

Background Notes

Helping Young People Locate their Child Trust Fund

Throughout the next few years there is a major challenge, to help young people aged 16 and over (born in the UK on or after 1st September 2002 and up to 2nd January 2022) to find their Child Trust Funds. These are individual accounts set up at birth with Government contributions with a range of account providers, and some are now typically valued at c.£1,000 or more.

If parent(s)/guardian(s) had not opened an account for their child by his/her first birthday, HM Revenue & Customs opened it directly: out of the six million accounts opened between 2002 and 2011, 1.8 million (30%) were HMRC-allocated in this way. Research has shown that these HMRC-allocated accounts are also the most likely to be 'addressee gone away' or never to have been registered with the child's parent(s) or guardian(s): approximately 85% of these accounts are therefore affectively lost to that young person, and run the risk of becoming dormant assets. In total, there are thought to be over two million 'lost' Child Trust Funds, nearly half of which belong to young adults (as at August 2023).

The Share Foundation, the registered charity which runs the Department for Education's Child Trust Fund and Junior ISA schemes for young people in care, has established a major recovery programme via <https://findCTF.sharefound.org> with the co-operation of HMRC. It also provides access to a range of financial awareness resources in order to enable young people to build their life skills in preparation for adulthood.

The reason why the age of 16 is such an important starting point is:

- that a young person receives their National Insurance number just after their sixteenth birthday (the NI number is a vital reference for finding a Child Trust Fund account); and
- that he or she is allowed to take control of their account from that age before getting access to their money from their 18th birthday.