Policy in Practice

Missing Out 2025: £24 billion of support is unclaimed

Over 7 million households are missing out on record support, driven by under claiming and new eligibility, but targeted action is beginning to turn the tide

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Foreword

I want to start this year's Missing Out report with heartfelt thanks to our clients, partners and stakeholders. Your support and commitment make this work possible.

Since we first published Missing Out in 2019, our unique analysis of unclaimed support has sparked widespread interest and, more importantly, driven real world change in both policy and in practice. This year’s findings show that take up is improving in some areas, most notably for Pension Credit, but the overall picture remains challenging. In fact, more people are now missing out on support, particularly across benefits like Universal Credit and energy discounts.

Beyond the statistics, the real story is about the people who are now accessing the support they need, and the irrefutable evidence that benefit take up campaigns not only work but have a significant impact on people’s lives.

- **More older people are now receiving Pension Credit,** providing them with greater financial stability. Official figures show that take up has risen from 63% to 65%. This doesn’t yet reflect the full impact of recent changes to Winter Fuel Payment eligibility, which prompted a strong response from central government, local authorities and advice organisations

- **More children are getting the school meals they need to thrive.** An increasing number of councils are using their data powers more effectively to reach eligible pupils, with some achieving take up rates as high as 95%. These efforts are helping influence national policy conversations on extending access to more children on Universal Credit

- **More households on low incomes are set to benefit from lower water bills.** The Department for Environment, Food and Rural Affairs (DEFRA) is moving towards a single social tariff for water, with a focus on auto-enrolment. Pioneering efforts by companies like Thames Water are demonstrating what’s possible, and necessary, to make this happen

As a result of our work highlighting unclaimed support, we've seen more progress on using data and technology to boost take up in the last 12 months than in the previous 12 years combined. Whilst the government deserves recognition for this shift, it is the persistent efforts of organisations demonstrating what works and what is required on the frontline that have truly made this possible.

We are driven by our deep commitment to making the system fairer and more effective. I’m delighted and proud to share that we now have our most accurate and granular analysis yet. Soon after publication, we’ll be able to release estimates of how many people are missing out, broken down by local authority, region and country.

But there is still much more to do. The system remains fragmented and too many people struggle to access the support they are eligible for. More than £24 billion is still going unclaimed each year, and that does not include disability support such as Personal Independence Payment, or discretionary schemes like the new Crisis and Resilience Fund.

This rise from last year's estimate reflects ongoing under-claiming as well as a growing number of people who have recently become eligible for support and are yet to claim it. Timely help during key life transitions, such as changes in health, employment, housing or family circumstances, can make a big difference. Connecting people to support as soon as they qualify can prevent them from sliding into deeper financial difficulty, protecting them from debt, housing insecurity and hardship, while also reducing the long term costs to public services.

While there are promising signs, such as a rise in Pension Credit take up, the overall number of missed claims has grown significantly, particularly for benefits like Universal Credit, broadband social tariffs and the Warm Home Discount. At the same time, proposed changes to disability benefits are creating uncertainty for many people who still rely on support like Personal Independence Payment and Attendance Allowance.

This is not just a financial issue; it is a positive social investment. Helping people access support they are eligible for is often the first step toward greater stability and independence, enabling freedom from debt, the ability to eat, heat, live healthily, participate in their community, or simply meet a friend.

Many of you reading this are driven by both ambition and a deep sense of social responsibility to tackle vulnerability by giving people financial security. Yet, in local government, we see the constant pressures of budget cuts, the need to balance the books and the challenges of ongoing reorganisations across councils and departments.

Other organisations, including those in housing, utilities, finance and the third sector, often face competing demands and financial pressures. This can make it harder to prioritise benefit take up, and action is sometimes delayed when the issue is not seen as urgent or strategically aligned with core objectives.

How do you demonstrate that this work remains a priority in the current landscape?

The answer is clear: taking a data led, proactive approach not only improves outcomes for people but also delivers measurable results for organisations. It makes sense from a fiscal perspective - councils and partners have seen time and resource efficiencies, reductions in temporary accommodation and homelessness costs, and significant decreases in debt levels.

We know that increasing the **take up of Healthy Start vouchers improves child development.** A recent pan-London campaign we supported saw a 5.4% rise in recorded take up, compared with a 0.7% fall in areas that didn't participate.

Similarly, **Pension Credit and Attendance Allowance campaigns do more than boost income** for older people. They create direct fiscal savings for the local authority as people can stay healthier for longer. They also lead to reduced pressure on social care budgets and stronger informal care networks as families have the support they need to care.

We're encouraged to see organisations in the finance and debt sectors recognise the importance of actively helping people to access unclaimed support, given the vital role they can play in ensuring people receive it more quickly and effectively.

In its first four weeks, a new partnership between Nationwide Building Society and Policy in Practice helped over 2,200 households access more than £1.2 million in unclaimed support, an initiative that marks a major step forward in inclusive customer support.

Together, we are making real progress, yet we are still only at the beginning of our journey. To truly reduce the scale of unclaimed support we must make a shift from transactional processes to transformational services that are designed for dignity and put residents first. Helping someone access financial support should not be seen as the end point; it is the starting point towards greater independence, wellbeing and opportunity.

That's why we continue to invest in work that highlights who is missing out, what the barriers are, and why it matters. That work includes reports like this, ongoing collaboration with government to consider policy impacts and improve data sharing, and the development of practical tools that make take up easier, smarter, and more automatic.

We now work with one in three councils to embed capabilities like Apply Once in the Better Off Calculator which brings together applications for Council Tax and discretionary support into a single, joined up assessment. Our new Campaign Manager feature in LIFT also enables local authorities to run highly targeted take up campaigns with just a few clicks, powered by the latest policy insights and data analytics.

To those already walking this path with us, thank you. To others, please join us on the journey towards making this vision a reality.

Deven Ghelani
Director and Founder, Policy in Practice

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Executive summary: Missing Out 2025 reveals £24.1 billion is unclaimed

In 2025/26 an estimated **£24.1 billion in income related benefits** and social tariffs will go unclaimed across Great Britain. Accessing this support would help raise living standards, prevent crises and reduce pressure on public services, but it is not reaching the people who need it.

This figure reflects both welfare policy changes and improvements in how estimates are calculated. While the amount appears higher than the £22.7 billion published in 2024, differences in data and improvements to our methodology mean the two totals are not directly comparable.

The **highest unclaimed amounts** are found in **Universal Credit, Council Tax Support** and **Carer's Allowance**, showing where action could make the biggest financial difference. At the same time, the largest numbers of missed claims are linked to broadband social tariffs, water discounts and Council Tax Support, highlighting the need to improve visibility and access to support for everyday essentials.

Table 1: Estimated value of unclaimed support, Great Britain 2025/26

Centrally administered benefits	Missed claims	Average unclaimed in a year	£ million unclaimed
Universal Credit	1,671,000	£6,669	£11,148
Pension Credit	761,000	£2,121	£1,615
Carer's Allowance	553,000	£4,252	£2,354
Child Benefit	742,000	£1,998	£1,483
Locally administered benefits			
Council Tax Support	2,571,000	£1,286	£3,306
Housing Benefits for Pensioners	226,000	£4,788	£1,083
Free School Meals	123,000	£561	£69
Healthy Start / Best Start Foods	201,000	£273	£55
Social tariffs and energy support			
Water Social Tariffs (incl. Water Sure)	3,847,000	£194	£745
Broadband	7,537,000	£200	£1,508
Warm Homes Discount	4,812,000	£150	£722
TV Licenses	298,000	£176	£52
Overall	**7,537,000**	**£3,203**	**£24,140**

Note: The number of missed claims is rounded to the nearest thousand, so totals may not sum exactly or match when multiplying the number of claims by the average amount. The overall missed claims figure is based on the benefit with the highest number of people missing out (broadband social tariffs). Since some people miss out on multiple benefits, and different schemes count individuals or households, this is a minimum estimate. It shows that at least 7.5 million people are missing out on at least one benefit. The overall average amount missed (£3,203) is calculated by dividing the total unclaimed support (£24.1 billion) by this figure. Finally, the overall unclaimed support (in millions) is the total value considering all benefits together.

What's changed since last year?

To understand how things have shifted since the last report, we focused on the benefits where the data and methods are consistent across both years. We excluded Council Tax Support, Free School Meals and water support, where new modelling approaches meant the numbers could not be directly compared.

Across the remaining benefits, we found that unclaimed support increased by £2.7 billion, rising from £17.3 billion to £20 billion, a 15.6% increase. Most of that growth came from the **expansion of Universal Credit (UC) as managed migration enters its final stages and the widening of eligibility for the Warm Home Discount.** The number of missed UC claims rose by 16.4% while the estimated value increased by 23.4%, or £2.1 billion. For the Warm Home Discount, missed support nearly tripled (a 276% increase) after changes to eligibility rules in England and Wales.

Alongside these policy changes, we also strengthened how we build our estimates. We used more local level data, refined how we identify eligibility and updated assumptions to better reflect how support works in practice. We drew on newly published sources, including Freedom of Information responses, and used more accurate administrative definitions where possible. Some data gaps remain, but these mostly reflect how information is collected and shared, rather than a lack of transparency. Since the last report, we have also engaged closely with councils, government departments and advocacy groups, whose feedback helped us improve this year's analysis to provide clearer, more reliable figures.

Why is so much support going unclaimed?

Awareness

Many claimants are simply unaware that certain benefits exist or assume that they won't be eligible

Complexity

Having to apply for half a dozen different benefits, navigating complex criteria, and proving eligibility are all barriers to claiming

Stigma

Negative perceptions around claiming benefits discourage eligible people from engaging with the benefit system

People typically miss out on benefits and support due to limited awareness, complexity in the system and stigma around claiming. While these barriers have remained consistent over time, they're shaped by wider changes, including shifts in policy design, demographic trends, the labour market and technology. Recognising how these underlying factors contribute to access challenges can help inform more inclusive and effective policy design.

Awareness remains one of the biggest gaps. Many people simply don't know they're eligible, especially if they are working, have some savings, or their circumstances have recently changed. Eligibility rules can be complex, vary across schemes and change over time. Without trusted sources of information, it's easy to assume you don't qualify.

Complexity is another major barrier. Navigating the benefits system can be overwhelming, particularly for people with low digital skills, limited time, health issues or language barriers. Long forms, unclear guidance and inconsistent experiences across the organisations administering benefits make it hard to know where to start and easy to give up.

Stigma also plays a powerful role. Social attitudes and media coverage often frame benefit recipients as undeserving, deterring people from seeking help. Many lack trust in the system and worry about being judged, singled out or burdened with intrusive checks or sanctions. For some, past negative experiences with the system or hearing about bad experiences from others reinforce a reluctance to re-engage.

These barriers often overlap and disproportionately affect people already facing other disadvantages, including carers, disabled adults, older people on low incomes, single parents and people without strong social networks. This deepens existing inequalities in access to support.Many of these households will have only recently become eligible for support in the last year, often due to changes in health, employment, housing or family circumstances. Acting quickly at these moments can be critical. Timely help during life transitions can prevent people from falling into deeper financial difficulty, protecting them from debt, housing insecurity and hardship, while also reducing the longer-term costs to public services.

What can be done

Tackling the £24.1 billion gap in unclaimed support is possible but requires making the system more accessible, joined up and easier to navigate. Many people are not claiming support simply because the process is unclear, complex or not designed around their needs.

There are proven ways to change this. Aligning policies across central and local government, simplifying application journeys and using data more effectively can help ensure people receive the right support at the right time. Local authorities and service providers can take a proactive role, using tools and insight to identify who is likely to be missing out and offering coordinated support that reduces delays and duplication.

It is also important to build trust and confidence in the system. The way we talk about benefits matters. Using clear, respectful communication, offering simple prompts at the right moments and ensuring people know what to expect can make a big difference. Targeted campaigns like letters to Pension Credit-eligible households or outreach to new parents are effective, especially when delivered in partnership with trusted local organisations.

These improvements benefit everyone. They help more people access the support they are eligible for, while also enabling earlier intervention, reducing avoidable costs and making the welfare system more efficient, responsive and fair.

You too can make a difference

Since last year local authorities using the LIFT platform have helped **62,000 households to become better off by more than £77 million a year**. Proactively contacting residents who are missing out on support can mean the difference between just getting by and financial security for many households. People will continue to get support each year, making the lifetime impact of LIFT over £500 million.

Our partners in the housing, utilities, finance and charity sectors, as well as local government, have helped **over 230,000 people identify £1.4 billion** in unclaimed support annually using the Better Off Calculator. Every day, thousands of people use it through GOV.UK and our network of partners to find out what help they could access, with those eligible identifying **almost £6,000** a year. Increasingly, many people can now apply for support directly through our Apply Once tool, removing friction and speeding up access to vital support.

Meanwhile, we continue to call on the government to provide greater transparency over data identifying both claimed and unclaimed support across the full range of benefits available to working age and pension age households.

The importance of data sharing

Significant progress has been made on improving data sharing since we published Missing Out 2024.

- We are seeing **increasing automation,** building on the success of the Warm Home Discount
- We expect to see a **single social tariff for water**, which should make it easier for households to access support
- Eligibility for Free School Meals has been widened to all children living in households on Universal Credit, making it easier for families to know that they qualify

Policy in Practice and local authorities have made the case for **sharing more Universal Credit data between central and local government,** and for it to be used for a wider range of use cases.

The Department for Work and Pensions (DWP) now recognises that local authorities are data controllers in their own right, enabling the data to be used by councils where a suitable legal gateway has been identified. Legal gateways have been widened to include, for example, social tariffs, and the DWP has agreed to share data on all Universal Credit recipients with local authorities from 2026.

These improvements in data sharing will multiply the impact councils can deliver by helping them identify and support more residents in need.

However, while this progress is encouraging, there is still more work to do to build on these initiatives, making it easier for people to access support proactively and with fewer administrative barriers. Only then can the welfare system become more efficient, joined up and effective in preventing hardship.

How Policy in Practice helps people to proactively access support

Better Off Platform

Our award winning Better Off platform uses innovative technology to proactively identify and resolve vulnerability, uncovering financial hardship and safeguarding risks. Built on our industry leading research, the platform drives efficiency, lowers costs and improves lives. Each of these services deliver significant impact on their own, and make an even bigger difference together.

