

The complaint

Mr A's grandmother complains her grandson's child trust fund, which Bank of Scotland plc trading as Halifax administered between 2017 and 2020, is approximately £3,000 short.

What happened

Mr A's grandmother opened a child trust fund for her grandson in 2009. She says she made regular payments into the fund from an account she has with a business who I'll refer to as "N" throughout the rest of this decision. In 2020 the administration of the trust fund passed from Halifax to a business who I'll refer to as "F" throughout the rest of this decision.

In June 2024 Mr A turned 18 at which point the child trust fund paid out. His grandmother wasn't happy with the amount that her grandson received. She complained about the interest rate paid on the account changing, the idea that the value of the investment could go up and down and payments she'd made into the account having not reached it.

Halifax investigated and said that Mr A's grandmother should speak to F about the performance of the trust fund as it stopped administering it in 2020 and should contact N if she was concerned payments she'd made hadn't reached the account. Mr A's grandmother wasn't happy with Halifax's response and complained to our service.

Following our involvement, one of our investigators confirmed that Mr A's grandmother was complaining that her grandson's trust fund was £3,000 short after Halifax had transferred its administration to F in 2020. Halifax was able at that stage to show how many units it had transferred to F – just over 3,000 – but no longer had any records showing how much money Mr A's grandmother had paid into the account during the period it administered it. Because Mr A's grandmother was also unable to produce statements showing the payments she says she'd made into the account, our investigator said that there was nothing more Halifax could be expected to do.

Mr A's grandmother was unhappy with the outcome our investigator had reached and asked for this complaint to be referred to an ombudsman for a decision. This complaint was, as a result, passed to me.

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.

Before our investigator looked into this complaint they considered whether or not it had been brought in time and made sure that Mr A – who the trust fund ultimately belonged to – had consented to this complaint and was happy for his grandmother to bring it on his behalf. I'm satisfied that our investigator rightly concluded that we could look into a complaint about whether or not there was a shortfall on the account when it was transferred from Halifax to F in 2020 and that we've set up this complaint properly. So, I'm not going to say any more about that.

In this case, I can see that Mr A's grandmother has told us that she made regular payments of £20 a month into her grandson's account. I can also see that we have statements showing the number of units in the account in 2019. Those statements suggest that Mr A's grandmother was indeed paying £20 a month into the account which meant between May 2018 and May 2019 an additional 400 units were added.

Halifax's records show that in 2020 it transferred approximately 3,000 units to F. In other words, approximately 400 units more than they were in May 2019. Unfortunately, there aren't any statements for the period May 2019 to 2020 when the trust fund was transferred. Based on what Mr A's grandmother has told us, however, it's likely that there would have been around 3,000 units in the account a year later – if Mr A's grandmother continued paying in approximately £20 a month enabling approximately 400 units to be added a year.

In short, although both parties' records are poor, I don't think anything went wrong whilst Halifax was administering the account. I've spoken to Mr A's grandmother and explained what I've found so she can decide whether or not to complaint about F and / or N.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax doesn't need to do more in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 March 2025.

Nicolas Atkinson
Ombudsman