

## Unclaimed Child Trust Funds

Thousands of young adults have an average of £2,000 sitting unclaimed in Child Trust Funds. The long-term, tax-free savings accounts were set up for every child born between September 2002 and January 2011, with the Government contributing an initial deposit of at least £250.

Funds can be withdrawn once the account matures when the child turns 18; however almost 430,000 young people aged 18 to 21 are yet to claim their cash.

Angela MacDonald, HMRC's Second Permanent Secretary and Deputy Chief Executive, said: "Many 18 to 21-year-olds are starting out in first jobs or apprenticeships, starting university, or moving into their first home and their Child Trust Fund is a pot of money with their name on.

I would encourage young people to use the online tool to track it down or, for parents of teenagers, to speak to them to ensure they're aware of their Child Trust Fund. It could make a real difference to their future plans."

There are currently 5.3 million open Child Trust Fund accounts. Families can continue to pay up to £9,000 a year tax-free into a Child Trust Fund until the account matures. The money stays in the account until the child withdraws or reinvests it into another account once they turn 18.

A UCAS survey revealed that 74 per cent of respondents were aware of Child Trust Funds. Of the people who had not yet claimed their Child Trust Fund, 76 per cent were likely to take steps to learn more about the withdrawal process.

Sharon Davies, CEO of Young Enterprise, said: "We would encourage all young people to investigate if they have money which is unclaimed in a Child Trust Fund and to use it wisely.

"A disproportionate amount of the money is unclaimed by young people from disadvantaged backgrounds who are the very people who would benefit most from these funds. The investment could be placed into an adult ISA or put towards driving lessons, education or starting a business.

"The money in a Child Trust Fund has the potential to be life changing and the lack of knowledge about them shows the importance of financial education and financial planning from a young age."



Visit [www.gov.uk/child-trust-funds/find-a-child-trust-fund](http://www.gov.uk/child-trust-funds/find-a-child-trust-fund) to learn more.

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