# Bank Accounts, Savings Accounts, Child Trust Funds and Junior Individual Savings Accounts - Arrangements for Children Looked After and Care Leavers Aged 16 & 17


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**AUTHORISATION**

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## Introduction

The following document provides guidance on the approach to be taken to supporting children and young people (looked after) with bank accounts, savings accounts, Child Trust Funds and Junior ISA's.

This guidance should be read in conjunction with the following policies and guidance documents:

1. Transfer of Savings and Finances to Children Looked After and Care Leavers;
2. 'Capacity' and Financial Arrangements for Children Looked After and Care Leavers Aged 16 & 17;
3. Managing and Monitoring of Children Looked After Finances.

## Savings Allowances

Hertfordshire Children's Services provides a weekly savings allowance for all Children Looked After to assist them in the future and will not be accessible until after their 18th birthday. These savings will be added directly to the child/young person's Junior ISA where it is in place.

Children/young people will still receive their pocket money and other allowances and carers/key workers will be expected to help them manage these. It is also important that children/ young people learn about money management, banking and savings and as such should be supported to also have their own savings/bank account.

## Opening a Bank or Savings Account

Children's Services, as the corporate parent, recommends that each child/young person has their own account for short-term savings in addition to their Junior ISA.

When opening an account, the majority of banks and building societies require an adult to act as a sponsor. This cannot be a member of staff and can be a problem for foster carers in situations where children/young people move between placements as they would be responsible for transferring the savings account to another adult sponsor.

However, several building societies offer suitable account for children/young people aged 7 and above that do not require an adult sponsor to open the account. In these circumstances, an adult will have to accompany them to open the account and the child/young person will have to provide a form of proof of address and an identity document. Children's Services can provide a proof of address letter (i.e. a letter sent to the child/young person on headed paper) which will be accepted by a building society for this purpose and will ensure each child/young person has birth certificate and/or passport for identification.

Therefore carers/key workers should support the opening of a savings/bank account in the child/young person's name from the age of 7 when they will be able to open one without an adult sponsor. It is expected that all children/young people would have an account by their 14th birthday in readiness for when they reach adulthood and move to independence.

These accounts can be used for the management of pocket money and clothing allowances and day-to-day spending. The arrangements for a child/young person opening and managing an account should be discussed with the child/young person's social worker and set out in the child/young person's care and placement plan. For advice on which building societies provide accounts for children age 7 and over, your child/young person's social worker should be consulted.

More information is available in the *'Managing and Monitoring of Children Looked After Finances'*.

### Savings Checklist:

- Savings account to be set for CLA aged 7 years and over;
- They can to be used for short-term savings and/or to accumulate unspent pocket money, clothing allowances, unused benefits, 16-19 education bursary etc.;
- Account must be in child/young person's name and therefore will not require an adult sponsor (e.g. building society accounts);
- The account must not revert to an account which attracts a credit card facility when the young person turns 18;
- The account must not have an overdraft facility;
- Accounts should be easily transferable on placement change;
- The social worker must make sure the account is in the name of the child/young person;

The 'Transfer of Savings Policy' sets out the steps to follow regarding the transfer process as a child/young person approaches the age of 18.

## Long-Term Savings

### Guidance on adding money to Child Trust Funds (CTFs)

Some children/young people may have a Child Trust Fund. Only children born on or after 1st September 2002 and on or before 2nd January 2011 are eligible for the Child Trust Fund if Child Benefit has been awarded for them for at least one day before 4th January 2011, they live in the UK and they are not subject to immigration restrictions.

### The information below provides some general guidance on CTFs:

- For Children Looked After (CLA), the Official Solicitor acts as the registered contact for CTFs;
- Up to £4,080.00 per tax year (2016-17) can be added to a CTF, this includes any deposits made by the local authority. (A year runs from the child/young person's birthday.);
- If the limit isn't reached in one year, the difference cannot be carried over to subsequent years;
- Anyone can contribute to a CTF;
- For CLA, additional deposits should be sent to the local authority named contact who will arrange for the transfer of funds into the CTF;

- If a child/young person leaves care (returns home, through adoption etc.) prior to age 16, then the local authority will have relinquish their responsibility for the CTF as management of the account will transfer to the person with parental responsibility;
- At age 16, a child/ young person may manage their own account;
- Funds can only be accessed once the young person has turned 18.

More information can be found at this website:
https://www.gov.uk/child-trust-funds/overview

## Local Authority contact details are as follows:

Brokerage Support Manager,
Children's Services,
1st floor Robertson House (SROB 0115),
Six Hills Way,
Stevenage,
Hertfordshire.
SG1 2ST

The Official Solicitor,
Victory House,
30-34 Kingsway,
London.
WC2B 6EX

Tel: 020 3681 2753 (Mon-Fri 9am-5pm)

## Guidance for adding to Junior Individual Savings Accounts (JISA)

All children/young people under the age of 18 who live in the UK and who are not eligible for a Child Trust Fund (i.e. were born before 1st September 2002 or after 1st January 2011) are eligible for a Junior ISA. For children/young people who have been Looked After for more than 52 weeks, The Share Foundation will automatically open a Junior ISA and credit it with an introductory balance of £200.00.

## The information below provides some general guidance on Junior ISAs:

- JISAs are managed by The Share Foundation (TSF);
- For CLA, there is a named contact in the local authority through whom all correspondence will be managed;
- Up to £4,080.00 per tax year (2016-2017) can be added to a JISA, this includes any deposits made by the local authority. (A tax year runs from 6 April to 5 April each year.);
- If the limit isn't reached in one year, the difference cannot be carried over to subsequent years;
- Anyone can contribute to a JISA;
- For CLA, additional deposits should be sent to TSF using the form (leaflet 28) on their website http://www.sharefound.org/home/local-authorities/guidance-leaflets
- If a child/ young person leaves care (returns home, through adoption etc.) prior to age 16, then the local authority will have relinquished their

responsibility for the JISA as management of the account will transfer to the person with parental responsibility;
- At age 16, a child/young person may manage their own account;
- Funds can only be accessed once the young person has turned 18.

More information can be found at this website:
https://www.gov.uk/junior-individual-savings-accounts/overview
Contact details are as follows:
Brokerage Support Manager,
Children's Services,
1st floor Robertson House (SROB 0115),
Six Hills Way,
Stevenage,
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