See policyinpractice.co.uk/BetterOffPlatform

Better Off Calculator

The Better Off Calculator helps people see what support they can claim, quickly and clearly. Available on GOV.UK, with advisor and self-serve versions licensed by organisations, it simplifies complex benefits to maximise income and improve financial resilience. Organisations also use it to engage more people, reduce arrears, and save time and money. Built with client feedback, it includes budgeting, scenario tools and local scheme integration.

See policyinpractice.co.uk/better-off-calculator

Apply Once

Apply Once empowers customers to apply for national benefits, local support and discretionary schemes through a single, streamlined process. We work with councils, utility providers and other partners to remove duplication, reduce form filling and improve access to support. By integrating application logic, evidence collection and eligibility checks, Apply Once helps organisations deliver consistent decisions, target support effectively and reduce administrative costs, all while improving the customer experience.

See policyinpractice.co.uk/ApplyOnce

LIFT

The Low Income Family Tracker (LIFT) is our analytics platform that helps councils provide timely and effective support to people who need it most, improving outcomes for low income families. By identifying residents who may be missing out on benefits, in debt or at risk of homelessness, LIFT enables councils to take early, targeted action. It brings together data from multiple sources, helping local authorities to allocate resources more effectively and track the impact of their support over time

See policyinpractice.co.uk/low-income-family-tracker

Campaign Manager

Campaign Manager automates targeted benefit take up and support campaigns. It saves time and resources by enabling you to send letters and texts directly from LIFT to selected resident groups in minutes, without needing separate systems or manual coordination. Once your campaign is sent, Campaign Manager automatically tracks its impact using future LIFT data refreshes, showing outcomes on income, employment, housing and arrears. Councils use it to boost benefit uptake, reduce administration effort and get clear evidence of results, fast.

See policyinpractice.co.uk/CampaignManager

MAST

The Multi Agency Safeguarding Tracker (MAST) is our smart software tool designed to help safeguarding professionals securely share headline data across adult and children's services, fire, police, education and health services. It enables users to search the platform, receive alerts, and save time when coordinating with partners. This supports more informed safeguarding decisions to protect vulnerable residents.

See policyinpractice.co.uk/multi-agency-safeguarding-tracker

Council Tax Support modelling

Our Council Tax Support (CTS) scheme modelling helps councils design simpler, fairer Council Tax Reduction schemes using real household data. We show the impact of design choices on residents, revenue and arrears, helping councils to reduce financial risk, improve support and prepare for change. Built around each council's goals, our expert modelling supports stronger consultation, better decision making and the delivery of schemes that are easier to run and easier to understand.

See policyinpractice.co.uk/CTS

Introduction

Policy in Practice estimates that £24.1 billion in income related benefits and social tariffs will go unclaimed across Great Britain in 2025/26. This support could significantly improve living standards, prevent hardship, and reduce pressure on public services, but it is not reaching the people who need it.

With the cost of living still rising and household debt remaining high, many more people who are just about managing risk falling into need.[1] Our role is not only to help people access the support they are eligible for, but also to build financial resilience by giving people the confidence, stability, and tools they need to move forward and thrive, not just survive.

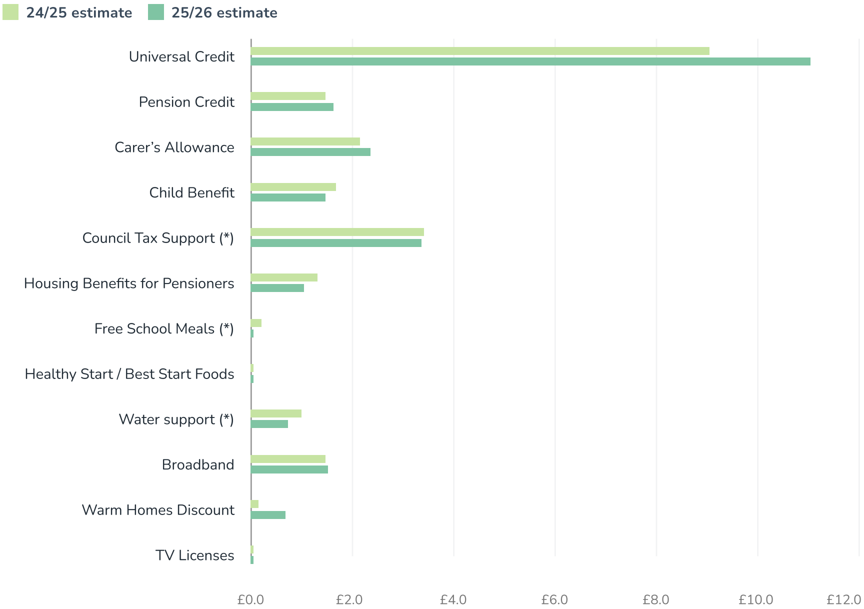
This figure is higher than the £22.7 billion originally published in last year's Missing Out report however the two totals are not directly comparable.

Since 2024, both the welfare landscape and our methodology have changed. Policy developments, such as the expansion of Universal Credit through managed migration and changes to energy support eligibility, mean that more people are now missing out.

At the same time, we have strengthened our estimation methods by drawing on more local level data, refining how we assess eligibility, and incorporating new sources such as Freedom of Information responses and better data on benefits administered by the Welsh and Scottish governments. As a result, the total reflects both **real increases in unmet need and improvements in how that need is measured.**

To enable meaningful year on year comparisons, we compare only the benefits where methods remained consistent across both reports. This shows a 15.6% increase in unclaimed support across those benefits, rising from £17.3 billion to £20 billion. Most of this growth was due to a sharp increase in missed Universal Credit claims and a major expansion of eligibility for the Warm Home Discount.

Figure 1: Estimated unclaimed support by benefit (£ billion): 2024/25 and 2025/26



Note: This chart compares updated 2025/26 estimates of unclaimed support with recalculated figures for 2024/25. Both sets of estimates use consistent methods, allowing for more meaningful comparisons. For Council Tax Support, Free School Meals and Water Social Tariffs the 2024/25 figures reflect previously published estimates and are included for continuity, but are not directly comparable

Since the launch of the first Missing Out report in 2023, our estimates of unclaimed support have informed policy discussions across government departments, local authorities, utilities and civil society. Feedback from these partners has improved our approach and clarified key assumptions, especially for benefits such as Council Tax Support, Free School Meals and water discounts, where we introduced new modelling this year.

Our estimates combine official data from central government, local authorities and regulators with published or inferred take up rates to estimate how many people are likely eligible but not claiming.

For each benefit, we multiply the number of missed claims by a typical award, adjusting for policy changes, uprating and the fact that lower-value claims are less likely to be made. This method captures both the scale and the financial value of missed support across national, local and utility-administered schemes.

We do not include disability benefits or discretionary local schemes in this total as these require individual assessments that are difficult to model reliably. However, when these forms of support are considered, the **true level of unclaimed assistance is likely to exceed £30 billion.** Full methodological details can be found in the Technical Appendix.

Figure 2: The value of unclaimed support by benefit, 2025/26

Note: The highest value of unclaimed benefits is found in Universal Credit, Council Tax Support and Carer's Allowance. The most common missed claims relate to broadband and water discounts. Coordinated action across national, local and utility systems will be key to closing these gaps.

From transactional to transformational support

Understanding why benefits go unclaimed means looking beyond individual behaviour to the wider systems that shape access. Policy trends, such as changes to eligibility rules, delivery models and the role of data, play a key role in determining who receives support. Tracking these shifts is important not only for designing better tools and services but also for informing future policy, improving local delivery and helping organisations respond to the evolving needs of the people they support.

Our vision goes beyond simplifying access to support. We aim to transform how people are identified, reached and supported by moving away from traditional approaches based on signposting or non-targeted campaigns. While these methods can play a role, they often fall short of addressing the deeper barriers to take up, such as complexity, stigma or lack of trust.

Instead, we use administrative data and technology to help organisations proactively identify people in need, offer tailored support, and streamline the journey from eligibility to impact. From Apply Once, which brings multiple applications together into a single process, to LIFT and Campaign Manager, which enables early, targeted interventions, our tools support more timely, coordinated, and effective action.

By bridging policy and practice and designing for real world delivery, we help councils and other partners build systems that improve take up, strengthen financial resilience and reduce long-term need.

The following sections of this report explore these trends in more detail, covering centrally administered benefits, locally administered benefits and social tariffs. We invite readers to explore each area to understand how policy changes and local delivery approaches continue to shape who receives support and who misses out.

Why are benefits going unclaimed?

Through our work supporting councils, charities and frontline teams, we have seen firsthand why many people miss out on the support they are eligible for. Most barriers fall into three main areas: **awareness, complexity** and **stigma**. Each of these involves personal, social and structural factors that often overlap.

There are three main challenges that impact benefit take up:

Awareness

A lack of awareness is still one of the most common reasons people miss out on support. **Many people simply don't realise that they qualify for help**, especially as eligibility rules, thresholds, and payment amounts change over time. Others have misunderstandings about how benefits work, for example, assuming they can't claim if they have some savings, are working part time or recently had a change of circumstances.[2] These gaps in knowledge are rarely filled when people are isolated or don't have trusted sources of information. When benefits aren't openly discussed in families, among friends, or within community networks, important information doesn't spread.

At the same time, organisations can struggle to communicate clearly. Different schemes with their own rules, varying local approaches and inconsistent messaging create a confusing picture for residents.

Complexity

The complexity of the benefits system is another major barrier to claiming support. Application processes can be long and overwhelming, especially for people with learning difficulties, limited literacy, digital skills or health issues. Even when someone knows they are eligible for help, the fear of making a mistake, such as providing information that could trigger sanctions, unexpected deductions or a compliance review, can feel too stressful to risk.[3] For many, applying does not feel like taking a positive step but rather opening the door to further problems and financial insecurity.

People are often asked to share the same information multiple times with different services. This duplication adds effort and confusion, especially when support is delivered by a wide range of organisations. Yet we already know that auto-enrolment can make a difference. For example, the Warm Home Discount scheme uses DWP data on means tested benefits and energy efficiency to identify eligible households and apply reductions directly to their bills. In England and Wales, 92% of payments last year were made automatically through this system. It shows how using data well can raise awareness and increase take up, an approach that could be extended to other types of support.[4]

These challenges get worse when people don't have help to complete paperwork or use digital services. As more systems move online, anyone with low literacy skills, no internet access or low confidence using technology faces extra hurdles.[5] Research by DWP comparing online and telephone UC claimants found that many people rely on family, friends or support workers to complete their applications, highlighting how easily people without support to navigate digital systems are excluded.[6] Bureaucratic processes, multiple forms, strict eligibility criteria and frequent checks often feel intimidating. The possibility of sanctions or overpayments creates a sense of constant pressure,[7] and local differences in how support is delivered can determine not just what help someone gets, but whether they feel able to claim it at all.

Stigma

Stigma continues to be a powerful reason people don't claim support. Many feel a sense of shame or embarrassment, worrying that claiming benefits is a sign of failure or that others will see them as dependent.[8] Fear of judgment from neighbours, professionals or family members can be enough to stop someone from applying, even when they are struggling to make ends meet.[5] Persistent negative stereotypes and labels like "scrounger" or "undeserving" make this even harder.[9] Media coverage can also play a big part. Headlines that focus on fraud or dependency get much more attention than stories about people who have been helped.[10] This one-sided narrative can mean people tune out, feel they don't deserve support or shouldn't even ask about what they might be eligible for. But what if a small change in how support is offered could help shift those feelings?

What happens when you change the letter?

Four in ten pensioners eligible for Pension Credit aren't claiming it, missing out on over £2,000 a year. This affects their financial wellbeing, worsens health outcomes and deepens inequality.

Policy in Practice teamed up with local authorities to find out what really works. Nearly 10,000 pensioners were randomly sent one of four different letters to see which message works best:

- **Standard:** the usual council letter
- **Stigma-reducing:** showing that many others in the same position are claiming too
- **Privacy:** reassuring recipients that no one else will know if they claim or how much
- **Trust:** replacing the council logo with a well known charity brand to build confidence

We're tracking the impact of each version and looking at how claiming affects poverty, rent arrears, Council Tax debt and health.

This research, funded by the National Institute for Health Research (NIHR) and delivered in partnership with the Institute for Fiscal Studies (IFS) and the University of Manchester, will give councils practical evidence on what messages cut through, and how a small change could help more pensioners get the support they're due.

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IFS Institute for Fiscal Studies
MANCHESTER 1824 The University of Manchester
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These feelings are reinforced by social attitudes and the way the system works. Media stories and political debate often focus on people who are portrayed as "undeserving" or, in the rare cases of fraud, create suspicion that affects everyone who claims. Processes that require people to repeatedly prove they are in need or go through intrusive assessments can feel demeaning and damage trust.[11] For some, past negative experiences with the system, like mistakes, overpayments leading to debt, delays, or unhelpful treatment, build up over time, leading to avoidance and a sense that seeking help just isn't worth the stress.[7]

Additional barriers

Another important factor is the level of support itself. In some cases, low benefit amounts mean that the time and effort required to apply simply does not feel worthwhile.[7] Many people also do not receive the full amount they are eligible for, even after applying. For example, government data suggests that, even among those receiving means tested benefits, around 14% of the support they are eligible for goes unclaimed. This may happen when people do not apply for all the elements they qualify for, or when parts of their situation are missed or under-reported during the application process.

This challenge becomes even more acute during moments of crisis or major life change, such as the death of a partner, the birth of a child or losing a job. These transitions often trigger the need for support, while also intensifying the barriers people face. Stigma, complexity and a lack of awareness can combine, leaving people in desperate circumstances with no clear idea of where to turn or how to get help.

Discretionary and crisis related support, including schemes like the Crisis and Resilience Fund that are delivered through local authorities, can play a vital role in these situations. However, the people most in need are often the least likely to know this support exists or feel able to access it. To make a real difference, this help must be easier to find, simpler to navigate and more closely aligned with the life events that trigger financial vulnerability.

Policy recommendations

Many of the 7.5 million households missing out on support face three common barriers: complexity, stigma and lack of awareness. These challenges don't exist in isolation; they often compound each other. Policymakers and practitioners must work together to remove these barriers, making it easier for people to access what they're due.

