

The complaint

Miss H complains about Family Assurance Friendly Society Limited trading as OneFamily (OF) in how they processed a credit to her Child Trust Fund (CTF). As a result, Miss H says this prevented her from paying in further funds. Miss H is represented by a third party whom I will refer to as X.

What happened

On 25 September 2023, X made a debit card payment of £7,800 to the CTF of Miss H with OF, expecting it to be credited within the 2022/2023 'CTF year'. This CTF year ran from 27 September 2022 to 26 September 2023. However, the payment was only applied to the CTF account on 28 September 2023, meaning it was counted in the 2023/2024 CTF year. In effect, Miss H has missed out on £7800 of 2022/2023 allowance.

When X realised this was the case, they contacted OF to query it. OF explained that payments made by debit card take a few working days to be applied to a CTF account but as X said it should be instantly credited, X logged a complaint with OF asking them to amend the CTF accordingly. OF investigated the matter.

OF issued a final response letter to X in which they did not uphold the matter. They explained that the £7800 was received on 26 September 2023 and subsequently applied 28 September 2023, and their terms and conditions state that the payment is invested two working days after payment is accepted. OF said the only way the payment could have been included in the desired CTF year was if it was made by 22 September 2023. As they had made no error, they could not make any amendments to the CTF.

X was not satisfied with this and brought the complaint to our service, so an investigator looked into it. They said that OF had not acted unreasonably in what they had done. Our investigator reiterated the dates and the appropriate terms and conditions of OF, saying the 2022/2023 CTF year had been missed but did not agree that OF should backdate the payment.

X disagreed with our investigator's view requesting an ombudsman review the complaint, saying on previous occasions, they had paid in close to the end of CTF years and the payments were accepted in the desired year.

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.

I have looked at the information OF has supplied to see if it has acted within its terms and conditions and to see if it has treated Miss H fairly.

If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I have looked over carefully the information OF has supplied regarding credits to CTF accounts, information that would have been available to Miss H and X when the account was opened, and afterwards. The CTF year in which X wanted the payment to be counted, closed on 26 September 2023 and X made the debit card payment on 25 September 2023, the working day before. Looking at the relevant section of OF's terms and conditions, it states the day the funds are invested is 'two working days after the payment is accepted'. Therefore, I find that OF were clear in their information, and making the payment on 25 September meant that it could not have been invested before the end of 26 September 2023 i.e. within the 2022/2023 CTF year.

I note after our investigator issued their view, X responded by saying they intended to compile and send in information which supported that OF had applied previous payments to the CTF even when they were made late in the CTF year. Looking at the complaint file five months after the view was sent, I cannot see any information received in this regard. And whilst I know X feels that OF should apply payments instantly to CTF accounts, this isn't the case and I can't ask OF to change their process here.

It's important that I concentrate on this complaint's main aspects which are the information from OF about paying into the CTF, and the payment processing timescales. In summary, considering all the circumstances, I cannot fairly require OF to do anything further.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 6 January 2025.

Chris Blamires
Ombudsman