



Department  
for Work &  
Pensions

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The Rt Hon. the Lord Wigley  
Sent via email

24 March 2025

Dear Lord Wigley,

Thank you for your contribution at the recent session of Oral Questions on State Pension underpayments, and for the kind note you shared after. Given your interest, I thought it might be helpful to set out some further information about these historic errors, the cohorts affected, and the exercise that took place to provide redress.

DWP became aware of issues with historic State Pension underpayments, some dating back to the 1980s, in 2020. The errors were the result of human error, where “prompts” or “flags” that should have been entered into DWP’s IT system to ensure an individual’s State Pension was uplifted were either not created or not acted upon.

Consequently, the State Pension Underpayment Legal Entitlements and Administrative Practices (SPU LEAP) was established in January 2021 to investigate and correct the issue.

The SPU LEAP Exercise investigated where State Pension underpayments may have occurred in respect of the following cohorts:

- Category BL (CAT BL): People who are married or in a civil partnership who reached State Pension age before 6 April 2016 and should be entitled to a Category BL uplift based on their partner’s National Insurance contributions of up to £101.55 a week (in 2024/25).
- Category D (CAT D): People who have reached age 80 and who are getting some basic State Pension (but less than £101.55 a week (in 2024/25)) and may therefore, subject to satisfying the appropriate residency conditions, be entitled to Cat D State Pension of £101.55 a week.
- Missed conversions: People who have been widowed and their State Pension was not increased to include any amounts they are entitled to inherit from their late husband, wife or civil partner.

In order to identify which customers may have been affected, DWP ran a series of system scans. The parameters of these scans were internally assured by officials

and externally validated by Accenture, the Government Internal Audit Agency, and the National Audit Office as part of the inputs for the Annual Report and Accounts.

All cases identified on the scans have been managed using a bespoke case management tool. Digital automation and experienced resource were used to process the cases, and quality assurance was applied throughout.

DWP contacted affected individuals to inform them of the changes to their State Pension amount and of any arrears payment they would receive.

Between 11 January 2021 and 30 September 2024:

- 857,050 cases were reviewed
- 119,050 underpayments were identified
- £736 million was paid in arrears.

An update will be provided in the Department's 2024/25 Annual Report and Accounts, which is usually published in July.

The exercise was completed as planned, in line with our public commitment, and closed at the end of 2024. A small number of cases are outstanding where the Department is awaiting further information from the customer or a third party, and these are being prioritised on receipt. Customers have up to two years to return information, so there may continue to be a small number of Cat BL and Cat D cases through to 2025 and missed conversions to 2026.

As a result of the exercise, we have made changes to our processes, IT and training to prevent underpayments happening in the future.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'MSL', with a large, stylized flourish at the end.

**Baroness Sherlock OBE**

**Minister of State in the Department for Work and Pensions**