



## Capital at risk

# Government faces another grilling over attempts to fix Child Trust Fund lock out affecting 200,000 amid fears a long-term solution is 'some way off'

- As many as 200,000 disabled children could be unable to access their savings
- Parents currently have to pay thousands and fill in court forms to get access
- The Government has pledged since December to look for solutions
- There is widespread concern little progress has been made and peers in the House of Lords will again quiz ministers over attempts to fix the problem

By [GEORGE NIXON FOR THISISMONEY.CO.UK](#) 

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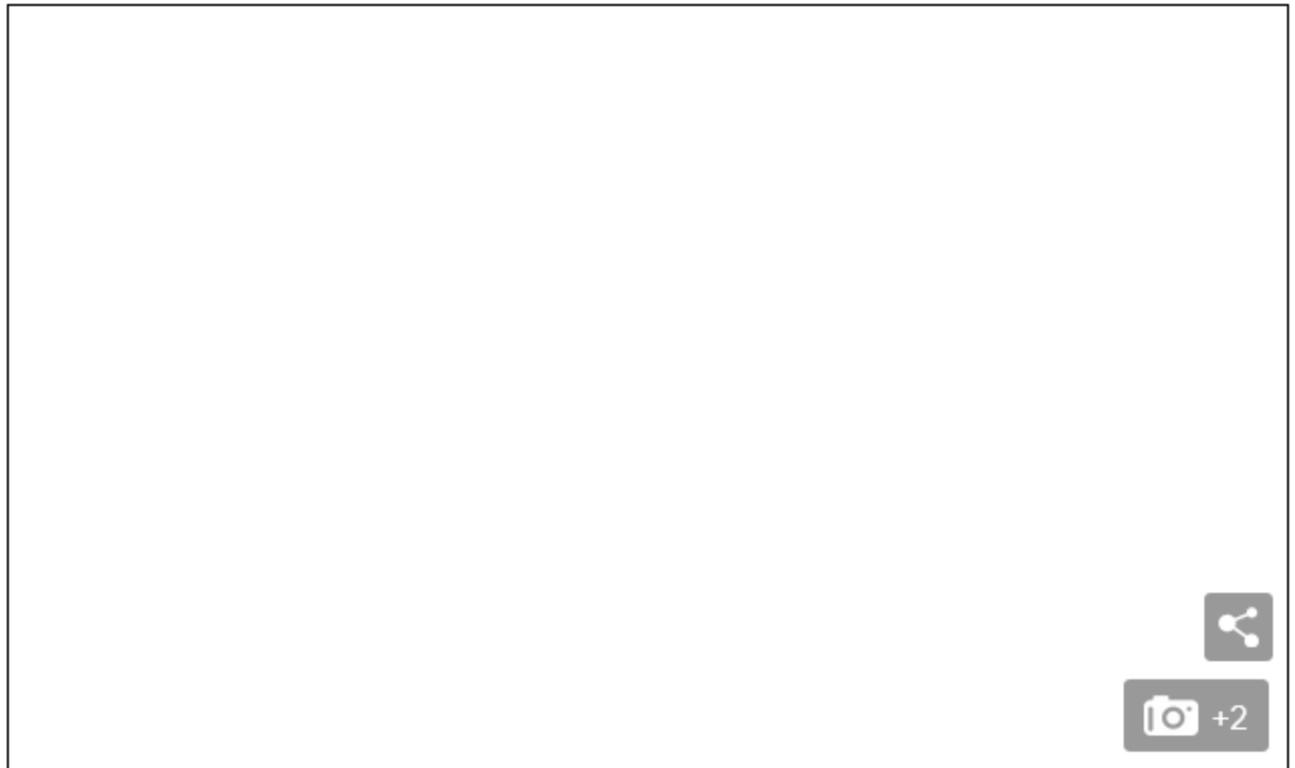


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The Government faces yet another grilling in Parliament over attempts to help as many as 200,000 disabled children locked out of their own savings, amid widespread concern little progress is being made.

Former Tory cabinet minister Lord Young on Thursday will again ask ministers what the Government is doing to help children gain access to their Child Trust Funds without parents having to pay thousands in court and solicitors fees and fill in dozens of forms.

It marks the third time in the last four months the House of Lords has quizzed ministers from the Ministry of Justice about its seeming inactivity.



