



## PRESS RELEASE

### British pensions in Commonwealth hammered by soaring inflation

New research from the End Frozen Pensions campaign shows that British pensioners living on 'frozen' overseas pensions have seen the value of their pensions depleted by inflation, with inflation having risen faster in leading 'frozen' countries such as Australia, Canada, New Zealand, and South Africa in 2021.

The data taken from OECD Consumer price indices database shows that:

Overall inflation in 2021 rose by 2.9% in Australia, 3.4% in Canada, 3.9% in New Zealand and 4.6% in South Africa - outstripping the UK's increase of 2.5%

- Food inflation rose by 6.1% in South Africa and 7.9% in Australia compared to 0.3% in the UK across 2021
- Fuel rose by 14% in the UK in 2021, but by 19.2% in Australia, 15.8% in New Zealand and 18.2% in South Africa

The data, obtained by the End Frozen Pensions campaign, casts further light on the struggles faced by half a million UK pensioners denied annual payment indexing by the UK Government because they live in a country without a reciprocal social security agreement with the UK. These pensioners, just under half of all British pensioners living overseas, have been hit by the Government's longstanding 'frozen pensions' policy, dubbed a postcode lottery by critics.

The policy has left UK pensioners around the world with weekly pensions as low as £24 per week, with half of all affected pensioners receiving £65 a week or less. Many have been forced to work in old age and others struggle to access health and medical treatments. The impact is most severe for older pensioners, who have been trapped on meagre sums for decades.

Reg Hunn, an 89-year-old pensioner in South Africa made 45 years of pension contributions during his career, where he served in the RAF as an air wireless mechanic before becoming a chartered engineer. Mr Hunn now receives a state pension of just £70 per week, the same rate received when he first retired in 1993. For half a million pensioners like Mr Hunn, the cost of living crisis is incredibly alarming, compounding the struggles already brought with each new year without uprating.

Reg Hunn, a frozen pensioner in South Africa, says:

*"I deplore the standards set by UK government policy which penalise not the fact that I left UK but penalise me because I did not choose to go to an 'approved country' despite the benefit in terms of savings made by my absence. To me the principal of taking money, for the expressed*

*purpose of providing a pension later, from people weekly for anything up to 45 years then reneging and penalising them by freezing their pension for all time is immoral and unethical.”*

A representative from the End Frozen Pensions campaign, says:

*“These figures reinforce that the continuing refusal to pay pensioners the pensions they paid for and deserve is pushing many into a retirement of poverty rather than comfort. The cost-of-living crisis should serve as a wakeup call that the frozen pensions policy is morally indefensible and the Government must act to end this callous, cruel and damaging policy. With the sky-high cost of living set to continue, keeping pensioners on pensions set over twenty years ago is simply indefensible and reinforces that not all UK pensioners are viewed or treated equally.”*

ENDS.

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**Notes to editors:**

The OECD data can be found here - <https://stats.oecd.org/Index.aspx?QueryId=110676>

1. The UK Government’s frozen pensions policy is the result of historical reciprocal social security agreements agreed between a select handful of countries and the UK to allow for state pension uprating.
2. 492,000 UK pensioners, just under half of those living overseas, now live in countries where their state pensions are frozen and so fall in value year on year.
3. The All-Party Parliamentary Group on Frozen British Pensions found that one half of ‘frozen’ pensioners receive a state pension of £65 per less in 2020 and almost all were unaware that their state pensions would be frozen before they left the UK. The report also found that over half struggle financially because of their frozen pension. Read more here.
4. This arbitrary post-code lottery means that UK citizens in the USA, the EU, Israel or Jamaica rightfully receive a full state pension however those in other countries such as Canada and Australia do not.
5. Over 90% of affected pensioners live in Commonwealth nations with close cultural and political ties to the UK.
6. For more information, please visit: [www.endfrozenpensions.org](http://www.endfrozenpensions.org)