Our recommendations are grouped into actions to reduce complexity, challenge stigma, and boost awareness, followed by steps that local authorities and partners, as well as individuals, can take.

1. Reduce complexity: keep policy simple to join up support

No one policy change will make the benefits system simple. We can, however, make it easier to understand and navigate by removing duplication, aligning processes and improving coordination across central and local government.

The first step is policy alignment. When different parts of the welfare system use conflicting eligibility criteria, particularly around disability, childcare or housing, this creates confusion, increases the risk of error, and discourages people from applying. Policy should be designed with the whole claimant journey in mind.

The second step is better data sharing. For example, local authorities need secure, permission-based ways to understand a household's full circumstances, including potential eligibility for other types of help. DWP's new Universal Credit data sharing commitments are a strong foundation, but collaboration with other sectors, such as health, education and housing arrears, can go even further.

Universal Credit shows that a single gateway to multiple supports is possible, but application and administration processes still need work. For example, volatile earnings, digital exclusion and weak links to locally administered schemes often mean that households miss out on additional support they're eligible for, especially when changes in circumstance go unreported or unnoticed. Taking a more joined up approach, and recognising that needs change over time, can help ensure people get the right support at the right time, from cradle to grave.

And while coordination can seem complex, promising examples already exist. Councils, delivery partners and government departments are investing in smarter, integrated systems that reduce cost and confusion while improving outcomes.

2. Challenge stigma: encourage people to access support and challenge negative messaging

The way we talk about benefits matters. Public debate is often dominated by concerns about fraud and dependency, which can discourage people from seeking help. Although integrity and efficiency are important, so too is a culture of fairness, dignity and trust.

We need to shift away from framing benefits as something shameful or undeserved. This means using clear, respectful language and being honest about the impact of missed support on health, debt, and wellbeing.

Stigma is also built into processes. Long, intrusive forms, repeated requests for documentation and inconsistent communication all create friction and doubt. Many claimants give up before completing their application.[12]

We can make the system more welcoming by designing processes around people's real experiences:

- One-stop approaches like **Apply Once** reduce repetition and make each contact count
- Simple prompts, such as asking about benefit eligibility during Council Tax or energy debt conversations, can open up access to vital support
- Clear communication about what to expect, how long it takes, and where to get help can reduce stress and increase trust

For people with additional barriers such as digital exclusion, disability, insecure housing or limited English, these changes can be the difference between missing out and getting what they need.

3. Boost awareness: targeted take up campaigns work

Many people aren't claiming benefits simply because they don't know they exist, don't realise they're eligible or aren't sure where to start.

One-size-fits-all outreach will not fix this. What works is targeted, topic-based campaigns, ideally personally targeted, like the direct Pension Credit letter that prompted thousands of new claims. Messages to boost awareness of unclaimed support work best when they focus on a specific group, such as:

- Pensioners (Pension Credit, Warm Home Discount)
- Families with young children (Free School Meals, Healthy Start)
- People newly unemployed (Universal Credit, Council Tax Support)

Timing matters too. Reaching households during pregnancy, after a job loss or when signs of financial difficulty emerge, like missed payments or energy debt, can lead to higher take up and fewer crises later.

Take up campaigns also work best when run in partnership by combining local insight with national data, and making use of trusted local voices to deliver the message.

Reaching people who aren't accessing support

Nationwide unlocks over £1.2 million in unclaimed benefits for 2,200 people in four weeks

A new partnership between Nationwide and Policy in Practice is helping thousands of people discover unclaimed support. In the first month, over 2,200 households identified £1.2 million in unclaimed benefits. On average, each household found £550 per month, roughly the same as the typical monthly cost of energy, Council Tax, and broadband bills combined.

Nationwide is also the first financial services provider to launch a free telephone benefits calculator service and **marks a major step forward in inclusive financial support.** The phoneline connects you to expert advisers who help guide people through the calculator and send a personalised report afterwards. It means that those who can't or who would prefer not to use digital services, can access the same potentially life changing support as those who are digitally connected.

In addition to the calculator, Nationwide is calling for the government to make access to unclaimed benefits simpler so that everyone gets the help they are eligible for.

Kathryn Townsend, Nationwide Head of Customer Vulnerability & Accessibility, said:
"Nationwide believes in fairer banking and good outcomes for all customers. An important part of this is enabling people to access the support they're entitled to in way that works for them. At a time when many households continue to experience financial hardship, we're incredibly proud that through our partnership with Policy in Practice, £1.2 million in unclaimed benefits has been uncovered for more than 2,200 people in the first four weeks since launch. As the first financial services organisation to launch a free telephone benefits calculator, this is a major forward in inclusive financial support."

4. What local authorities and partners can do

New national strategies, such as the English Devolution Bill, Child Poverty Strategy and Get Britain Working White Paper, give councils and partners more power to shape support in their areas.

They can use these opportunities to:

4.1 Use data to proactively identify and support residents in need

Combine local insights with tools like the LIFT and the Better Off Calculator to spot who is likely missing out on support. Proactive outreach reduces arrears, strengthens financial resilience and helps households before they reach crisis point.

"It's silly for us all to try and be everything to everyone. It's inefficient and doesn't make sense. Let's bring our expertise together and wrap support around the needs of the end user, which is exactly what we've done with the Better Off Calculator. By combining digital tools with phone support, we make the service more accessible, save customers time and stress and reduce the need for them to repeat their story. It's better for customers, more efficient for staff and it delivers more powerful outcomes."

Helen Burgess, Managing Director, Pocket Power

4.2 Make it easy for people to access help in one place

The Apply Once model and similar joined up approaches let residents tell their story once and unlock a range of support by streamlining referrals, reducing duplication, and sharing data with customer consent.

"Apply Once is designed to help Luton Council consolidate our application, assessment and approval processes for discretionary funds. It makes the application process simpler and faster for our residents, ensures that the awards reach those most in need and provides additional support through income maximisation across the broadest range of benefits."

Nikki Middleton, Head of Customer Service, Luton Borough Council

4.3 Invest in early intervention to prevent hardship

Use local schemes and funding to support families before problems escalate, whether that's connecting parents with advice, identifying households at risk of debt or linking income maximisation to wider health and wellbeing services.

Partnering with utility companies, landlords and advice agencies can help flag risk early, provide support before arrears build up, and improve outcomes for both residents and service providers.

"As a result of our intervention, we were able to increase a widower's income by £22,716, which, in his words, was life changing and made one of his darkest times a little bit lighter. That's what we're all here to do, help people sustain their tenancies and lessen the impact of arrears. There's no miracle cure, but I truly believe that the right support at the right time makes all the difference. For us, that starts at tenancy sign up. Let's get the support out there and talk to people."

Cheryl Bickerdyke, Arrears Recovery Manager, Jigsaw Homes Group

5. What families and individuals can do

5.1 Check if you, your friends or your family could be missing out

Even if you think you're not eligible, it's worth checking. Policy in Practice's **Better Off Calculator,** available for free on **GOV.UK**, can help you find out what you could claim and how to apply.

5.2 Talk to trusted organisations about your options

Local councils, advice charities and community groups can help you understand the process. If you're unsure about your eligibility or need help filling out a form, get advice early because many benefits can't be backdated. If you're in debt, always seek free support and avoid high-fee or unregulated advisers.

5.3 Share what you learn with others

People often hear about support through word of mouth. If you've discovered a benefit or discount you didn't know about, consider telling your friends, family or neighbours; it could make a big difference.

Centrally administered benefits

Benefits administered by the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) **account for the largest share of unclaimed financial support (around 70%).**

The core benefits administered by DWP include Universal Credit (UC), Pension Credit (PC), and disability and carer benefits, such as Carer's Allowance (CA). HMRC is primarily responsible for Child Benefit (CB).

We estimate that over £16 billion in DWP and HMRC administered benefits is unclaimed each year. This represents a 16.3% increase compared to the previous year, while the number of people missing out has increased by at least 235,000.

Table 2: Overview of unclaimed support, centrally administered benefits

Centrally administered benefits	Missed claims	Average claim in a year	£ million unclaimed
Universal Credit	1,671,000	£6,669	£11,148
Pension Credit	761,000	£2,121	£1,615
Carer's Allowance	553,000	£4,252	£2,354
Child Benefit	742,000	£1,998	£1,483
Overall	**2,432,000**	**£9,935**	**£16,601**

Note: The overall missed claims figure is based on the benefit with the highest number of people missing out. In this case, we have grouped UC and PC, as their eligible populations do not overlap. This gives a minimum estimate, showing that at least 2.4 million people are missing out on a centrally administered benefit.

The rise in unclaimed financial support reflects an increase in the nominal value of awards. The 1.7% uprating in April, the migration of the remaining legacy benefits onto Universal Credit, and the inclusion of both Savings Credit and Guarantee Credit in our Pension Credit methodology have all contributed to higher average award values in centrally administered benefits.

The figures show that as managed migration from legacy benefits continues, the **Universal Credit caseload is increasing,[13] along with the number of people who are eligible but not claiming.**

Our model captures this shift by identifying newly eligible households, including two broad groups:

- those who have never claimed benefits before but are now eligible for UC, and
- those who were previously receiving legacy benefits but did not complete the move to UC.

Both groups are now missing out on support, though for different reasons: one due to limited engagement with the benefits system, the other due to gaps in the migration process.

The estimated value of unclaimed support has also increased, partly due to refinements in how we represent the average award. To more closely reflect actual expenditure, we based this year's calculation on households with an active payment indicator (those who were receiving support) rather than including cases where no payment was made. This adjustment provides a clearer picture of the typical level of financial help available to claimants. A similar approach applies to Carer's Allowance, where the take up rate remains consistent with previous reports.

While these methodological updates improve the precision of our estimates, the overall increase in missed claims and unclaimed value is primarily driven by the actual expansion of the eligible population.

Despite recent increases in missed support, there are also early signs of improved take up, particularly for Pension Credit. This appears to reflect growing awareness driven by national and local outreach efforts. Campaigns led by the Greater London Authority (GLA) and an increasing number of local authorities, often supported by Policy in Practice, are beginning to show results.

A clear example is the recent policy linking Pension Credit to eligibility for the Winter Fuel Payment, which led to a noticeable short term rise in applications. While this improvement is not yet captured in the take up rate used in this report, which reflects DWP's 2023 estimate, further gains are likely as these initiatives expand and take root. Crucially, this demonstrates that well targeted take up campaigns can be effective and deliver lasting impact.

Nevertheless, simplifying the benefit system remains essential for both claimants and administrators. Past reforms that added complexity, such as the introduction of the High Income Child Benefit Charge (HICBC) in 2013, have made it harder for people to access what they are eligible for.

Current limitations, such as the lack of sharing all Universal Credit data with local authorities, continue to hinder targeted support. The 2025 Memorandum of Understanding between DWP and local authorities is a welcome step toward addressing this issue; however, its success will depend on ensuring that local authorities retain access to UC data, not only to improve benefits administration but also to better identify and support residents in need.[14]

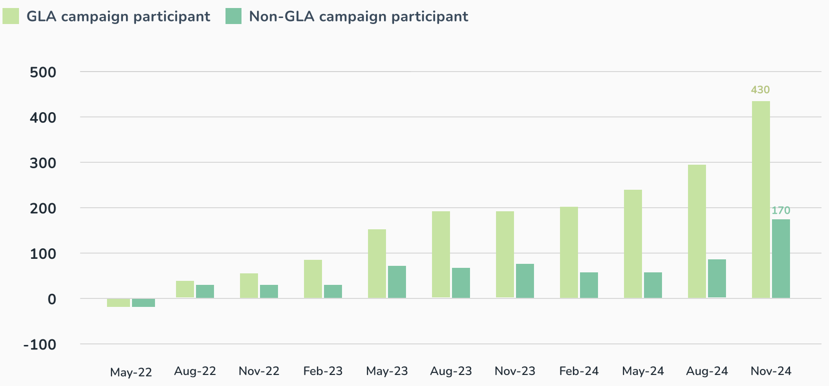
Increasing Pension Credit take up: Evidence from the GLA campaigns and LIFT partnership

Since 2022, the Greater London Authority (GLA) has partnered with Policy in Practice to deliver three data led campaigns aimed at helping older Londoners access unclaimed Pension Credit. The campaigns took place in late 2022, early 2024 and late 2024. Across these three phases, eligible residents in 27 London boroughs received personalised letters encouraging them to make a claim.

According to DWP statistics, London boroughs that participated in these take up campaigns saw **an average increase of 430 Pension Credit claims per local authority, compared to 170 claims in non-participating boroughs, representing a 150% higher increase.**

Pension Credit caseload – London boroughs

Average cumulative change in caseload over time per Local Authority (relative to February 2022)



Source: Department for Work and Pensions (DWP), StatXplore; Numbers round to the nearest 10

The impact was even greater in local authorities that used Policy in Practice's LIFT platform.

Looking across Great Britain, we found that LIFT clients saw an average increase of 95 households claiming Pension Credit over the period, compared to an average of just two households taking up Pension Credit in non-LIFT local authorities. This means that **each LIFT client sees a £360,000 increase in Pension Credit take up, versus £8,800 in non-participating boroughs.**

Universal Credit

Universal Credit provides financial support to low income working age households, both in and out of employment, replacing six legacy benefits with a single payment. As of November 2024, over five million households receive Universal Credit, with average annual awards of around £11,900.

We estimate that over 1.6 million households are now missing out on more than £11 billion in financial support.

Table 3: Universal Credit – changes in missed claims and unclaimed support

Universal Credit	2024/25[1]	2025/26	Year on year change
Missed claims	1,439,000	1,671,000	15%
Unclaimed support	£9,031 million	£11,148 million	23%

This marks a 23% increase in the value of unclaimed support from 2024 values, reflecting the migration to Universal Credit. As more people become eligible for the benefit, more are also likely to be missing out.

Why is this important? Universal Credit unlocks far more than financial support. Councils use Universal Credit records to plan new services like childcare facilities, offer employment support to unemployed people and childcare services to working parents, enrol children in Free School Meals (giving their school the Pupil Premium), or enrol them in social tariffs for daily essentials like water and heating. Families who are missing out on Universal Credit are invisible to councils, meaning they miss out on vital support. Moreover, nearly 37% of those missing out are in working families, who could claim around £995 per month in UC. This presents a significant opportunity to improve financial stability, reduce debt, and prevent crises.

