

The complaint

Mrs M on behalf of her son (Mr M) complains about the poor service received by The Co-operative Bank Plc ("Co-op") regarding the administration of a child trust fund ("CTF") in her son's name. In particular, Mrs M says she received a lack of communication regarding the account and less interest than what she was expecting.

What happened

The cash CTF was opened on 31 October 2006 with another provider that merged with Co-op in 2009. The CTF was funded with a £250 voucher provided by the government and could only be paid into a CTF.

No further funds were deposited into the CTF and the balance in May 2023 was £324.50.

Mrs M raised a number of complaints regarding the CTF. Mrs M is unhappy with how the account has performed and says she wasn't provided with information about the account when she opened it or provided with any statements or other communications regarding the account. Mrs M says she was wrongly told she couldn't transfer the account to a junior ISA in 2007 and 2009.

Co-op says the only contact that it had regarding the account was when it was opened and when the address was changed in 2017. Co-op didn't uphold Mrs M's complaint but paid her £25 as a gesture of goodwill because she'd tried to resolve this matter a number of times.

Mrs M was dissatisfied with this and brought her complaint to this service.

One of our investigators looked into Mrs M's concerns but overall didn't think Co-op had done any thing wrong in relation to the administration of the account. They acknowledged Co-op responded to the complaint just outside the time limits set down, but explained we wouldn't recommend compensation for this as a customer is able to bring their complaint to this service once the 8 weeks have passed.

Mrs M was unhappy with this and has asked for an ombudsman's decision on the matter.

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.

It might help if I explain here my role is to look at the problems a customer has experienced and see if the business has done anything wrong or treated them unfairly. If it has, I would seek – if possible - to put the customer back in the position they would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Mrs M says she was never given any information on the CTF when it was opened in 2006. As the £250 voucher received from the government could only be paid into a CTF, I think it

likely Mrs M would've understood the conditions and limitations of where she could deposit the voucher when she received it. Indeed, Mrs M's representative says Mrs M knew the funds would go into a CTF and wanted them to be moved once allowed.

Furthermore, I think it's likely that as Mrs M would've had to fill out and sign an application form to open the CTF and select either a "cash" or "shares" account she would've been given the information on the account at that point. And I think that Mrs M chose to invest the voucher in a cash CTF rather than shares as that closely resembles the type of savings account she was after.

Mrs M is unhappy about the amount of interest the CTF has received over the years and believes other CTF's have had better returns. That might well be the case, but the account statements show interest was applied annually and the interest rate for the statement period. Given the relatively low amount deposited and how interest rates have been over recent years, I don't think Co-op has made an error or treated Mr M unfairly in applying the interest it did.

If Mrs M was unhappy with the interest the account was earning or felt she could do better elsewhere it was up to her to move the CTF to another provider. I appreciate that Mrs M says she never received statements for the account. Co-op say normally bank statements were sent annually the month prior to the child's birthday which showed what interest the account received but say as there were no transactions on the account it's possible that statements may not have been sent.

Co-op's system shows it had the correct address to send statements, I think it's likely if Mrs M wasn't receiving statements for the account or was concerned about the administration of the account, she'd have contacted Co-op sooner than she did. Indeed, I can see that she notified Co-op in 2017 about a change in address, I would've thought if she wasn't receiving statements or was unhappy with the lack of information received on the account then she'd have raised this with Co-op at this point. So I don't think there has been an error on Co-op's part here or that it treated Mr M unfairly in applying the interest that it did.

Mrs M says she was wrongly told in 2007 and 2009 that she couldn't transfer the funds into a junior ISA. Until 2015 it was not possible to transfer the funds into a junior ISA until after the child reached 18 years of age. As Mrs M was given this information before this date, I can't say that Co-op misinformed her.

So it follows as I haven't seen any evidence of Co-op making a mistake in the administration of Mr M's CTF account or that it treated him unfairly, I do not uphold this complaint.

My final decision

For the reasons I've explained, I do not uphold Mrs M's complaint brought on behalf of Mr M against The Co-operative Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 June 2024.

Caroline Davies
Ombudsman