, which checks and tells you which years are worth topping up; obtaining a reference number from HMRC before making a purchase; HMRC taking the payment for extra contributions and then updating National Insurance records; then the DWP recalculating state pension forecasts or payments.

Buying top-ups is expected to be simpler and easier once the new online service begins, but it is unclear if the subsequent updating of NI records and state pension payments will also be streamlined.

There is also a pile of 'unallocated' cash to be dealt with, where payments have not been processed for unknown reasons, or refunds are owed.

Former Pensions Minister and **This is Money retirement columnist Steve Webb** says: 'State pension top-ups are a complicated business and it can easily happen that voluntary contributions turn out to add nothing to your pension.

'But no-one in Whitehall seems to think it is their job to make sure you get your money back. HMRC will say they have correctly updated your NI record. And DWP will say that they have correctly checked for any improved state pension.

'But the poor taxpayer is left in the dark unless they chase things up. We need a system where, if DWP decide no state pension increase is due, they make sure the voluntary contributions are refunded. They cannot just sit on the money.'

Webb, who is now a partner at LCP, adds: 'In other cases, contributions have been made but sit in some sort of suspense account, not even getting as far as being added to the correct NI record.

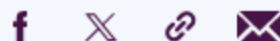
Class 3 contributions - for years following the changeover.

However, it depends on your personal National Insurance record, whether you were contracted out of the second state pension at any point, and other individual factors.

A special concession allows you to fill up or buy extra state pension qualifying years going back to 2006/07, rather than just the typical six years.

The Government itself and other money experts warn you should check with the DWP before handing over your cash.

Read our [guide to buying state pension top-ups](#), and see below for more information.



'Once again, it doesn't seem to be anyone's job to go through these unallocated contributions and either do something with them or pay them back.

'We urgently need to put the contributor at the heart of this process so that either they get an enhanced pension or their money back, instead of being left in limbo.'

Liberal Democrat Work and Pensions spokesperson, Wendy Chamberlain, says: 'It is completely unacceptable that DWP staff are giving out the wrong advice and causing people to pay thousands of pounds and then go through the additional stress of requesting refunds.

'It beggars belief that the Government tells people to call for guidance which it turns out is completely unreliable.'

'This really adds insult to injury for people who have already gone through long waiting periods, and often seen their money disappear into a system without trace.

'We urgently need the introduction of receipts so that people have a clear paper trail of where their money is; and a complete review of the Future Pension Centre and the advice it is providing. Promising an online system in due course is no comfort if the DWP can't be trusted to function at even a basic level.'

Former Pensions Minister Ros Altmann, a longtime pensions campaigner who now sits in the House of Lords, says of the cases we highlight today: 'I feel very sorry for all those people who have paid money in good faith, have been given incorrect information, have to spend hours trying to retrieve the money they paid unnecessarily and have to wait so long for their correct state pension payments to arrive or records to be updated.'

She adds: 'This is yet another worrying example of how the ludicrous complexity of our state pension system – both under the old rules and under the new rules – is costing many members of the public significant time to try to sort out their entitlements, enormous extra cost to the DWP and HMRC in administration and significant anxiety when those who call up are given the wrong information and cannot sort this out without the intervention of This is Money.'

“ *We need a system where, if DWP decide no state pension increase is due, they make sure the voluntary contributions are refunded. They cannot just sit on the money* **”**

Steve Webb, former Pensions Minister

'How the system was ever allowed to become so complicated is an important question, and one that politicians need to learn from for the future.'

A Government spokesperson says: 'A new online service to allow most people to see if making voluntary contributions would increase their state pension, and make payments, will be launched soon.'

'More information will be released in due course.'

'Over the last year, hundreds of thousands of people have contacted us about voluntary contributions, with the vast majority of payments resulting in records being updated within days.'

'Complex cases requiring specialist caseworkers can take longer to resolve - but we're making good progress on reducing wait times.'

Read more on what the Government says about buying top-ups and getting refunds below.

'All they told me when I rang up is there is a backlog'

Kathryn Tattum contacted the DWP and HMRC several times last year, before and after she made a £3,300 top-up payment in May, but wasn't warned it would not increase her state pension.

The 68-year-old from Greater Manchester kept a record of first names of staff she spoke to and dates of three occasions when she phoned either DWP or HMRC.

Waiting for state pension top-ups to be sorted? What to do

If you are experiencing delays, you can write to us - details are below. But we are urging everyone affected to contact their MP too and ask them to help.