Why has this increased? As the transition away from legacy benefits nears completion, with a target to move the remaining claimants by March 2026, the makeup of Universal Credit recipients is changing.[13] The managed migration of Working Tax Credit and Child Tax Credit has now concluded, and attention has shifted to the migration of those receiving Employment and Support Allowance.

As this process continues, more people are becoming eligible for Universal Credit, but not all are making the move. Some are missing out because they did not complete the transition from legacy benefits, while others are newly eligible but have never engaged with the benefits system. Both groups contribute to the rising number of households that are eligible but not claiming.

In this report, we assume a 77% take up rate for caseloads and 86% for financial support, consistent with our previous two reports. These take up rates are based on the take up of legacy benefits and do not reflect challenges with managed migration. The DWP found that families who previously received some legacy benefits, such as Working Tax Credit and Child Tax Credit were less likely to claim Universal Credit. Take up efforts focused on in-work households are more likely to reach these claimants.

> *"I regularly use the Better Off Calculator with customers to help them understand how moving into work will impact their financial situation... It also opens up a constructive conversation about budgeting, wages to aim for, and what support is available during the transition to work."*
>
> Better Off Calculator user, June 2025
>
> Smart money people

Pension Credit

Pension Credit is a benefit that provides extra income for pension-age people on low incomes. It has two parts: Guarantee Credit, which ensures a minimum income level, and Savings Credit, which gives extra support to people who have saved some money for retirement. Some people receive both types.

While many are eligible, a significant number do not claim what they are eligible for. As of August 2024, over 1.3 million pensioners receive Pension Credit, with average annual awards of £2,000.

We estimate that over 760,000 pensioners are currently missing out on more than £1.6 billion in unclaimed Pension Credit.

Table 4: Pension Credit – changes in missed claims and unclaimed support

Pension Credit	2024/25[2]	2025/26	Year on year change
Missed claims	789,000	761,000	-4%
Unclaimed support	£1,487 million	£1,615 million	9%

Although the number of missed claims has fallen by 4% since 2024/25, the value of unclaimed support has risen by 9%. This suggests that while more pensioners are now receiving Pension Credit, those still missing out are likely eligible for higher amounts. This may be due to a growing share qualifying for Guarantee Credit, the more generous part of the scheme.

Why the change in estimates? The fall in the number of people missing out reflects an increase in take up, along with smaller changes in the eligible population. These may be linked to rising pension incomes, changes in savings or other shifts in household circumstances. However, the rise in the value of unclaimed support points to a deeper need among those still eligible, particularly among pensioners on the lowest incomes.

While the official take up rate rose from 63% in 2022 to 65% in 2023, no 2024 figure has yet been published. However, recent DWP data shows a 51% increase in applications and a 57% increase in awards between July 2024 and May 2025, suggesting early signs of impact from national outreach.[15]

Campaigns led by the DWP and local authorities, many supported by Policy in Practice and community partners, are likely to have contributed to this trend. Although the July 2024 policy linking Pension Credit to Winter Fuel Payment eligibility was later withdrawn, it appears to have played a role in prompting the initial rise in applications.

Why is this important? Pension Credit plays a crucial role in supporting low income pensioners, particularly those who do not receive the full new State Pension. Although the full State Pension now sits just above the Guarantee Credit threshold, many pensioners with reduced entitlements or higher living costs may still qualify for additional help.

Crucially, Pension Credit is a passporting benefit. Claiming it can automatically open up access to a range of other support for older people, including Housing Benefit, Council Tax Support, Cold Weather Payments and free NHS dental treatment. Improving take up boosts individual incomes and strengthens access to a wider financial safety net, helping to reduce poverty and hardship in later life.

Table 5: Claiming pension credit can unlock additional support

	Average award
Pension Credit	£2,121
Housing Benefit	£4,788
Council Tax Support	£1,385
Water	£236
Broadband	£200
Warm Homes Discount	£150
Free TV licenses	£176
Total	**£9,056**

This matters more than ever. In 2022, 19% of the UK population was aged 65 or over. By 2072, this is projected to rise to 27%, around 22 million people.[16] As the population ages, the demand for health and social care services will grow, especially as older people are more likely to face multiple, complex health needs. Poverty in later life can make these issues worse.

Older people living on low incomes are more likely to skip meals, underheat their homes and delay seeking medical care, all of which increase the risk of illness, hospitalisation, and long term care. Improving take up of Pension Credit is not just about increasing individual incomes. It is also a key part of building a more sustainable and preventative approach to public spending on ageing and health.

"Claiming pension credit enabled my husband and me to have a second honeymoon to Ramsgate, our first holiday in ten years."

Beneficiary of Pension Credit take up campaign

“We know that there are many Londoners who are struggling to get by each month, yet completely unaware of the support available to them. These payments can make a significant difference to their lives, and that’s why we work with partners across the capital to help Londoners secure millions that they are entitled to. From Healthy Start vouchers for new families, to Pension Credit for older Londoners, we will continue to do all we can to support Londoners to get the helping hand they need, as we build a fairer London for everyone.”

Dr Debbie Weekes-Bernard
London's Deputy Mayor for Communities and Social Justice

MAYOR OF LONDON

Carer's Allowance

Carer's Allowance (CA) is the main benefit for unpaid carers who provide care for someone receiving a qualifying disability benefit. To be eligible, carers must provide at least 35 hours of care a week, earn less than £196 a week after deductions, and not be in full time education.[17] The average payment is £81.76 per week and offers critical support to carers who often face financial insecurity. As of 2024, over 1 million people are receiving a payment through Carer's Allowance.

We estimate that around 554,000 unpaid carers are now missing out on £2.35 billion in unclaimed Carer's Allowance.

Table 6: Carer's Allowance – changes in missed claims and unclaimed support

Carer's Allowance	2024/25[3]	2025/26	Year on year change
Missed claims	529,000	554,000	5%
Unclaimed support	£2,108 million	£2,354 million	12%

Compared to 2024/25, the number of missed claims has increased by 5% and the value of unclaimed support has risen by nearly 12%. This is likely to reflect rising need and the persistent complexity of the eligibility rules which include strict thresholds around income, education and overlapping benefits.

Why is this important? According to Carers UK's State of Caring survey,[18] nearly half of carers are struggling financially, and over a third report that the demands of unpaid care are negatively affecting their health. Despite this, many eligible carers do not claim Carer's Allowance, often because of the complex rules and the risk of overpayments.

Carers receive either the full weekly amount or nothing at all, so small changes in income can suddenly make someone ineligible. In 2023/24, 57.6% of overpayments were caused by carers going over the earnings limit. Between 2018/19 and 2023/24, the DWP recorded up to 60,800 new overpayments each year, with 5.7% of cases involving amounts over £3,000.[19] **These risks can put people off claiming.**

While the number of people receiving Carer's Allowance has grown by 10.7% since 2018/19, many others still miss out. Around 30% of those who qualify don't receive a payment because of overlapping benefits, for instance, State Pension or Maternity Allowance.

Recent benefit reforms announced in March 2025, including changes that restrict access to qualifying disability benefits, are expected to further reduce eligibility for Carer's Allowance, even as caring needs continue to rise.[20] Improving take up and safeguarding access to this support is critical to preventing financial hardship among unpaid carers, who underpin much of the UK's social care system.

Behind the statistics are people making personal sacrifices to care for those they love. This is detailed in DWP's study on the experiences of claiming Carer's Allowance,[21] showing that many carers feel a strong moral responsibility to provide care themselves, often because the person they support would not feel comfortable receiving help from anyone else. Yet this commitment frequently comes with high emotional, physical and financial costs. Claimants described being "always on call" and rarely able to rest, with some reporting burnout, stress and depression.

While many were unable to remain in paid work due to the intensity of caring, others turned down shifts or reduced their hours to avoid exceeding the Carer's Allowance earnings threshold. These pressures can make unpaid care unsustainable, placing strain not just on carers but on the wider system that depends on them.

Using data to support unpaid carers

Targeted outreach delivers better financial security, housing stability and debt reduction

Policy in Practice analysis shows that 73% of Carer's Allowance claimants are women, and entitlement is highest among people over 50 and in the North and Midlands, areas with poorer health, lower wages and higher demand for care. Many eligible carers miss out due to strict eligibility rules, overlapping benefits such as State Pension, and the risk of overpayments.

In 2023, a London borough used the LIFT platform in a temporary accommodation campaign that also identified unpaid carers with unclaimed entitlements. The campaign supported 11 carers, resulting in:

- 3 households moving out of temporary accommodation, saving the council around £16,000 per household per year
- Average weekly incomes rising by £185 and debts falling by more than £6,300 for those in arrears
- All supported households lifted out of relative poverty

Our policy recommendations

- Use real time earnings data to prevent overpayments, reduce administrative burdens, and remove cliff edge thresholds
- Introduce a carers flag in benefit and financial systems, and integrate outreach with other benefit claims to increase awareness and take up

Smarter use of data can transform how we reach and support unpaid carers, helping to protect this vital group who underpin much of the UK's social care system.

Child Benefit

Child Benefit provides a weekly allowance of £26.05 for the first child in a family and £17.25 for each additional child. It is claimed by 6.8 million families for more than 11 million children across Great Britain. Eligibility begins to taper away when individual income reaches £60,000, and is tapered away entirely at £80,000.

We estimate that more than 740,000 households are currently missing out on over £1 billion in financial support.

Table 7: Child Benefit – changes in missed claims and unclaimed support

Child Benefit	2024/25	2025/26	Year on year change
Missed claims	838,000	742,000	-11%
Unclaimed support	£1,652 million	£1,483 million	-10%

This represents a 10% decrease in the value of unclaimed support compared to 2024, reflecting the steady decline in Child Benefit claimants seen after the introduction of the High Income Child Benefit Charge (HICBC) in 2013.

Why is this important? Child Benefit plays a crucial role in supporting families with the everyday costs of raising children. In 2022/23, 4.3 million children, or 30% of all children in the UK, were living in relative poverty after housing costs, an increase on the previous year. Larger families, lone parents, and ethnic minority households are disproportionately affected. Growing up in poverty increases the risk of poorer health, disadvantage in education, and long-term hardship.[22] Ensuring Child Benefit reaches all eligible households can provide a simple but valuable contribution to reducing these risks and easing financial pressure.

Why has it changed? While the estimated amount of unclaimed support has fallen, this may reflect a worrying trend: more families choosing not to claim at all to avoid the High Income Child Benefit Charge (HICBC). This charge reduces or eliminates payments once one parent earns over £50,000. Although the earnings threshold increased to £60,000 in 2024, this change is not yet reflected in our estimates. Clearer communication and further reform are needed to ensure that families who remain eligible, particularly for partial payments or National Insurance credits, do not miss out.

Locally administered benefits

Benefits administered locally account for around 20% of unclaimed support throughout Britain. This section covers locally administered support that is funded by local councils, the NHS and the Department for Education.

Council Tax Support and Housing Benefit are both administered and distributed by local councils. Free School Meals (FSM) is administered by the Department for Education in partnership with the local education authority, usually a local council. The Pupil Premium is administered centrally by the Department for Education and distributed to eligible schools, and its allocation is currently linked to Free School Meals recipient data but is not awarded directly to families. For this reason, it is not included in the main summary of unclaimed support (Table 1). However, we include it here to highlight benefits that, although indirectly linked to take up of other support, are still subject to underclaiming.

While Healthy Start is administered centrally by the NHS Business Services Authority and Best Start is administered by Social Security Scotland, we have grouped them together because these two benefits are comparable.

We estimate that over £4.6 billion of locally administered benefits go unclaimed each year, with over 2.5 million households missing out.[4] Unclaimed support for Housing Benefits for Pensioners, Healthy Start and Best Start Foods decreased by 14.6% compared to last year.

Table 8: Overview of unclaimed support, locally administered benefits

Locally administered benefits	Missed claims	Average claim in a year	£ million unclaimed
Council Tax Support Overall	2,571,000	£1,286	£3,306
CTS Working age	1,691,000	£1,251	£2,099
CTS Pension age	879,000	£1,386	£1,207
Housing Benefits for Pensioners	226,000	£4,788	£1,083
Free School Meals	123,000	£561	£69
Pupil Premium / PDG / PEF	119,478	£1,280	£153
Healthy Start / Best Start Foods	201,000	£273	£55
Overall	**2,571,000**	**£1,815**	**£4,665**

The value of unclaimed Housing Benefit for Pensioners has fallen by 15%, even as the average annual claim has increased by more than 10%. This reflects a 23% drop in the number of eligible pensioners not claiming support. Although the value of each claim has gone up, likely due to benefit uprating and rising housing costs, the total amount going unclaimed has decreased. We believe this trend is partly linked to the modest improvement in Pension Credit take up, where the number of non claimants fell by around 3.5%. Because the two benefits are closely connected, even a small rise in Pension Credit claims can help increase access to Housing Benefit among older households.

We also observed a 7% drop in total unclaimed support for Healthy Start and Best Start, due in part to a 2% fall in missed claims and an update to how we calculate unclaimed support. As our model maintains the same take up figure from last year, the fall in total unclaimed support is largely due to families no longer being eligible, rather than more claiming support.

For Council Tax Support, we've updated our methodology to better capture national variation between working age schemes and more granular data on take up across Britain. Additionally, we utilised our access to real benefits data from our local authority partners to better estimate average awards for those missing out on Council Tax Support. We observed a 3% fall in unclaimed support, and a 14% rise in missed claims, but with these methodological changes these figures are not directly comparable to last year's estimates. See technical appendix and methodology.

We observed a consistent reduction in the level of support for working age Council Tax Support across the country. As English councils have discretion to design their own schemes, many eligibility rules have been tightened in response to budget strains. 43% of local authorities are facing a risk of "effectively declaring bankruptcy", meaning this squeeze on Council Tax Support will likely continue.[23]

Rising arrears, shrinking support

Council Tax arrears in England have now topped £6 billion, and support for low income households continues to shrink. Our report, A path to better Council Tax Support schemes, tracks five years of changes in Council Tax Support (CTS) and highlights the growing pressures facing both households and councils, finding that:

- **Support is falling:** The average maximum award for working age households is now below 90% in every English region, with some councils offering as little as 40%
- **Arrears are rising:** Collection rates are lower in more deprived areas and where minimum payments are higher, linking unaffordable bills to unpaid debt
- **Schemes remain fragmented:** Awards vary by up to 60 percentage points between areas, creating a postcode lottery
- **Reform is coming:** Local Government Reorganisation will replace over 160 district-level CTS schemes. Councils must now harmonise support across larger areas
- **Better design is possible:** Nearly half of councils now offer 100% support to some working age households. Banded schemes, flat rate deductions, and clearer alignment with Universal Credit can improve both take up and administration

As Local Government Reorganisation continues, funding is reallocated and budget pressures remain, the future of CTS schemes will shape whether Council Tax remains affordable for those who need support most.

