

Linking lost Child Trust Funds to the young people to whom they belong

Are you concerned that one million children and young people in families in receipt of Child Tax Credit (the poorest 17% of UK families) are at risk of losing an average £1,500 each?

This £1.5 billion is held in individual accounts: Child Trust Funds. Huge numbers are either 'addressee gone away' or unclaimed by their families, and we estimate there are a further one million accounts worth an average of £1,000 each which are similarly lost for other children across the country.

In total, that's an estimated two million accounts valued at c. £2.5 billion, out of the total of six million Child Trust Funds in issue for almost all 8-16 year olds born in the UK. The whole scheme is worth a total value of £9.3 billion (original Government investment - £3.3bn; investment growth - £3bn; and a further £3bn of additional contributions from wealthier families).

This is a colossal scheme. The accounts are safe, and administered by a range of regulated account providers: but masses of them are lost to the young people to whom they belong. Meanwhile the oldest recipients enter their last year before adulthood on 1 September this year, and that's why the Government has published draft regulations for consultation which include preparations for dormancy where no instructions have been given.

It is therefore **VITAL** to wake up the Child Trust Fund right across the United Kingdom, and we have a plan to do just that at [The Share Foundation](#).

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Child Trust Funds were opened as individual accounts for almost all children born in the United Kingdom between 1st September 2002 and 2nd January 2011. If their parents/guardian had not opened an account within one year of birth, HM Revenue & Customs opened one for them (this was the situation in almost all families in receipt of Child Tax Credit: that's why their rate of loss is so high, at c. 80%). The initial Government payment to open the account was normally £250, or £500 if the family was in receipt of Child Tax Credit. In some cases further Government payments were made at the age of 7.

The Government's purpose for the Child Trust Fund was: ***"to establish a savings habit among children: providing a cushion of financial assets as they embark on adult life, and enabling them to be confident in the management of their finances"***. In order to help make this effective, young people are allowed to take control of their own account from their 16th birthday, to provide first-hand experience of managing their money.

These two years before they should be able to get access to their money at adulthood also provide a real window of opportunity to link young people with their accounts, and that's why we're focusing our attention on this age group with our [CTF Ambassadors](#) scheme.

We also work with HMRC to make the process of finding a Child Trust Fund easier. Not only do we provide a landing page (tiny.cc/findCTF) as an easy route into the Government Gateway facility, but we also hope to work with HMRC to develop a simplified route in order to help young people from disadvantaged backgrounds to find their accounts.

Our table sets out groups of young people as four segments, and the action we are taking to link them with their Child Trust Funds:

Child Trust Funds			
The Share Foundation's recovery programme			
Young people	Totals	Addressee Gone Away + un-linked	Process
In care, no responsible adult	19,000	Est. 3,000 (12,500 found since Oct 17)	TSF-HMRC largely complete
In care with responsible adult	26,000	Est. 22,000	TSF to publicise via LAs
In Child Tax Credit families	1.2 million	Est 1,000,000	TSF to publicise via DWP
Most other families	4 million	Est 1,000,000	TSF volunteers in schools– www.CTFAmbassadors.org.uk

When the first group - young people in care without a responsible adult - was transferred to our administration from the Official Solicitor for England and Wales, the Accountant of Court for Scotland and the Official Solicitor for Northern Ireland in October 2017, over 75% of those eligible were not recorded in the account details transferred. We've found the accounts for over 80% of these, and the experience has equipped us with the knowledge to help not only those with a responsible adult but also those in families in receipt of Child Tax Credit.

Meanwhile, our CTF Ambassadors programme is making good progress in helping young people across the United Kingdom to find, become aware of, and control their 'cushion of financial assets to help them embark on adult life'.

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If you'd like to hear more, visit our webpages:

www.sharefound.org/ctfdebate to hear the full 30 minute debate in Westminster Hall in March 2019, led by Helen Goodman MP.

www.CTFAmbassadors.org.uk to find out about our volunteering programme for visiting secondary schools across the United Kingdom in order to wake up the Child Trust Fund scheme.

<https://www.sharefound.org/ctf-reconciliation-status> to check, by local authority, the progress that we are making with reconciling the Child Trust Fund scheme for looked-after young people without a responsible adult.

or contact:

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