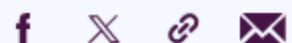
MPs should contact HMRC or DWP or both on your behalf, and hopefully get your problem sorted. Involving MPs will also raise awareness at Westminster about state pension top-up failures.

If you are an expat, you can contact the MP in the last constituency you lived in and still request help. [Find your MP here.](#)

This is Money's pensions columnist Steve Webb, a former MP and Pensions Minister, gives [tips on contacting MPs here.](#)

Contacting This is Money about top-up delays: Email us the details at pensionquestions@thisismoney.co.uk

Please put **STATE PENSION TOP UPS** in the subject line.



'They said go ahead and we will send you a link and a reference number. At no point did anyone say you got the wrong advice,' she told us.

That includes in August, when she started trying to trace where her money had gone. Mrs Tattum says no staff member told her they would look into it, so opportunities to find out what had happened and get her a refund earlier were missed.

“ I still can't understand how I was initially told that I could purchase extra NI years... only to discover it wasn't going to improve my state pension ”

After she turned to This is Money, the Government told us HMRC had updated her NI record in May and DWP was automatically informed.

However, the crucial information that these contributions would not improve Mrs Tattum's state pension and she needed to apply for a refund was never given to her until we flagged her case last month, and helped her get the money back.

She told us: 'I still can't understand how I was initially told that I could purchase extra NI years, then how it took you to get involved for someone to look into it, only to discover it wasn't going to improve my state pension. The money could have been earning interest elsewhere.'





Paul and Sylvia Popplestone: She paid £5,700 on the basis of a letter from DWP, but belatedly discovered she was owed a £4,600 refund

'Scale of the ineptitude and inefficiency at the DWP and HMRC is just mind-boggling'

Sylvia Popplestone and her husband Paul, pictured above, tried from June to October in 2023 to get information from the DWP about which years to buy to boost her state pension.

The 66-year-old retired campsite worker only made a purchase after receiving a letter from the DWP, which said she should pay £5,700.

We covered the experiences of the couple, who live in France, in a story in January when Mr Popplestone said the **state pension top-ups system was in 'total chaos'** and 'clearly broken'.

After its publication, Mrs Popplestone received a letter from HMRC saying she was eligible for a refund of around £4,600 because the DWP had now advised she should have paid Class 2 contributions, which are for self-employed people.

She applied to get her money back at the start of March, and when her husband tried to chase it up on the phone he was told refunds are currently taking nine weeks to process.

However, she has now received the refund after This is Money took up her case again with HMRC and the DWP.

Mr and Mrs Popplestone feel she is owed some redress for the long delays, misinformation given to her, and the unnecessary payment which could have been earning 4.25 per cent interest in their savings account.

He told us: 'We now feel that it is just not right that people are losing out in such a way for errors and inefficient handling committed by the DWP and HMRC.'

Rolling chaos in top-ups system - a timeline

February 2023

Phonelines are jammed ahead of deadline on special deal, This is Money is the first to report

March

Savers complain of phone gridlock, forcing DWP and HMRC to announce **extension to crunch deadline**

June

'And equally, that by "just letting it ride", we are somehow complicit in letting them get away with people losing out and not providing the DWP/HMRC with any incentive to sort things out for others.

'I have to say that this really goes against the grain for us as we are not at all people who seek compensation in general as we understand that genuine errors occur.

'But the scale of the ineptitude and inefficiency at the DWP and HMRC is just mind-boggling and the disingenuous replies they provide only serve to create the impression that they would prefer to claim that there is no problem, which just demonstrates a total lack of sincerity with respect to them genuinely trying to fix the problems.'

'HMRC had my money for just over six months'

Simon Richardson, 71, paid £1,650 for state pension top-ups in October 2023, but only after calling HMRC to check if he could fill gaps in his National Insurance record.

He was told by a staff member he could buy two years of contributions to qualify for a full state pension.

However, when This is Money flagged his case, it turned out that his NI record was updated after the payment, and the DWP had been automatically informed - but neither department alerted him this would not improve his state pension.

Deadline is pushed back again, this time until 2025, while **serious payment delays start to emerge**

August

Complaints about delays mount and This is Money **helps resolve some of the worst cases**

September

Labour tells Pensions Minister in parliament 'get a grip', and we send **fresh batch of cases to DWP and HMRC**

October

A saver saw his £11,500 payment vanish in March. We say **state pension top-ups are in dire need of an overhaul** and make four calls for action

November

A 68-year-old expat **paid £9,000 for top-ups in early 2020**, and could not start drawing her state pension until we intervened to help her

January 2024

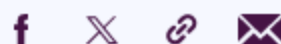
We highlight ELEVEN cases of This is Money readers **in despair over lost top-up money**

February

Another reader who **paid £11,500 in spring 2023** saw their money vanish

April

New **online state pension top-ups service** delayed - no launch date yet



Mr Richardson, a retired civil servant who lives in Cornwall, says: 'The initial HMRC adviser had sight of my NI record and could have informed me at that point that I had paid the maximum number of NI years contributions and therefore there was no benefit in me purchasing additional years.'