Read A path to better Council Tax Support schemes for a comprehensive analysis of trends and practical steps for councils navigating the next wave of reform

For Free School Meals and the linked Pupil Premium, our updated methodology estimates a take up rate of 95%. While this is significantly higher than most other benefits, the remaining gap still represents thousands of children missing out on vital support.

This makes Free School Meals a strong candidate for auto-enrolment, especially as the gap is narrow enough to close completely with the right intervention. Where local authorities have introduced automated approaches, take up has reached near-universal levels, making this a timely and achievable opportunity to ensure all eligible children receive the help they need.

A welcome change is the expansion of eligibility to all children in a household receiving Universal Credit. With this update, more students than ever will benefit from the nutritional and financial benefits of a guaranteed school meal.

However, the Pupil Premium, which serves as a crucial funding source for schools, is expected to retain the same eligibility rules that apply to the current Free School Meals programme, meaning school finances won't feel the benefit of expanded coverage. While transitional protection for Pupil Premium has been extended for the 2025/26 school year, it is uncertain how long these protections will last.[24]

Auto-enrolment efforts are therefore more important than ever to ensure not only near complete take up of Free School Meals, but also for the associated Pupil Premium.

Ensuring every eligible child gets Free School Meals

GREATER LONDON AUTHORITY

GLA and Policy in Practice boost take up through auto-enrolment

In 2025, Policy in Practice partnered with the Greater London Authority (GLA) to run Free School Meal (FSM) auto-enrolment campaigns across 10 London boroughs. Using the LIFT platform, we identified likely eligible students and contacted families with a simple opt out option, removing barriers to access.

Opt outs were rare, and the results were clear:

- Over 1,600 households contacted
- More than 1,800 students enrolled
- An estimated £390,000 saved for families each year
- Over £2 million in Pupil Premium unlocked for schools

Even in areas with strong systems already in place, LIFT helped find additional eligible pupils. Take up increased further when we introduced cross-borough checks, identifying students who live in one borough but attend school in another. In Kensington and Chelsea and Westminster, this approach doubled the number of pupils identified.

Auto-enrolment works, and it's helping ensure no eligible child misses out on the support they deserve.

Council Tax Support

Council Tax Support (CTS) is a means tested benefit that helps low income households to pay their Council Tax. It replaced the nationally administered Council Tax Benefit in 2013, when responsibility for working age claimants in England was devolved to local authorities. Pensioners remain protected by national rules set by the central government.

The abolition of Council Tax Benefit came with a 10% cut in national funding, leading many councils in England to reduce the level of help available to working age households. Support now varies significantly between areas, and among all benefits administered locally or centrally, CTS has the highest number of unclaimed cases.

CTS varies across the UK. In **England**, CTS schemes for working age claimants continue to diverge. For 2025/26, many councils are moving to banded schemes, setting percentage reductions based on income bands rather than detailed means testing. While this can simplify administration, it often reduces maximum awards and tightens eligibility, especially under budget pressure. Pension-age claimants remain protected by the regulations valid for England in 2025.[25] Some councils retain additional protections for disabled residents and carers, but many working-age households will see smaller awards or lose eligibility altogether.

In **Wales**, the Council Tax Reduction Scheme remains national, offering up to 100% support for eligible claimants. From April 2025, anyone receiving Universal Credit will automatically be treated as having applied for CTS,[26] a change expected to help more than 60,000 additional households and return over £67 million to low-income families.[27] Local amendments tend to be minor and technical, maintaining a consistent, generous base scheme.

In **Scotland**, the national Council Tax Reduction scheme, introduced in 2013, continues to offer up to 100% reductions for the most financially vulnerable, closely mirroring the former UK-wide Council Tax Benefit. The latest update to the relevant regulation included changes to the applicable amounts and non-dependant deductions from April 2025, including increases linked to pension credit.[28] Eligibility is still calculated through detailed means testing of income and savings, with pensioners protected in line with England and Wales.

We estimate that more than 2.5 million households not claiming CTS are missing out on over £3 billion in financial support.

Table 9: Council Tax Support – changes in missed claims and unclaimed support

Council Tax Support	2024/25	2025/26[5]	Year on year change
Missed claims	2,254.000	2,571,000	14%
Unclaimed support	£3,411 million	£3,306 million	-3%

Compared with last year's Missing Out report, this represents a 14% increase in the number of households missing out, but a 3% decrease in the value of unclaimed support. Methodological updates this year, such as incorporating regional variation in working age schemes and more granular take up rates, mean figures are not directly comparable year to year.

Working age households are more likely to miss out, reflecting both the complexity and variation of schemes across councils and the tightening of eligibility. Since 2016, more than 570,000 working-age households have become ineligible for CTS.[29] By contrast, pensioners are less likely to miss out, as their claims are usually passported from other centrally administered benefits.

Table 10: Council Tax Support – missed claims and unclaimed support by age group

Council Tax Support	Missed claims	Unclaimed support	Average claim
Working age	1,692,000	£2,099 million	£1,241
Pension age	879,000	£1,207 million	£1,372
Overall	**2,571,000**	**£3,306 million**	**£1,286**

Why is this important? On the one hand, councils that require a higher minimum contribution tend to see lower Council Tax collection rates, reinforcing the link between unaffordable bills and non-payment. In a context where Council Tax arrears are at an all time high, missed claims for financial support increase the risk of non payment, reducing council revenues while deepening financial hardship for affected families.

On the other hand, access to administrative data on Universal Credit held by local authorities depends on whether a household is in receipt of or has applied for Council Tax Support. If a household does not apply, it risks becoming invisible to its local authority. This lack of visibility limits councils' ability to deliver targeted support, highlighting why improving CTS take up or the information shared between government levels is so crucial.

In this context, local government reorganisation presents a critical moment for reform. As more than 160 district-level CTS schemes across England are set to be merged into new unitary structures, there is an opportunity to design support systems that are fairer, simpler and more equitable. But seizing this opportunity will require coordinated planning, robust modelling and political will to ensure that the most financially vulnerable households are not left behind.[29]

Why has it changed? This year's figures show more households missing out on CTS, but with a lower total value of unclaimed support, reflecting a general decline in the generosity of many local schemes. While more households appear to meet eligibility criteria, the amount of support available to them is shrinking. Across all English regions, average maximum awards for working age households have fallen below 90%, and some councils now offer as little as 40% support. As a result, even though more people are missing out, the financial value of what they're missing out on has declined.

In parallel, increasing variation between local schemes and a rise in Council Tax arrears suggest that affordability and awareness remain major barriers to take up. Some households may not be applying at all, either because support is harder to access or because the amount on offer is too small to warrant the effort.

"The detailed report produced by Policy in Practice has helped us to consider our CTS policy options and been included in decision making reports on our overall CTS scheme, showing the impact on recipients, specific cohorts of residents and future changes to the overall costings of our scheme."

Robbie Rainbird, Assistant Director Community Financial Resilience, Islington Council

ISLINGTON

Housing Benefit for Pensioners

Housing Benefit for Pensioners provides support with rent costs for those who have reached State Pension age. More than 1 million people receive this benefit, with an average annual support of around £6,000.

We estimate that more than 200,000 households are currently missing out on over £1 billion in financial support.

Table 11: Housing Benefit for Pensioners – changes in missed claims and unclaimed support

House Benefit for Pensioners	2024/25	2025/26	Year on year change
Missed claims	293,000	226,000	-23%
Unclaimed support	£1,274 million	£1,083 million	-15%

This represents a 15% decrease in the value of unclaimed support compared to 2024, following an increase in take up rates reported by DWP this year.

Housing Benefit for Pensioners is another key source of support that can improve the quality of life in later years. It plays a vital role in reducing housing costs and can significantly boost the overall award for pensioners who also receive Pension Credit. Despite the strong interaction between the two benefits, they are not currently linked through an automated process. Introducing automatic enrolment into Housing Benefit when someone begins receiving Pension Credit could streamline access, raise take up rates and help ensure that older adults receive the full support they are eligible for.

Free School Meals

Free School Meals (FSM) help children from low income families by improving nutrition, reducing health inequalities, and supporting learning. They ensure pupils get a **healthy meal during the school day, which can boost concentration and academic performance.** Despite their critical role, many eligible children are not registered to receive this help.

We estimate that 123,000 children across the UK are missing out on FSM, leaving over £69 million in support unclaimed.

Table 12: Free School Meals – missed claims and unclaimed support

Free School Meals	2025/26
Missed claims	123,000
Unclaimed support	£69 million

Why are so many children missing out? There isn't just one reason. Whether a family qualifies for Free School Meals mainly depends on their income and the benefits they receive, so if their earnings go up or they stop getting certain benefits, they can lose eligibility.[30]

Another problem is that families often don't get clear information about how to apply, especially when their situation changes, for example when they first start claiming Universal Credit. Many parents simply assume the school will sort it out automatically.

Even when people do know they need to apply, the process itself can feel complicated. Forms, online systems and uncertainty about what evidence is needed can put families off.

Finally, stigma still plays a role. Some parents worry that applying will make their child stand out or be judged, despite efforts to make claiming FSM more normal and less visible.

According to a study by the Education Policy Institute, all of these factors combine to create barriers that stop many eligible children from receiving the support they need and are entitled to.[31]

There is real potential for change. Local authorities have already shown that targeted outreach, using benefit data to identify eligible families and contact them directly, can quickly boost registrations.[32]

Looking ahead, eligibility will widen considerably. In June 2025, the government announced that, from September 2026, all children in households receiving Universal Credit will become eligible for means tested Free School Meals.[33] This expansion is expected to extend eligibility to over **three million school age children** and help lift more than **100,000 children out of poverty.**[34]

However, the policy does not yet commit to auto-enrolment. Evidence from councils such as Lambeth, Lewisham and Wandsworth shows that **automatic registration can make a significant difference,** reducing both stigma and paperwork for families.[32] Ensuring that schools and councils have the tools, funding and systems to reach newly eligible children, and to support those already eligible but not claiming, will be essential to deliver the full impact of the policy.

Lambeth Council tackles child poverty by auto enrolling 1,500 students in Free School Meals

Lambeth

Data led auto enrolment boosts take up and unlocks millions for schools

In 2025, Lambeth Council became one of the first local authorities in the country to use auto enrolment to boost Free School Meal (FSM) take up. Working with Policy in Practice's LIFT platform, the council identified pupils who were eligible but not yet claiming, and removed the need for families to apply.

Using housing benefit, Council Tax Support and Universal Credit data, LIFT flagged households likely to qualify for FSM. This was matched with the School Census to create a targeted list of pupils. Families were contacted by letter and told their child would be enrolled automatically unless they opted out. This light touch approach removed barriers and ensured no child missed out.

The results speak for themselves:

- **1,500 pupils auto-enrolled for Free School Meals**
- **£600 average saving per family each year,** including term time meals, holiday vouchers and access to the Holiday Activities and Food programme
- **£3 million in additional funding** unlocked for Lambeth schools through the Pupil Premium and National Funding Formula

FSM is a gateway benefit that supports children's health, attendance and learning while bringing vital resources into schools. By taking a proactive, data led approach, Lambeth Council is tackling child hunger and ensuring fairer access to essential support for families across the borough.

"Our commitment to maximising Free School Meals enrolment not only ensures fairer access to essential nourishment for children in Lambeth's schools but also directly channels vital additional funding into our schools."

Cllr Ben Kind, Councillor and Cabinet Member for Children and Families, Lambeth Council

Read more

Pupil Premium, Pupil Development Grant and Pupil Equity Fund

Alongside FSM, schools receive additional funding linked to the number of pupils registered for means tested free school meals. In England, this is known as the Pupil Premium; in Wales, the Pupil Development Grant (PDG); and in Scotland, the Pupil Equity Funding (PEF). These schemes are designed to help schools close the attainment gap by supporting disadvantaged pupils with targeted interventions, extra teaching capacity and other educational activities.

In 2025/26, we estimate that **119,000 pupils are missing out on this funding**, meaning their schools are losing over **£153 million** in support.

Table 13: Pupil Premium, PDG and PEF– missed claims and unclaimed support

Pupil Premium, PDG and PEF	2025/26
Missed claims	119,000
Unclaimed support	£153 million

The link between FSM registration and school funding means schools have a strong reason to encourage families to sign up. When parents don't claim Free School Meals, children miss out on support, and schools lose funding that could be spent on extra help for learning. Research by the Sutton Trust shows that while many schools use Pupil Premium funding for educational activities based on evidence of what works, ongoing budget pressures have forced some to spend it on covering basic costs instead.[35]

As Universal Credit expansion brings more children into scope for FSM, there is both an opportunity and a risk. More children will get a free meal, helping to reduce food insecurity and support learning.

However, the eligibility criteria for Pupil Premium funding has not changed so schools will not automatically receive extra funding for every newly eligible pupil. This means the impact on schools' budgets may be limited unless funding rules are also updated. Government departments must work with local authorities to ensure that families register and that any additional funding is targeted where it is most needed. This is essential to achieve the policy's full potential.

Healthy Start and Best Start Foods

Healthy Start (England and Wales) and Best Start Foods (Scotland) provide essential support to pregnant women and families with young children on low incomes, helping them buy healthy food and milk. Despite being administered separately, the schemes aim to ensure that children across the UK get a strong nutritional start in life.

For 2025, we estimate that over 202,000 families across the UK are missing out on a combined £55 million in support.

