

The complaint

Mrs E – Mr A's mother has brought the complaint to us on Mr A's behalf (a minor) – acting as his representative. As she's solely dealt with correspondence relating to this complaint, I'll refer to her throughout the decision. But it's Mr A's complaint under our rules.

Mrs E complains that Barclays Bank UK PLC trading as Tesco Bank (Tesco) won't reverse a £700 deposit made into her son's Junior ISA (JISA).

What happened

In late March 2025, a £700 payment was made to her son's JISA in error. She contacted Tesco shortly after to explain that the funds were sent by mistake and asked them to return it. Tesco said that this couldn't be done, so she raised a complaint explaining that the funds were meant to go to her husband who shares the same first name and surname as her son.

Tesco responded explaining that any payments into a JISA are treated as a gift and can't be returned based on HM Revenue and Customs (HMRC) rules. Withdrawals would only be allowed in unique circumstances or when her son turns 18. Unhappy with this, Mrs E referred the complaint to our service.

An Investigator reviewed the complaint and agreed with the answer provided by Tesco. They explained that the limitations were based on HMRC ISA rules and Tesco had to follow them, so they weren't acting unreasonably. Mrs E remained unhappy, so the complaint has been passed to me 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.

The HMRC rules are strict on how payments and withdrawals should be handled for JISA's. Links to the webpage and extracts of the wording have been provided to Mrs E already, which confirm that payments made by parents cannot be repaid or reversed and this could only be done in unique circumstances. To summarise – these include terminal illness, closure of the JISA and to meet the ISA providers management charges and expenses.

Tesco's website sets out clearly that withdrawals aren't permitted, and I can see that the product information pack sent when the account was opened also confirms this. Mrs E signed and returned a letter from this pack. So, I'm satisfied that Mrs E was made aware of the withdrawal restrictions and limitations in place.

Mrs E's explained that she made the reverse request because she'd typically pay £10 at a time into the account, so I think she wants use of the funds instead of them remaining in the ISA. I can't see that she's raised any unique circumstances with Tesco or our service that may meet the bar set out by the HMRC guidelines. So, I think Tesco's refusal to allow withdrawal of the funds is reasonable.

I appreciate that a small error by Mrs E has led to her being unable to access the £700, but I can't reasonably say that Tesco should ignore the rules set out by HMRC. And I'm satisfied that these rules were made clear to Mrs E when she opened the account. As such, I won't be recommending that they should return the payment.

My final decision

For the reasons explained above, I'm not upholding the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E on Mr A's behalf to accept or reject my decision before 29 September 2025.

Chris Lowe
Ombudsman