He adds: 'HMRC had my money for just over six months. I hope they invested it wisely. Perhaps any money earned would help fund an upgraded help desk?'

'I think that, without your help, I would have still been waiting for HMRC to update DWP and then DWP to tell me the additional NI years purchased had made no difference to my pension, and then HMRC to write to me...and so on!'

Mr Richardson has now received a refund.

'I got no receipt for my top-up money'

Diana Robinson (name changed) paid around £1,400 for state pension top-ups in February 2023, but then her money appeared to vanish.

The 62-year-old retired clerical worker from Liverpool asked us for help, saying: 'I got no receipt for this money nor has it been posted to my account yet. I know they are in a bit of a mess and I know my case isn't urgent but I would like to have a receipt.'

When Mrs Robinson initially rang up about buying top-ups last year, she was told there was a six week backlog.

After we raised her case, HMRC found her payment and DWP updated her state pension forecast.

“ HMRC had my money, I hope they invested it wisely. Perhaps any money earned would help fund an upgraded help desk? ”

**This is Money says
state pension top-ups
are in dire need of an
overhaul by DWP and
HMRC**

She told us: 'Many thanks, it would not have happened without your help.'

What does the Government say?

The DWP and MRC provided the following information on the state pension top-ups system.

- Voluntary contributions do not always increase your state pension and you should make sure you would benefit before making any payments.
- The Government has extended the deadline to 5 April 2025 to give people more time to fill gaps in their National Insurance record going back to 2006, rather than the usual six-year backdating period.
- The majority of people, including those living abroad who want to pay voluntary contributions for years they were resident in the UK, should be able to use a new online digital service which HMRC and DWP are aiming to introduce once development and testing is complete.

Guidance will be given on GOV.UK on who can use the new digital service and how.

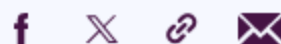
- The service will be launched as soon as possible after the usual update to the National Insurance system at the start of the new tax year, so customers can continuously access the service without interruption.



This is Money has made calls to action to fix chaos in top-ups system.

- 1) Create **one state pension top-ups department**, under one boss, that deals with the entire top-ups process from start to finish, whether online or offline.
- 2) Find out **where the current worst delays are happening**, which would be easier if there weren't two departments that can blame each other, and then sort out the bottlenecks.
- 3) **Revamp the call centre operation** so people who ring up about top-ups receive help with their problem, by introducing an effective filtering system so all queries are dealt with, while the most serious issues are sent up the line.
- 4) **Do a sweep for the oldest complaints** about top-ups, however intractable they might look, and get a trouble-shooting team onto them.

> THIS IS MONEY COMMENT: Older people need a competent department to handle state pension issues



The Government has told us the **NI update was meant to take place by 9 April**, with the online service launching soon after this.

- This will allow the service to take into account the April state pension increase for 2024/25, to ensure users see the most up-to-date information on how much extra state pension they could receive by paying to fill gaps in their NI record.
- At the end of January, a digital application process for top-ups covering periods spent living or working abroad was launched, meaning people no longer have to post a CF83 form.
- The Government is continually working to help more people get access to its online services while keeping their information secure. International customers can verify their identity using GOV.UK ID Check app to access this and other services.
- The DWP aims to update state pension records as soon as possible once notified HMRC has allocated a payment to someone's National Insurance record.
- Payments requiring manual processing, for example those made by cheque, and more complex cases requiring further checks including postal applications from abroad, can take longer to resolve depending on individual circumstances.
- HMRC has extra staff answering phone calls and dealing with correspondence on voluntary contributions, including requests for refunds, and all contact is dealt with on a case-by-case basis. When someone rings or writes to HMRC, it aims to resolve their query at first contact, but if further investigation is required this is follow on activity and the customer is made aware of this.
- Applications for refunds are processed on a case by case basis, depending on individual circumstances, and HMRC aims to respond to such requests as soon as possible.
- If you're below state pension age, contact the **Future Pension Centre** to find out if you'll benefit from voluntary contributions. If you've reached state pension age, contact the **Pension Service**.