Table 14: Healthy Start and Best Start Foods – changes in missed claims and unclaimed support

Healthy Start and Best Start Foods	2024/25[6]	2025/26	Year on year change
Missed claims	205,000	202,000	-2%
Unclaimed support	£59 million	£55 million	-7%

Why the change in estimates? The estimated number of families missing out on Healthy Start fell slightly between 2024 and 2025, by 2%. This represents a slight improvement on 2023/24, but significant gaps remain and take up remains far from complete. This does not necessarily mean more people are claiming the support, as our model assumes the same take up rate in both years. Instead, the drop likely reflects that fewer families now meet the rules to qualify.

Several factors may explain this trend. Eligibility for Healthy Start is tightly linked to household income and benefit receipt. Families become ineligible if their income rises above the thresholds, they move off qualifying benefits or their youngest child turns four. Fluctuations in employment, changes to Universal Credit awards and demographic shifts such as falling birth rates can all reduce the eligible population.

There is real potential for change. Raising awareness, simplifying applications and better integrating Healthy Start with Universal Credit systems could unlock vital support for over 200,000 families across the UK. With food insecurity affecting more children each year, this is a clear opportunity for coordinated, practical action that works.

A great example of this is the campaign led by local authorities in partnership with Policy in Practice, which sent targeted letters and texts to increase Healthy Start claims by over 5.4% across three London boroughs in just six months. This shows that when councils are supported to use their data well, they can drive real improvements in take up at a local level.

> *"I didn't know there was something like that until I received a letter from my council. I've two kids and have never applied for this."*
>
> London resident notified about Healthy Start by her local authority

Looking ahead, support levels are set to increase. The government's 10 Year Health Plan for England, published in July 2025, confirmed that from 2026/27, pregnant women and children aged one to under four will receive £4.65 per week, up from £4.25, and children under one will receive £9.30 per week, up from £8.50.[36] These increases reflect a recognition of the importance of nutrition in early childhood and present an opportunity to ensure that more families in need can access the higher payments.

Helping families through the cost of living crisis

South Cambridgeshire boosts Healthy Start take up using the LIFT platform

The problem: Nearly 40% of eligible families in South Cambridgeshire were missing out on NHS Healthy Start benefits. With food insecurity and child poverty rising, the council needed a targeted and effective response.

The solution: In early 2024, South Cambridgeshire District Council used Policy in Practice's Low Income Family Tracker (LIFT) to identify 377 households likely eligible for Healthy Start but not claiming. The council launched a rapid outreach campaign, using letters, phone calls, texts, emails and face to face engagement to reach families directly.

The impact: Overall, Healthy Start claims in boroughs running take up campaigns powered by LIFT, like the one above, saw take up increase by 5.4% on average compared to a 0.7% decrease in other boroughs over the same period. Specifically in South Cambridgeshire:

- 12.4% rise in Healthy Start claimants in one month (versus 1.4% national average)
- £42,858 in new Healthy Start claims
- £15,070 in Household Support Fund payments
- 196 households contacted personally by council officers

Collaboration with food banks, GPs, family centres and local charities helped spread the message and connect families with wider support. South Cambridgeshire is now planning to apply the same approach to other benefits, showing how councils can lead the way in tackling poverty through smart data and person-centred support.

Social tariffs and energy support

Despite the cost of living crisis, millions of households on low incomes are missing out on help with essential bills. Social tariffs and energy support now account for the highest number of missed claims across all benefit types, even though the total financial value of missed support is lower than for major income related benefits like Universal Credit or Pension Credit.

We estimate that more than 7.5 million households are missing out on around £3 billion in social tariffs and energy support each year.[7] Unclaimed support for Broadband, Warm Home Discount and TV licences increased by 34% compared to last year.

Table 15: Overview of unclaimed support, social tariffs and energy support

Locally administered benefits	Missed claims	Average claim in a year	£ million unclaimed
Water Social Tariffs (incl. Water Sure)	3,847,000	£194	£745
Broadband	7,537,000	£200	£1,508
Warm Home Discount	4,812,000	£150	£722
TV Licences	298,000	£176	£52
Overall	**7,537,000**	**£402**	**£3,027**

These benefits include national and regional water social tariffs, broadband discounts, the Warm Home Discount and free TV licences for over 75s on Pension Credit. We have excluded the Winter Fuel Payment because its recent shift from universal to means tested eligibility makes reliable take up estimates for 2025/26 difficult to produce.

We have also taken into account people claiming other means tested benefits, primarily Universal Credit and Pension Credit, in our estimates of unclaimed social tariffs and utility support. This is because take-up of these benefits often acts as a passport to support in regulated sectors. Part of the increase in our estimates reflects the growing UC caseload. Our methodology does not apply a flat take up rate to all UC claimants. Instead, it accounts for specific eligibility criteria within this population, such as disability, caring responsibilities or having young children, and applies benefit-specific rules accordingly.

As more households transition from legacy benefits to UC, the number of people meeting these criteria and not claiming support continues to grow. Our updated model reflects this dynamic and improves on past versions by better segmenting claimant groups and correcting for regional under representation, especially in Scotland.

The most notable policy shift in this period was the reform of the **Winter Fuel Payment**, covered in detail below. Otherwise, there was little movement in social tariffs policy during Labour's first year in office. That is about to change:

- **Expanded eligibility for Warm Home Discount:** The government has removed the 'high cost to heat' threshold from Warm Home Discount eligibility for UC recipients, a welcome simplification of a rule that created confusion and fluctuating access year to year. While we believe better targeting would ensure support reaches those most in need, this change improves predictability and access for vulnerable households

- **A single national water social tariff:** The **Water (Special Measures) Act 2025** enables the redistribution of funding between water companies, laying the legal groundwork for a **single national water social tariff.** This change, if implemented, would help to tackle the current postcode lottery in water affordability and improve equity across regions. We have long called for this reform, most recently in The Art of the Possible, published with **Citizens Advice** and the **Abrdn Financial Fairness Trust**[37]

Making it easier to get support with water bills

Thames Water boosts access through auto-enrolment with local councils

The problem: Thames Water wanted to strengthen its engagement with customers eligible for their social tariff scheme, WaterHelp, and WaterSure. Many customers faced systemic barriers, such as issues with online access, language barriers or disability. Previous attempts to automate via DWP data were too simplistic, returning only yes/no benefit matches and lacking the ability to match their exact social tariff criteria.

The solution: Thames Water partnered with Richmond and Wandsworth councils and Policy in Practice to match benefits data at the household level and assess eligibility against Thames Water's criteria. Policy in Practice acted as a trusted third party, preserving privacy while flagging customers eligible for support.

The impact:

- Doubled enrolment, with over **2,500 customers** auto-enrolled in April 2025
- £500,000 in annual support distributed, without 30 minute income assessments
- 600 households with water **and** Council Tax arrears identified for additional help
- Model now scaling across other Thames Water service areas

Thames Water customers don't have to go through a 30 minute income and expenditure assessment, which means lower admin costs for Thames Water and, crucially, greater success in reaching those most in need.

Thames Water is now rolling out auto-enrolment across London. So far, over 13,000 residents across nine London Boroughs have secured an average saving of over £380 per household, generating over £5 million of annual impact so far, and it continues to rollout across the capital.

Read more

Making this support accessible and timely is urgent. In recent years, the cost of simply keeping warm has surged to unsustainable levels for many households across Britain. By winter 2022/23, typical monthly energy bills had risen by over £30 compared to the previous year, even after factoring in government subsidies and efforts to cut usage. For those at the highest end, bills topped £500 a month.

These rising costs have hit families on low incomes hardest, with energy now consuming over 7% of their total spending. Many have responded by reducing heating hours, lowering thermostats and relying on hot water bottles or extra layers instead of switching on the heating. Yet behind these adjustments lies deep strain: people are living in colder homes, often unable to stay comfortably warm, with signs of worsening mould, stress, and energy-related hardship becoming alarmingly common.[38]

Water

Water social tariffs provide bill reductions for low income households across the UK. There are three forms of bill reduction, the WaterSure scheme and companies' own social tariff schemes in England and Wales, and the Water Charges Reduction Scheme (WCRS) in Scotland. Each water and sewerage company has its own social tariff scheme(s) so eligibility requirements and the level of support offered vary across the country.

WaterSure caps bills for households in England and Wales on a qualifying benefit and a high essential use of water, either a qualifying medical condition that leads to higher water use or households with three or more children. WaterSure caps water bills at the average bill for that region.

Water and sewerage companies across England and Wales have designed their own social tariffs to reduce bills by 15% to 90% for customers on low incomes. The eligibility criteria for these schemes vary significantly: some use metrics like water poverty to determine eligibility, others use qualifying benefits, some use a combination of different requirements.

WCRS is a Scottish scheme providing a bill reduction of up to 35% for water and sewerage charges. As water and sewerage charges are included in Council Tax bills in Scotland, recipients of Council Tax Support in Scotland automatically receive WCRS.

We estimate that more than 3.8 million households are missing out on over £745 million in financial support.

Table 16: Water support – missed claims and unclaimed support

Water support	2025/26
Missed claims	3,849,000
Unclaimed support	£745 million

Why are so many households missing out? People face the three common barriers to taking up support: awareness, complexity and stigma. This is even worse for social tariffs, as Citizens Advice reports, because water social tariff schemes vary between companies and criteria to qualify as 'water poor' can be complex, so it can be very hard to understand if you are eligible for help.[39] In addition, if a household has a different water and sewerage provider it may have to navigate two completely different systems to claim support, further discouraging take up.

Water companies are making efforts to increase takeup of social tariffs.[40] Our recent report, The Art of the Possible, profiles how water companies, sewerage companies and local authorities are using data to overcome these barriers today.[37]

Table 17: Water support – missed claims and unclaimed support by scheme

Water support	Missed claims	Unclaimed support	Average reduction
WaterSure	514,000	£185 million	£360
Company run social tariffs	3,066,000	£536 million	£175
WCRS	268,000	£23 million	£88
Total	**3,849,000**	**£745 million**	**£194**

How do rising bills affect these estimates? Bills across England and Wales increased by an average of 26% in April 2025,[41] which will increase the number of families that qualify for social tariffs schemes. We have not sought to model this, meaning our estimate of the number of households missing out will be conservative in 2025/26.

For WaterSure, company-run social tariffs and WCRS we have uprated the bill reduction by the percentage increase in water charges, which was 26% in England and Wales and 9.9% in Scotland.[42]

Why is this important? Water social tariffs remain one of the most underclaimed benefits yet research by CPAG estimates that 15% of households spend more than 3% of their disposable income on water costs.[43] Rising water bills across England, Wales and Scotland, reported by Water UK and Scottish Water, mean households missing out on support will be under even greater strain.

"The fantastic bit is customers are getting more than just applying for their tariffs. They've been directed to the right support available for them as we've identified potential missing benefits. 96% of customers who applied for tariffs were eligible for benefits. That's £7.2 million, which works out at nearly £1,400 on average per household."

Lisa Connell,
Customer Services Manager – Inclusivity, Northumbrian Water Ltd

NORTHUMBRIAN WATER living water

Broadband

Broadband social tariffs in the UK are designed for individuals and households receiving means tested benefits such as Universal Credit, Pension Credit and Employment and Support Allowance, and are worth on average £200 a year.

We estimate that more than 7 million households are currently missing out on over £1.5 billion in financial support. This represents a 3% increase in unclaimed support compared to 2024, in line with the increase in population eligible for means tested benefits, such as Universal Credit.

Table 18: Broadband – change in missed claims and unclaimed support

Broadband	2024/25[8]	2025/26	Year on year change
Missed claims	7,319,000	7,537,000	3%
Unclaimed support	£1,464 million	£1,508 million	3%

Why is this important? Research by Ofcom suggests that 1.9 million UK households struggle to afford their broadband bills.[44] Despite a slight recent increase in take up rates, from 8.3% to 10%, awareness of this benefit remains low. Ofcom also found that nearly seven in ten eligible households were unaware of social tariffs.

Access to reliable broadband is no longer a luxury, it is a lifeline, yet millions across the UK are being left behind. With one in ten of the poorest households cutting back on essentials like food to stay connected[45] and nearly four in ten families with children falling short of basic digital access standards, data poverty is widening deep divides in education, employment, and everyday life.[46]

Without broadband, people are locked out of job applications, benefit systems and healthcare, unable to access services that are increasingly digital by default. For low income households, broadband costs can take up a noticeable share of limited budgets, particularly during a cost of living crisis where small savings matter. Tackling digital exclusion is about improving convenience as well as supporting equal access to opportunities, services and participation in everyday life.

Why has it changed? Since eligibility for broadband social tariffs is linked to means tested benefits, any increase in the number of people eligible for those benefits expands the pool of potential claimants. On our calculations, the 3% increase in the value of missed broadband support follows the rise in the number of Universal Credit recipients.

In this report, we also respond to a critique raised by readers of last year's Missing Out report. While we have kept the methodology unchanged since it accurately reflects eligibility, we recognise the importance of addressing the wider question of access. As efforts to improve access to social tariffs continue, we must also confront a difficult reality: the gap between need and funding remains significant.

We estimate the current funding required across all major social tariffs, including broadband, water, and the Warm Home Discount, to be £1.3 billion, well below the £3 billion required if all eligible households were to claim support. Solving access issues will therefore require not only greater outreach and awareness, but also a serious conversation about how these schemes are funded.

Warm Home Discount

The Warm Home Discount (WHD) is a government scheme that provides an annual one off winter payment to help with energy costs. The £150 discount is applied directly to electricity bills, primarily supporting low income pensioners and working age households. The scheme is split into four groups: Core Group 1 (pensioners on Pension Credit Guarantee Credit in England and Wales), Core Group 2 (working-age households on means tested benefits), Core Group (pensioners in Scotland), and the Broader Group (working-age applicants in Scotland).

While payments are made automatically for many pension age households, working age eligibility is more complex and varies across nations. In 2022/23 the WHD was restructured into two separate schemes for England and Wales, and Scotland, underpinned by different legislation and delivery rules. This split has had lasting implications for how support is distributed, particularly for working age households who must still navigate different eligibility criteria or application processes compared with than other households.

We estimate that over 4.8 million households are missing out on WHD in 2025/26, a 277% increase from the previous year. Because all recipients receive a flat £150, the rise in the number of missed claims is proportionally reflected in the total value of unclaimed support, which has grown from **£192 million** to **£722 million.**

Table 19: Warm Home Discount – change in missed claims and unclaimed support

Warm Home Discount	2024/25[9]	2025/26	Year on year change
Missed claims	1,278,000	4,812,000	277%
Unclaimed support	£192 million	£722 million	277%

What changed this year? In June 2025 the government announced a major expansion in WHD eligibility in England and Wales. Households on income based benefits no longer need to prove they live in 'hard to heat' homes to qualify, removing a key administrative hurdle. As a result, a much larger number of households are now potentially eligible.

