

The complaint

Mr P complains on behalf of his daughter, Miss, about issues when opening a Junior Individual Savings Account (JISA) with Nutmeg Saving and Investment Limited.

Mr P opened the account on behalf of his daughter and is also the representative for this complaint, so all actions have been taken by him.

What happened

In March 2022 Mr P opened a JISA in the name of his daughter and deposited £9,000.

In October 2023 Mr P asked to make a withdrawal from the account. However this wasn't allowed by Nutmeg who said the money wasn't accessible until the account holder, Mr P's daughter, turned 18.

Mr P complained saying the terms weren't made clear when he opened the account.

Nutmeg didn't uphold the complaint saying it was HMRC rules that funds paid into a JISA are a gift for the child and cannot be returned except under exceptional circumstances. They thought the rules were made clear on their website and in the terms and conditions.

Remaining unhappy Mr P brought the complaint to this service where one of our Investigators looked into what happened. They thought Nutmeg acted fairly and reasonably and that clear information was provided about how and when the funds could be accessed.

Mr P made clear that he understands the account isn't his, and that his daughter is the beneficial owner. He also made clear that the withdrawal wasn't requested for his benefit. However he remained unhappy saying Nutmeg made an error and he feels disadvantaged.

Because an agreement couldn't be reached the matter has come to me for a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr P has provided a lot of information and commentary about this complaint and it's clear to me how strongly he feels about what happened. I want to assure Mr P that I've read and considered everything that has been submitted even if I don't mention it all in detail. I've summarised some things which reflects the informal nature of our service.

HMRC set the rules for JISAs and I'd expect Nutmeg to sufficiently explain these rules on their website and as part of the account opening process. There's no advice given when opening one of these accounts with Nutmeg account, so I'd expect all information to be clear allowing for an informed decision to be made as part of that process.

This account is opened online so as part of the investigation I've had a look at the website. On the information page about JISAs there is an explanation of what the account is and how

it works. This says that only the child can access the money once they turn 18 years of age, as well as giving other relevant information.

Nutmeg have shown the first page of the account opening process which says *Your child will be the beneficial owner of the assets and The money can be accessed by your child after their 18th birthday.*

The terms and conditions of the account also explain *In accordance with the ISA regulations, all payments made into a Junior ISA shall be deemed a gift and will be non-refundable.* They go on to say .. *no withdrawals may be made from the Nutmeg Junior ISA before the child's 18th birthday* .. unless exceptional circumstances apply.

As part of the account opening process Mr P was required to accept the terms and conditions.

Mr P has explained the stress this situation has caused for him and his family, and I know he feels some of the wording used by Nutmeg is misleading. I'm sorry to hear the effect the situation has on Mr P and his family, however the rules for JISAs are set by HMRC which means a withdrawal isn't allowed until the child turns 18 years of age.

Having carefully considered everything that happened I'm satisfied Nutmeg acted fairly and reasonably by sufficiently drawing attention to the important features of the account. On more than one occasion information was supplied about the nature of a JISA and how the account works, including the restrictions on withdrawals.

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 May 2024.

Warren Wilson
Ombudsman