

The complaint

Mrs K complains Hargreaves Lansdown Asset Management Limited (HL) wouldn't allow her to release funds from her son's Junior ISA.

What happened

Mrs K says her son has a severe mental impairment and asked HL to release the funds from his Junior Individual Savings Account (JISA) to help with his ongoing care. Mrs K says HL refused to do so, stating her request didn't meet the rules set out by HMRC and it was the previous provider who should have made the terms and conditions clear to her.

Mrs K says she has no recollection of being sent the terms and conditions and wouldn't have proceeded with the extra payments into the JISA if she had been made aware of the account restrictions.

Mrs K wants HL to release the funds on the JISA.

HL says HMRC rules prevent the early closure of the JISA, and this would have been detailed in its terms and conditions when the JISA was transferred from the other provider. HL says as the JISA was initially set up with the other provider Mrs K may wish to contact them if she feels the terms and conditions weren't fully explained to her at the time. HL says it has contacted HMRC on Mrs K's behalf explaining the circumstances, but unfortunately it hasn't given permission to release the funds early.

Mrs K wasn't happy with HL's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator felt HL were following both its terms and conditions and HMRC regulations and it wasn't for her to tell it to change its process or policies.

The investigator looked at HL's terms and conditions for a JISA and these show the funds can't be withdrawn until the child's eighteenth birthday, except in the event of a terminal illness or death so she didn't feel HL had made any errors here.

Mrs K didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was very sorry to hear of Mrs K's situation regarding her son's ongoing care needs and this must be a difficult time for her. When looking at this complaint I will consider if HL acted unreasonably when it wouldn't allow the release of the funds held on Mrs K's son's JISA.

Mrs K's complaint centres around the fact HL wouldn't allow her to release funds from her son's JISA to help with his ongoing care. Mrs K says she has no recollection of being informed under the terms and conditions of the JISA that she transferred from the previous provider, that she wasn't able to access the funds from the account, otherwise she would have made other arrangements.

While I do have sympathy with Mrs K here, I have been provided with a copy of HL's transfer form that she signed in May 2018 and on that form it clearly states : *"For your own benefit and protection you should read our Terms and Conditions carefully before committing to an investment. If you do not understand any point please ask us for further information."*

The terms and conditions that would have been made available to Mrs K also state: *"Withdrawals (either capital or income) from an HL Junior ISA are not permitted prior to the child's 18th birthday, except in the event of terminal illness or death."* So here it's fair to say it was Mrs K's responsibility to have read the terms and conditions, or if she wasn't sure of what those terms and conditions were, she could have asked HL as it informed her when she signed the transfer form.

It's worth mentioning that those terms and conditions regarding withdrawals are set by HMRC, and so these terms would have also been applicable when Mrs K first set up the JISA with the other provider – so it's fair to say these aren't just HL's own rules here.

I can see that HL did write to HMRC and request an exemption for Mrs K given the background circumstances, but this was unfortunately refused so its hands were tied here, and I can't ask much more of HL than that.

While I know my decision will be disappointing for Mrs K, it's not for me to tell HL it must override the terms and conditions of the JISA or breach the HMRC rules on this, for the reasons I have already explained.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 15 January 2025.

Barry White
Ombudsman