Our estimates for Scotland still use local energy efficiency data because the eligibility rules for working age Scottish households have not changed.

Why is this important? WHD plays a vital role in protecting low income households from winter hardship. While take up of the support is near universal for pensioners receiving Pension Credit, the picture is more mixed for working age households[47], many of whom are unaware of their eligibility, or fall through the cracks due to complex benefit interactions and delivery mechanisms. Ensuring better take up could help reduce energy debt, tackle fuel poverty and prevent cold-related health issues, especially as energy prices remain volatile.

TV Licences

A TV licence is a legal requirement for watching live TV broadcasts, including live TV through streaming services, or for using BBC iPlayer. The fee helps fund public service broadcasters such as the BBC and S4C. As of April 2025, a colour TV licence costs £174.50 per year.[48]

A free TV licence is available to people aged 75 or over who, either themselves or their partner living at the same address, receive Pension Credit. In the year to 31 March 2024 964,000 free TV licences were issued, with a total value of over £160 million.[49]

We estimate that around 300,000 households are currently missing out on over £50 million in financial support.

Table 20: TV Licences – change in missed claims and unclaimed support

Unclaimed support	2024/25[10]	2025/26	Year on year change
Missed claims	313,000	298,000	-5%
Unclaimed support	£53 million	£52 million	-1%

This represents a 5% decrease in missed claims compared to last year's report, due to the increase in the Pension Credit take up rate. Since eligibility for free TV license is tied to receiving Pension Credit, improvements in take up of the latter directly contribute to increased access to free TV licences.

Why is this important? Why has it changed? The free TV licence helps older pensioners on low incomes stay connected and informed. Although missed claims have fallen, awareness of the concession and related social tariffs remains low. In 2025, eligibility is still tied to receiving Pension Credit, yet many pensioners are unaware of this link or that they must apply separately for both. The most recent take-up data is from 2020, leaving a gap in understanding whether awareness has improved.50 Charities such as Age UK and RNIB, along with local advice networks, continue to highlight low awareness as a barrier. Collaborative campaigns and updated benefit guidance have improved visibility, but the complexity of the system means eligible pensioners still risk missing out. Simplifying the process could help reach and support the most vulnerable.

Technical appendix and methodology

This report estimates how many people are likely to be eligible for key means tested benefits but are not currently claiming them. To do this, we combine official data from sources such as the DWP, HMRC, local authorities, Ofgem and Ofcom with published or inferred take up rates.

For each benefit, we compare the number of observed claimants to the estimated eligible population, then multiply the number of missed claims by the typical annual award, updated for 2025/26 policy changes, to calculate the total value of unclaimed support. Where take up figures are not available, for example, for Universal Credit, we rely on proxy estimates derived from legacy benefits or matched administrative datasets. This approach allows us to produce cautious, robust estimates of unmet need among households, individuals and children at the local level.

As in previous editions of Missing Out, we do not estimate take up for legacy benefits that are being phased out, such as Jobseeker's Allowance, tax credits or working age Housing Benefit, since these are no longer available to new claimants. We also exclude disability benefits and discretionary support from this analysis, as eligibility depends on additional assessments.

In addition, upcoming changes due to the current government review of disability benefits, winter fuel payments and other key areas of support may further affect access and eligibility for working age and older adults. We will continue to monitor the implications of these policy developments. Full details of the methods and data sources used for each benefit are provided in the following sections.

Benefits administered by DWP and HMRC

Table A1 summarises our estimates of missed support across key benefits administered by the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC). For each benefit, we estimate the total amount of unclaimed support, number of missed claims and the average annual value per household using the most recent take up rates available or appropriate proxies.

Table A1: Overview of unclaimed support, centrally administered benefits

Centrally administered benefits	£ million unclaimed	Missed claims	Average yearly claim	Take up rate
Universal Credit	£11,148	1,671,732	£6,669	77%
Pension Credit	£1,615	761,275	£2,121	65%
Carer's Allowance	£2,354	553,732	£4,252	65%
Child Benefit	£1,483	742,225	£1,998	90%
Overall	**£16,601**	**1,671,732**	**£9,930**	--

Universal Credit

We estimated the number of claimants likely to be missing out on Universal Credit, and the total value of unclaimed support, by combining administrative data with estimated take up statistics. The analysis follows five main steps:

1. **Observed claims and observed spending:** We used DWP's Households on Universal Credit dataset from StatXplore, focusing on the number of households by housing entitlement, tenure and their average monthly award. We included only households with a calculated award, identified via the 'Payment Indicator' variable, to ensure the sample covered those who received a payment.
2. **Update average payment:** Due to a processing lag in DWP data, we used the latest available figures (November 2024) and uprated them to 2025/26 values for accuracy. Uprating follows the Secretary of State's annual benefits review, with inflation-linked benefits typically adjusted in line with CPI (1.7%). We accounted for differences by housing tenure: for households in the Private Rented Sector or with no housing entitlement we use the same CPI-based uprating. For the Social Rented Sector, the housing component was uprated using the annual rent increase limit set by the Regulator of Social Housing (2.7%).[51]
3. **Take up rates:** We estimated a take up rate of 77%, and an expenditure take up rate of 86%, unchanged from our two last reports, as there were no official estimates of Universal Credit take up rates available to date. The take up rates were based on the most recent data available for legacy benefits, applied to similar groups of Universal Credit claimants as a proxy for those who would have been eligible under the legacy system. Where claimants received multiple legacy benefits, e.g. JSA and ESA, we applied the higher take up to all corresponding elements of Universal Credit.
4. **Estimating missed claims:** To estimate the number of families missing out on Universal Credit we applied the 77% caseload take up rate to the number of households currently receiving a UC payment. As the number of people on Universal Credit increases, so does the number of families missing out, and with it, the amount of unclaimed financial support.
5. **Estimating value of unclaimed financial support:** To estimate the unclaimed financial support we calculated the total financial support given and then applied the 86% take up rate for financial support.

Yearly updates and revisions: This year we revised our methodology to include only households that had a Universal Credit award calculated and paid. In previous reports, we included all households on Universal Credit, whether they received a payment or not, when estimating financial support gaps.

Since Universal Credit is assessed monthly, some households receive no payment in certain months, for example due to high earnings. There are pros and cons to this change. On the one hand, excluding zero payment cases may slightly under count the total number of households on Universal Credit, as those with £0 awards are still technically on the benefit. On the other hand, including them in expenditure calculations would lower the average award and underestimate the true scale of financial support missed.

Because our main focus is on support actually received by households in need, we consider it more accurate to include only non zero awards (i.e., those receiving a payment).

Pension Credit

We estimated the number of pensioners likely to be missing out on Pension Credit, and the total value of unclaimed support, by combining administrative data with official take up statistics. The analysis follows five main steps:

1. **Observed claims:** We used data from StatXplore to find the number of people currently receiving Pension Credit, broken down into three groups: Guarantee Credit only, Savings Credit only, and those receiving both. These figures reflect the number of successful claims.
2. **Estimating missed claims:** We applied the latest take up rates published by the DWP which vary depending on the type of Pension Credit. By applying these rates, we estimated how many people are likely to be eligible but not claiming support.
3. **Observed spending:** To calculate how much Pension Credit is currently being paid, we multiplied the number of recipients in each group by the average weekly payment, from StatXplore, then annualised the result by multiplying by 52 weeks.
4. **Estimating unclaimed spending:** Using expenditure based take up rates from DWP we estimated what total spending would look like if everyone eligible for Pension Credit were to claim. The difference between the total and observed spending gives us the estimated value of unclaimed support.
5. **Individual impact:** To estimate how much support each non-claimant is missing out on, we divided the total value of unclaimed support by the number of people likely to be eligible but not claiming. This gives an average yearly amount per person.

All figures in this analysis are annualised to show the full year value of Pension Credit support. Using the most recent take up rates of 65% from 2023 ensures consistency across time and reflects the best available evidence.

Carer's Allowance

Our analysis estimated the number of unpaid carers missing out on Carer's Allowance and the total value of support unclaimed each year. We used administrative data from StatXplore on the number of people currently receiving Carer's Allowance payments, along with the average weekly award.

The core of the analysis applied a standard take up formula to estimate how many more people would be receiving support if take up were 100%. This is based on the principle that the group of current recipients represents only a proportion of those who are actually eligible. By applying a take up rate, in this case, 65%[52], we were able to estimate the full eligible population, and then calculate the number missing out as the gap between the two.

This approach focused specifically on those eligible for a Carer's Allowance payment. It excluded people with underlying entitlement only, who do not receive a payment due to overlapping benefits but may receive other forms of support, such as a Carer's Premium through means tested benefits. These people accounted for around 30% of those with entitlement or receipt.

To estimate the value of unclaimed support, we multiplied the number of carers missing out by the average annual award. This allowed us to quantify the scale of financial support that could be reaching unpaid carers if take up were complete.

Child Benefit

We estimated the number of claimants likely to be missing out on Child Benefit, and the total value of unclaimed support, by combining administrative data with official take up statistics. The analysis follows four main steps:

1. **Observed claims and observed spending:** We used the number of families receiving Child Benefit payments and the number of children for whom Child Benefit is paid, broken down by UK country and English region, as of August 2023. This data is published annually by HMRC, which also provides yearly updates to the weekly award amounts.
2. **Take up rates:** We use HMRC's estimated take up rate of 90% for Child Benefit caseloads as of August 2023. This is lower than the 98% that was achieved before the HICBC was introduced.
3. **Estimating missed claims:** To estimate the number of families missing out on Child Benefit we applied the take up rate to the number of families currently receiving payments.
4. **Estimating unclaimed spending:** To estimate the unclaimed financial support, we classified the families missing out by number of children and applied the respective weekly award rates, annualised, to calculate the total amount.

Locally administered benefits

Table A2 presents estimated missed support for key benefits administered at the local level, including Council Tax Support, Housing Benefit for pensioners, Free School Meals and Healthy Start. These estimates are based on the number of missed claims, average yearly award per household or individual, and available take up rates.

Table A2: Overview of unclaimed support, locally administered benefits

Locally administered benefits	£ million unclaimed	Missed claims	Average yearly claim	Take up rate
Council Tax Support*	£3,306	2,571,372	£1,286	63%
Housing Benefit for Pensioners	£1,083	226,140	£4,788	83%
Free School Meals	£69	123,101	£561	95%
Healthy Start / Best Start Foods*	£55	201,770	£273	74%
Overall	**£4,513**	**2,571,372**	**£1,755**	--

* Multiple take up rates apply across nations, we apply a simple average for reporting purposes; see the relevant sections below for further detail.

Council Tax Support

We estimated the number of missed claims for Council Tax Support (CTS) by combining administrative data on active claims with take up figures for passporting benefits for pensioners. For working age claimants, we used the Family Resources Survey (FRS)[53] to estimate the take up rate. We used an average of CTS liabilities in Council Tax bands B and C nationally, because CTS recipients are more likely to live in lower banded properties.

We used an average of CTS liabilities in Council Tax bands B and C nationally, because CTS recipients are more likely to live in lower banded properties. We used administrative data on awards across a representative sample of partner authorities using LIFT to determine the average CTS award as a percentage of liability.

1. **Observed claims:** We used data from the governments of England, Wales and Scotland that contains live CTS claims. For England and Wales this was already divided between working age and pension age recipients. For Scotland, who reports only overall caseload, we applied a proportion, based on the Wales and England claims, to estimate the number of pensioner and working age claimants.
2. **Estimating missed claims:** For pensioners, we applied the latest take up rate for Pension Credit, published by the DWP, to determine the number of missed claims. The Pension Credit take up rate was used as a proxy for eligibility for pension age CTS. For working age recipients, we utilised an estimated take up rate using the FRS to estimate nationwide eligibility. First the FRS was used to isolate the proportion of households likely to be eligible for CTS based on their income versus non eligible households. Then we used this ratio on the total number of Council Tax payers to estimate the number of households eligible for CTS. With this estimate of total eligibility, we subtracted the live claims to determine a take up rate and an estimate for the number of missing claims.
3. **Observed spending:** To determine average Council Tax liability we used Council Tax band data from each British local authority and took an average of Band B and C liability. We then used several local authorities CTS data extracts to determine the percentage of the coverage of a CTS award over average liability.
4. **Estimating unclaimed spending:** We applied the proportion of the average CTS award coverage to each local authority's band B and C average liability to determine average award at a local authority level. The value of unclaimed support was calculated by multiplying the number of missed claims by the estimated average award.

Table A3 below presents the number and value of estimated missed claims, average Council Tax liability and unclaimed support for both working age and pension age CTS claimants, by country.

Table A3: Council Tax Support – overview of unclaimed support by country

Age group	Country	Claimants missing out	Average Council Tax liability for 2025-26	Unclaimed Council Tax Support (£ million)	Take up rate
Working age	England	1,419,126	£1,200	£1,689	62%
	Wales	96,301	£1,847	£175	
	Scotland	176,551	£1,311	£235	
	Overall	**1,691,977**	**£1,249**	**£2,099**	
Pension age	England	732,946	£1,429	£1,040	62%
	Wales	54,688	£1,385	£75	
	Scotland	91,761	£983	£92	
	Overall	**879,395**	**£1,380**	**£1,207**	

Housing Benefit for Pensioners

We estimated the number of claimants likely to be missing out on Housing Benefit for Pensioners, and the total value of unclaimed support, by combining administrative data with official take up statistics.

The analysis follows four main steps:

1. **Observed claims and observed spending:** We used data on Housing Benefit caseloads and average weekly payment amounts published by the DWP on StatXplore, filtered by age to include only pension age claimants
2. **Take up rates:** We used DWP's estimated take up rates for the 2023 financial year: 83% for caseloads and 86% for financial support
3. **Estimating missed claims:** To estimate the number of pension age households missing out on Housing Benefit, we applied the caseload take up rate to the number of claimants
4. **Estimating unclaimed financial support:** To estimate the total unclaimed financial support, we calculated the yearly benefit amount by multiplying the average annual payment by the number of claimants, and then applied the financial support take up rate

Free School Meals and Pupil Premium

We estimated the number of children eligible for means tested Free School Meals (FSM) but not registered to receive them across England, Wales and Scotland. To do this, we integrated school census data from all three nations and applied a refined take up rate based on benefit administration records and local authority led enrolment campaigns. This provided a more accurate and joined up picture of missed support than previous estimates we obtained based on household surveys.