**Tory peers Lord Young and Baroness Altmann are among those planning to grill the Government over its handling of the Child Trust Fund problems hitting 200,000 disabled kids**

Meanwhile, those which represent savings providers have also grown frustrated that the Government has refused to fully give the green light to alternative processes developed by the industry to make it easier for those with £5,000 or less in the bank to get access to the money without going through the courts.

Lord Young told This is Money: 'I'm asking the Government what progress they have made towards enabling children with learning disabilities to access their Child Trust Funds.'

'I am not particularly focusing on funds worth over £5,000, I just want a more streamlined approach for everyone with a child with a learning disability. I understand progress is slow.'

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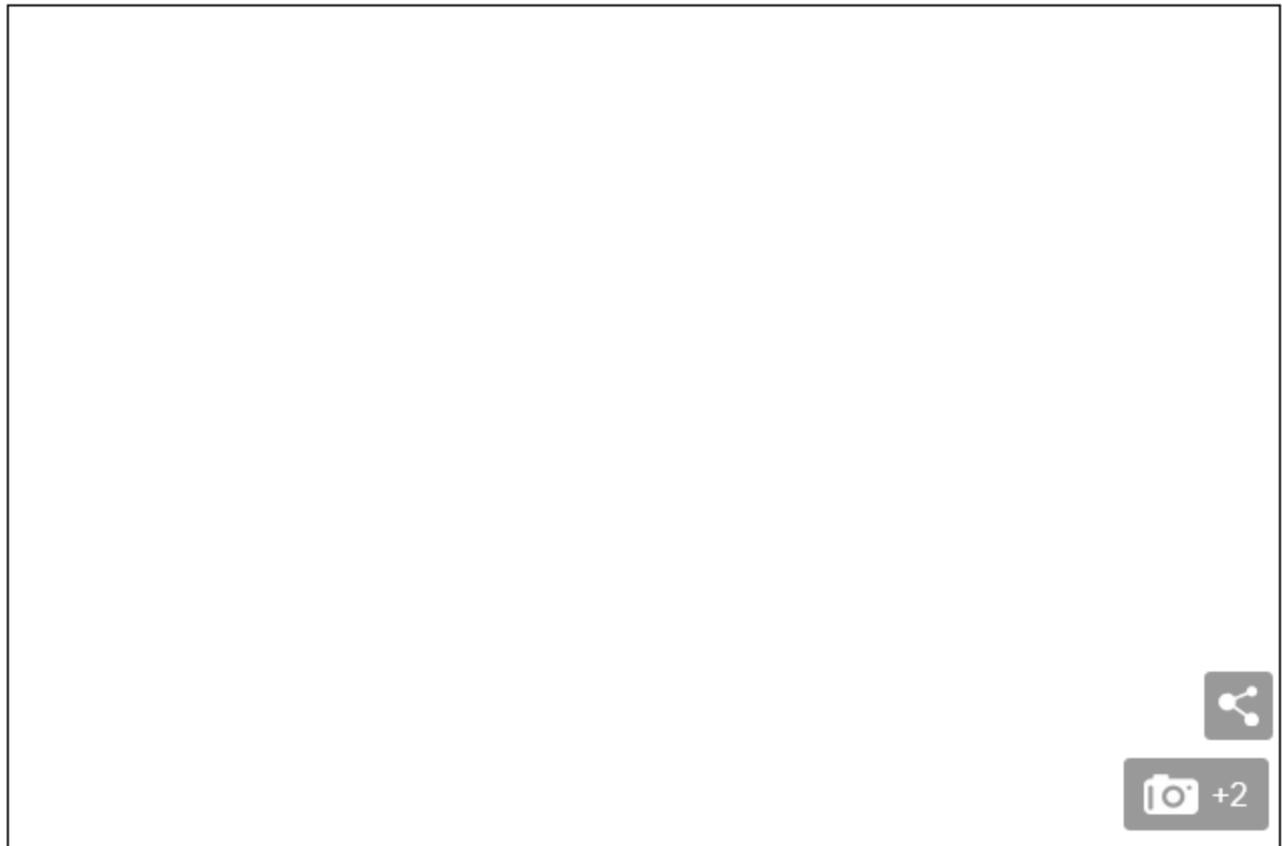
## Lord Blunkett 'never envisaged' disabled Child Trust Fund issues

A video player interface showing a man in a blue suit and red tie speaking in a wood-paneled room. A purple overlay with a white play button and the text 'Watch the full video' is positioned in the upper right. The bottom of the player features a control bar with icons for back, play, forward, volume, a progress bar showing 0:00 / 0:30, social media icons for Facebook, Twitter, Email, and a share icon, a settings gear, and a full-screen icon. A small crest logo is visible in the bottom right corner of the video frame.

