

# Parliamentary Briefing: Winter Fuel Payment (WFP) December 2024

#### **Overview**

Age UK remains extremely concerned about the effects of the Government's decision to means-test the Winter Fuel Payment (WFP), which is causing avoidable harm to many older people.

The decision means **2.5m pensioners living in poverty or just above the poverty line**<sup>1</sup> are losing their WFP. In fact, 82% of all pensioners living in poverty or just above the poverty line are losing the payment due to means-testing this winter.

This briefing outlines recent policy developments relating to the WFP. Sadly, many of the concerns Age UK raised when the decision was made have been borne out in the latest data.

For more information, please refer to our previous briefing: Winter Fuel Payment (November 2024).

## Winter Fuel Payment - Latest policy developments

## DWP estimate of 50,000 pensioners pushed into poverty

On 19 November 2024, the Secretary of State for Work and Pensions <u>revealed</u> Government estimates that **an additional 50,000 pensioners would be pushed into relative poverty** (after housing costs) as a result of the decision to means-test the WFP this year. In 2029/30, an additional 100,000 people could be pushed into poverty.<sup>2</sup>

As well as increasing the number of pensioners in poverty, the changes to eligibility will deepen poverty for the 1.6m people already in poverty but due to lose the WFP.

#### Many of the new Pension Credit claims have been unsuccessful

On 28 November, <u>new statistics</u> from the Department for Work and Pensions (DWP) showed an **increase in the number of Pension Credit claims** after the Government's announcement about WFP eligibility changes, from an average of 3,835 per week to an average of 9,375 per week.

However, the data also revealed a significant increase in unsuccessful applications:

 Comparing the 16-week periods before and after the announcement, the number of successful Pension Credit claims has increased by 17% and the number of unsuccessful claims has increased by 96%.

<sup>&</sup>lt;sup>1</sup> Within £55 per week of the poverty line.

<sup>&</sup>lt;sup>2</sup> Please note: The Government's methodology accounts for the full updated eligibility criteria and is rounded to 50,000 individuals. It does not account for any other measures announced at the Autumn Budget or any impacts on Pension Credit take-up as a result of the changes to Winter Fuel Payment eligibility.



### Pension Credit processing times have increased beyond 50-day target

The DWP has a planned timescale of 50 working days to clear Pension Credit claims. The latest <u>data</u> (for w/c 18 November) shows the **average clearance time has increased to 65 working days**.

This is the <u>average</u> – at Age UK we hear of cases where the wait for a decision is 5-6 months, or in some case even longer. For those who apply for Pension Credit just before the 21 December deadline, a clearance time of 65 working days for a successful claim would mean receiving Pension Credit and the WFP in mid-March 2025. While waiting for a decision, during the coldest months of the year, they will receive no support and anxiously await the outcome of their application. For many facing this wait, their application will ultimately be unsuccessful.

The increase in average clearance time reflects the fact that the benefits system was never designed to cope with such an upsurge in demand, something the Treasury should have factored in before announcing changes to eligibility.

## What Age UK would like to see

The **Government's mitigations are failing to safeguard those most at risk** from losing their WFP this winter, causing financial hardship, a deterioration in many older people's mental and physical health, and potentially worse this winter.

We repeat our calls for the Government to **halt their proposed change to WFP eligibility**, given the clear evidence of how it will hurt the older people who need it most.

The upcoming Spending Review is an opportunity for the Government to consider better provision to support struggling pensioners. This should include **expanding eligibility for the WFP** to include recipients of other pensioner benefits, including Housing Benefit, Council Tax Reduction and Attendance Allowance, and **introducing a social energy tariff**, which would support people of all ages on low and modest incomes to heat and power their homes year-round.

Similarly, the Government should **deliver a Local Government settlement** that ensures local services have the resources to support increased need among the older population.

#### What Parliamentarians can do now

- Meet with us to discuss the WFP in more detail and explore how Age UK can support you in your Parliamentary work. Please contact <a href="mailto:publicaffairs@ageuk.org.uk">publicaffairs@ageuk.org.uk</a> to arrange a meeting.
- Write to the Chancellor urging her to use the upcoming Spending Review to consider additional provision to support struggling pensioners.
- Use your platform in Parliament to highlight the risks of the Government's eligibility changes and call for further mitigations to support those who desperately need the money to stay warm this winter. Age UK is happy to support with draft written or oral questions.

#### Get in touch

If you have any questions or would like to meet to discuss the issues outlined in this briefing further, please contact publicaffairs@ageuk.org.uk.