Data sources

We drew on a combination of education and welfare datasets:

School census data: We used national school census data to identify how many children were registered for FSM.

- **England:** Department for Education's School Census[54]
- **Wales:** Pupil Level Annual School Census (PLASC)[55]
- **Scotland:** Scottish Government School Pupil Census[56]

Benefit administration data: We used:

- Local authority held data within the LIFT platform
- Data from FSM campaigns identifying children eligible but not claiming
- UC data on children aged between 5 to 15 from DWP StatXplore

Assigning schools to local authorities (England): To produce local authority level estimates in England we assigned each school to a local authority by matching school postcodes from the Department for Education's School Census with geographic codes from the ONS National Statistics Postcode Lookup[57]. This allowed us to accurately aggregate FSM registration figures at the local level.

Estimating FSM take up rates using administrative data

We were unable to use take up rates from the Family Resources Survey (FRS) or Households Below Average Income (HBAI), as the relevant survey question used in the FRS (and subsequently reported in HBAI) lacks the precision needed for this analysis. The main survey question about FSM asks only whether any child in the household received a free school meal in the past week, without distinguishing between those who are eligible and those who are actually registered.[58]

Instead, we calculated take up rates using administrative data from local authorities that ran targeted FSM enrolment campaigns using Policy in Practice's data matching tools.

This process involved three steps:

1. We counted the number of children already registered for FSM in the school census
2. We added the number of children identified through matching benefit records with school data as eligible but not claiming FSM
3. We scaled this by the number of children aged between 5 to 15 in UC-recipient households, using StatXplore, to account for the wider eligible population that local authorities may not see due to DWP's data sharing limitations

This produced a refined take up rate of **95.35%**, which we applied to every local authority's FSM registration figures to estimate how many children were likely eligible.

Estimating children missing out

To estimate the number of children missing out on FSM, we compared the actual number of children registered, from the school census, to the number that would be registered if take up reached 100%. The difference represents the gap between eligibility and registration, based on our national estimate.

Calculating the value of missed FSM support

We calculated the total value of missed FSM support by applying official per-meal funding rates:

- England: £2.58
- Wales: £2.90
- Scotland: £3.00

We assumed 190 school days per year. For each unregistered eligible child, we multiplied the daily meal rate by 190 to estimate annual missed support. We then aggregated these figures by local authority and nation.

Pupil Premium (and equivalent funding in Wales and Scotland)

In addition to FSM, we estimated the value of missed pupil level funding that is tied to FSM registration, including:

- Pupil Premium in England[59]
- Pupil Development Grant (PDG) in Wales[60]
- Pupil Equity Funding (PEF) in Scotland[61]

These schemes allocate additional resources to schools based on the number of pupils registered for means tested FSM. We used the following funding rates for the 2024/25 academic year:

Table A4: Pupil Premium, PDG and PEF funding rates per student

Country	Primary pupils	Secondary pupils
England	£1,515	£1,075
Wales	£1,150	£1,150
Scotland	£1,225	£1,225

We assumed that the same take up rate (95.35%) applied to these schemes, since eligibility is directly linked to FSM registration. We used the school census to identify the number of primary and secondary school pupils registered for FSM in each local authority. We then applied the estimated proportion missing out and multiplied by the relevant national funding rate to estimate missed funding.

Limitations and validation

Although our methodology improves significantly on previous approaches, it remains a conservative estimate of unclaimed FSM and Pupil Premium, because of the following reasons:

- **Partial data coverage:** Local authorities only receive data on UC claimants who also claim Housing Benefit or Council Tax Reduction, which limits visibility into the full eligible population
- **Uncaptured eligibility:** Some children may be eligible through legacy benefits, transitional protections or discretionary exceptions not captured in local datasets
- **Discretionary provision:** Some local authorities provide meals or food support through discretionary schemes not recorded in the school census, such as hardship funds or extended eligibility for low income families
- **National take up assumption:** We used a take up rate calculated from English administrative data and applied it across England, Wales, and Scotland. This may not fully reflect variation in take up between nations. Future work should aim to produce separate estimates using local data to improve granularity and accuracy at the national level.

To validate our results, we consulted experts and practitioners focused on FSM and wider food access, and sense checked against DWP and ONS data on children to confirm the scale of likely eligibility. Together, our revised approach offers a robust, evidence led estimate of how many children are currently missing out on FSM and the value of unclaimed support across the UK.

Healthy Start and Best Start Foods

This analysis estimates the number of families missing out on **Healthy Start** in England and Wales and **Best Start Foods** in Scotland, as well as the total annual value of unclaimed support. Although the schemes operate independently, we used a consistent framework to allow for meaningful comparison across nations.

Healthy Start (England and Wales)

Our estimates for Healthy Start are based on publicly available data from the NHS Healthy Start website, capturing the number of people enrolled in the digital scheme as of March 2025.

This snapshot includes children under four and pregnant women over ten weeks who have successfully applied online and been issued a prepaid card.

However, this data only reflects digital applications and does not capture eligible families who may struggle to apply, such as under 18s not in receipt of benefits, those on legacy benefits like Income Support, need translation, or those who may need to apply by phone. To account for these groups, we estimated the eligible population using the most recent national take up rate of 64%, obtained via Freedom of Information request FOI-01811 from NHS Business Services Authority (2022/23).[62] By comparing this rate to the number of digital claimants, we estimated the number of additional families who could receive support if take up were universal.

To calculate the financial value of missed support we used official weekly payment rates published by NHS Healthy Start, which vary depending on pregnancy stage and the child's age.[63] Because the exact composition of recipients is unknown we applied a weighted average across eligible groups to estimate a typical annual award of **£269.29 per person**. This figure represents the average yearly value of support per child over the eligible period, and provides a consistent basis for calculating missed support at both national and local authority levels.

Best Start Foods (Scotland)

In Scotland we used data from Social Security Scotland's Best Start Grant and Best Start Foods statistics, covering the period up to September 2024.

Since local authority level claimant data is not published, we used the distribution of applications as a proxy to estimate the likely distribution of successful awards. We then applied these weights to the total number of recipients reported for 2023/24 (Table 14 of the national release) to model uptake across local areas.

To estimate missed claims we used the most recent official national take up rate of 84%, published in the Scottish Government's 2024 benefit take up analysis.[64] This marked a drop from the previous year's rate of 92%, and likely reflects the administrative shift to online only prepaid cards. As in England and Wales, we calculated the potential number of additional recipients by assuming full take up.

For the financial estimate of unclaimed support we referred to the 2025 payment rates published on *mygov.scot*.[65] Payments are made every four weeks via prepaid card and vary depending on the child's age and pregnancy stage. We applied a weighted average across eligible groups to estimate an annual award of £352.65 per recipient, reflecting the average value of support over the eligible period.

While actual spending data is available in Scotland, we used this fixed value approach to align with our Healthy Start methodology. This supports clearer cross country comparisons, even if it introduces a small margin of error.

Social tariffs and energy support

Table A5 presents estimated missed support for key social tariffs and energy related schemes, including discounts on water and broadband bills, the Warm Home Discount and free TV licences for eligible pensioners. Estimates are based on the number of missed claims, average annual value per household and published or derived take up rates.

Table A5: Overview of unclaimed support, social tariffs and energy support

Social tariffs and energy support	£ million unclaimed	Missed claims	Average yearly claim	Take up rate
Water*	£745	3,847,219	£194	35%
Broadband	£1,508	7,537,735	£200	10%
Warm Home Discount*	£722	4,812,300	£150	41%
Free TV Licences	£52	298,526	£176	74%
Overall	**£3,027**	**7,537,735**	**£180**	--

* Multiple take up rates apply across nations and age groups. We apply a simple average for reporting purposes; see the relevant sections below for further detail.

Water

We estimated the number of missed claims for Water Social Tariffs, including WaterSure, Scotland's Water Charges Reduction Scheme (WCRS), and company-run social tariffs, by combining administrative data on benefits and water social tariffs to calculate overall eligibility and take up rates.

To estimate the value of unclaimed support, we applied average award amounts from the Consumer Council for Water (CCW) for WaterSure and company-run social tariffs. For WCRS, we used average award estimates from Consumer Scotland.

1. **Observed claims**: We used the CCW's estimate of 230,000 live WaterSure live claims.
    a. For WCRS, as this benefit is passported from Council Tax Support (CTS), we used the active live claims for CTS in Scotland to determine WCRS take up.
    b. For the company-run social tariffs, we estimated the number of live claims by subtracting the total number of WaterSure recipients from the CCW's overall estimates of Water Social Tariffs claims.[66] We then used the observed proportion between WaterSure and company run social tariffs to distribute these claims across local authorities. All estimates were based on administrative data.
2. **Estimating missed claims:** We used data from StatXPlore to estimate the number of people likely to be eligible for WaterSure. First, we used StatXplore data on Personal Independence Payments (PIP) to identify people on benefits with qualifying medical conditions. We then added those receiving benefits due to having three or more children to estimate the overall WaterSure eligible population.
    a. To determine missed WaterSure claims, we calculated the difference between the total number of people estimated to be eligible and the number of live claims reported by CCW, producing an overall take up rate. We then applied this take up rate to the eligible population in each local authority to determine the missed claims by area.
    b. For WCRS, we used our estimates of missed CTS claims in Scotland, given that WCRS eligibility is linked to CTS receipt. Lastly, for company-run social tariffs, we applied the observed proportion of WaterSure recipients relative to all individuals receiving Water Social Tariff to estimate the number receiving discretionary support.

3. **Observed spending:** For WaterSure we used an average bill reduction based on data from CCW.[67] For WCRS we used average bill reduction and overall spend based on a report by Consumer Scotland.[68] For the company-run social tariffs we used the CCW's estimate of average bill reduction.[66]
4. **Estimating unclaimed spending:** We first uprated the average bill reduction by the respective average national bill increase, 26% in England and Wales[41] and 9.9% in Scotland.[42]

We multiplied the uprated WaterSure bill reduction by the number of people eligible and not claiming, and did the same for the uprated bill reductions for WCRS and the company-run social tariffs.

Broadband

We estimated the number of claimants likely to be missing out on broadband social tariffs, and the total value of unclaimed support, by combining local authority administrative data with official take up statistics.

The analysis follows four main steps:

1. **Observed claims and observed spending:** We used claimant counts and the average award published by the DWP in StatXplore, focusing on individuals who received a payment in the same month for at least one of the following means tested benefits: Jobseeker's Allowance (JSA), Pension Credit (PC), Employment and Support Allowance (ESA), Income Support (IS), or Universal Credit (UC).
2. **Take up rates:** We use the 10% take up rate published by Ofcom in their Pricing Trends for Communications Services in the UK report from December 2024.[44]
3. **Estimating missed claims:** To estimate the number of households missing out on the broadband benefit we applied the take up rate to the total number of claimants receiving JSA, PC, ESA, IS or UC.
4. **Estimating unclaimed financial support:** To estimate the value of unclaimed support we multiplied the number of missing out households by the average annual benefit amount of £200.

Warm Home Discount

We estimated the number of households missing out on the Warm Home Discount (WHD) and the total value of unclaimed support by combining administrative benefits data, regional energy efficiency indicators, and official award statistics from Ofgem.

Our analysis distinguishes between pension age households, who typically receive WHD automatically through Pension Credit (Core Group 1 in England and Wales, Core Group in Scotland), and working age households, who qualify through a combination of income and high energy costs (Core Group 2 and the Broader Group).

Initially, we modelled likely eligibility among working age claimants, we used StatXplore data on Universal Credit and legacy benefit recipients, and adjusted these counts using regional figures on the share of homes with low energy efficiency (EPC rat ing D or worse).[69] This allowed us to estimate the number of households likely to meet the scheme's "high cost" criteria. After the policy change announced in July 2025, we removed the energy efficiency criterion from the analysis, to reflect the expansion of WHD to all households on UC.

We then calculated the share of eligible households in each local authority and used this to allocate Ofgem's published WHD award totals by country and group.[70] Subtracting awarded discounts from the number of potentially eligible households provided an estimate of missed claims.

Multiplying these by £150, the fixed annual WHD payment, gave the total value of unclaimed support.

This year's analysis improves on previous methods by applying region specific energy efficiency data and correcting for the under representation of Scottish households.[71]

Free TV licences

We used the number of Pension Credit claimants aged 75 and over, as published by the DWP in StatXplore, to establish observed claims and spending. To estimate take up rates, we relied on the 65% Pension Credit caseload take up rate published by the DWP for the 2023 financial year.

We estimated the number of households missing out on free TV licences by applying this caseload take up rate to the total number of claimants.

Finally, we calculated the value of unclaimed financial support by multiplying the number of missed claims by the average annual benefit amount of £175.50.

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Policy in Practice

About Policy in Practice

Policy in Practice is a social policy software and analytics company that empowers individuals and organisations to lift people out of financial vulnerability and safeguarding risk.

We empower people through proactive, integrated solutions, using administrative data and technology to shape policy, improve access to support and reduce costs. Drawing on our experience and expertise in social policy, safeguarding and technology, we bridge the gap between policy and practice.

Better Off is a software tool used by millions of people and thousands of advisers each year to help assess eligibility for the widest possible range of support without needing to be experts in the benefit system. It is free for individuals and available for advisers as an API and a self-serve tool for their organisation's website

LIFT (Low Income Family Tracker) is an analytics platform used by over one hundred local authorities. It combines their benefits administration data with advanced analytics to identify and support people with low financial resilience, enabling councils to increase take up of financial assistance, prevent homelessness, lower arrears and much more

MAST (Multi Agency Safeguarding Tracker) is a service backed by the LGA and NHS Digital that links data across adults, children, fire, police, education and health on a daily basis. This helps frontline staff to proactively identify where there are multiple contacts with the same individual or family to make better informed safeguarding decisions

Contact us

Contact us to learn more about how we help people on lower incomes to access unclaimed support.

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