Fellow former minister Baroness Ros Altmann added she shared his disappointment' with the Government's response.

'I would have hoped that there would be a proper easing of the red tape requirements for parents of disabled children to be able to use the money which has built up over the past 18 years to help their children, rather than having to apply to the Court of Protection and go through a raft of paperwork.

'I would have hoped that there would be a pragmatic and practical approach to ensure the children's money is available to them at age 18, as was originally intended.'



**Justice minister Lord Wolfson previously pledged to do everything he could to help disabled children locked out of their CTFs but refused to publicly back new industry proposals which offer an alternative route to the courts for those with smaller balances**

As many as 200,000 disabled children who began turning 18 last September face being unable to access their own savings over the next decade as they do not have the mental capacity to manage money.

And despite **already being allowed to manage their children's benefits**, parents must apply to the Court of Protection in order to have permission to access these Child Trust Funds, as the account matures in the child's name.

The process, which can entail 47 pages of forms, thousands of pounds and up to a year of waiting, has been described by campaigners as so onerous that it could see one in four parents simply give up over the next decade.

As a result, as much as £107million could be lost to their children. This is despite the fact the last Labour Government actually paid extra money into the trust funds of disabled children between 2005 and 2010.

'The Government during the years up to 2010 even encouraged parents of disabled children to use the Child Trust Funds, but now after many years, they find to their horror that the money is not available due to draconian requirements', Ros Altmann added.

'The reality is that parents of these children will be handling money for them all the time in terms of benefits and do not need to go to the Court of Protection each time. This really seems like overkill.'

**Last December** the Government pledged to waive Court of Protection fees, currently £365, for those going to court simply to request access their children's trust fund and set up a working group involving officials from the Ministry of Justice and the Treasury to look for long-term solutions.

This is Money understands the Court of Protection is also reviewing its application process to make things easier for families.

However, substantive proposals from the Government do not appear to be forthcoming. Nigel Banfield, from The Investing and Savings Alliance, which represents CTF providers, said 'little progress has been made' since he attended a January meeting with government officials and no dates had been arranged for a follow-up.

He told This is Money: 'A long-term solution remains some way off, I fear.'

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*"Little progress has been made since I attended a meeting with the Treasury, HMRC, Department for Work and Pensions and Ministry of Justice in January. I understand a follow up meeting is to be arranged but as yet no dates have been offered. A long-term solution remains some way off, I fear.*

**Nigel Banfield, TISA**

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Instead, TISA and its members have developed alternative proposals, **first reported by This is Money in February**, for children with less than £5,000 in the bank.

Parents have used it, but the Government has consistently refused to confirm whether it complies with the Mental Capacity Act 2005, which is designed to protect disabled children from financial abuse.

Mr Banfield said TISA's proposals took into account 'the principles' of the act but justice minister Lord Wolfson **told peers last month** that it was not for the Government to 'give its blessing to private sector schemes.'

A request from Lord Young **last December** for the Government to consider the Department for Work and Pensions appointee system, which lets parents manage the benefits of their disabled children, also fell on deaf ears.

However, Paul Bridgwater, head of investments at the mutual OneFamily, which looks after one in four Child Trust Funds, was slightly more positive.

He said Lord Wolfson had been 'in touch' since the last debate in the House of Lords in mid-February and that he was 'looking forward to working with him and others in the industry to hopefully find a solution for our most vulnerable customers.'

A Ministry of Justice spokesperson said: 'The Government wants to reduce the obstacles families face in supporting young people who lack mental capacity – including waiving fees to access these funds.'

'We continue to work with the judiciary and across government to improve this process further, making it more streamlined and accessible.'

This is Money has contacted the Ministry of Justice for the latest from its working group.

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*“It is not for the Ministry of Justice to give its blessing to private sector schemes and to say whether they do or do not comply with the relevant legislation.”*

**Lord Wolfson, justice minister**

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