

The complaint

Mr F complains on behalf of his son, Mr F1 about the way Killik & Co LLP has administered a Child Trust Fund (CTF). He says it has failed to explain how the value of the investment has dropped and believes money has gone missing.

What happened

In 2007, as part of a government initiative, Mr F set up a CTF for his son and £250 was invested. Initially the CTF was held with another firm (I'll call TSC).

In July 2020, TSC merged with another firm, and this meant it was no longer able to offer the CTF product to Mr F1.

In July 2021, TSC wrote to investors to explain that existing CTF holders accounts would be moved to Killik from September 2021. It provided an option for a transfer out (free of charge) to an alternative provider instead, but this would need to be arranged by the account holder. It said if no action was taken the CTF would move to Killik.

As a result, Mr F1's CTF was transferred to Killik in September 2021. Under the terms of the transfer the existing shares held in the CTF were sold and the funds were re-invested as part of the discretionary service that was provided by Killik for CTFs it held going forward. A transfer value of around £58 was made and re-invested by Killik in its Plan K strategy.

In 2025, Mr F raised a complaint with Killik, he was concerned that it wouldn't provide him with information to explain how the CTF had been invested in the past and why the value had fallen so much.

In May 2025, Killik responded to the complaint, but it didn't uphold it. In summary it said:

- The transfer was undertaken following the requirements of the CTF regulations for bulk transfers. It gave notice of the transfer date and provided the opportunity, prior to the transfer date, to make arrangements to transfer somewhere else. It gave information to say it would not be allowing clients to select investments, and instead accounts were to be moved to a discretionary service – and it explained the process of selling existing investments and reinvesting the proceeds.
- At the time of the transfer, Killik was provided with records of how accounts were invested at the time with TSC, which were analysed, categorised and switched into the relevant plan for ongoing management. In Mr F1's case, there was a transfer of Lloyds shares, which were sold and the proceeds transferred into the new account and invested into plan K. The account has been managed in line with the chosen mandate since. Any changes in value have been the consequence of market movements. The funds received from TSC are accounted for and no missing sums.
- It does not hold account statements from the time before the transfer, so it is not possible to provide information about the performance of the account from the time the assets were held with TSC.

Following this Mr F referred the complaint to this service for an independent review. One of our investigators looked into the complaint. They didn't think it should be upheld. In summary they said there wasn't evidence of any money being unallocated to Mr F1's account on receipt of the transfer in 2021. And they were satisfied the account has been managed in line with the applicable mandate. They didn't find Killik was responsible for Mr F1's CTF account whilst it was with TSC.

Mr F responded and asked for the complaint to be referred to an ombudsman for a decision. In summary he said:

- TSC must have had a record of when and how the initial £250 was invested. The fact that TSC sold to Killik and it didn't arrange things correctly by ensuring it obtained client transaction records, clearly shows it failed to protect his son's interests and treat him fairly.
- The number of Lloyds shares in the CTF don't correlate to the historic share price at the time the £250 voucher was invested in 2007. It is likely the funds have been misplaced.
- The investigator has made assumptions about what Killik is responsible for following the transfer of the CTF from TSC. Killik should have records, but the investigation hasn't sought to clarify this before finding in its favour.

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 crux of this complaint relates to how Killik has dealt with Mr F's request for clarity on the investment performance of the CTF, and support in understanding that funds haven't been removed without his knowledge.

It is not in dispute that Killik weren't the original firm that the CTF was taken out with. And it only became involved with this investment after a transfer that was initiated when the original firm, TSC, informed its clients that it could no longer provide the investment service that it agreed to. This means that it was only from 2021, Killik had any involvement with the providing of an investment service on Mr F1's CTF.

Mr F says that the CTF was originally funded through the £250 government contribution that was available in 2007 for children to open a savings account. He doesn't have any records of how the funds were invested originally and hasn't been able to confirm if any further contributions were made. He thinks the government voucher would have been invested in a fund, not directly in equities, and the shares referred to during the transfer process are likely to have been an additional contribution to the CTF.

The evidence Killik has provided (which it says it received from TSC during the transfer process) shows that the CTF was invested in Lloyds Bank shares. This evidence indicates that the shares were sold and a value of approximately £58 was received for Killik to invest under the discretionary service it would be providing for the CTF going forward. It says it doesn't have any records of how the monies were previously invested. It confirmed, Killik purchased a book of accounts from TSC (only the CTFs), but it did not purchase the business as a whole and therefore doesn't have the historic records Mr F believes it should have.

I'm considering a complaint about Killik, so I'm not required to make a finding on how the CTF was originally invested, or any investment decisions or performance issues that occurred before the transfer happened. This is a situation where a transfer of an investment

was made in 2021. It was a mandatory transfer as TSC (and the firm that did acquire TSC) could not continue with the previous service it had provided. Mr F didn't have to agree to a transfer to Killik, he could have opted for the CTF to go to another firm of his choice if he wanted. I've seen this was explained at the time, but this option wasn't taken, and the default was a transfer to Killik. This isn't a situation where Killik acquired a business and took on responsibility for the actions of another firm. The evidence I've seen was that the agreement it entered into was just for a transfer of a specific group of accounts only.

While I understand Mr F believes that Killik should be able to provide the clarification he is seeking, I haven't found that it has failed to deal with his inquiries fairly. It has given details of the information it was provided with by TSC during the transfer process. I note Mr F has questioned the accuracy of this (e.g. he disputes whether the number of shares detailed could have been purchased with £250), but I don't think these concerns are something that Killik can answer for him, as it received this information from TSC, not from its own records. I find it was reasonable for it to accept this information as accurate when carrying out the transfer.

I'm also conscious it was several years after the transfer completed that Mr F's queries were raised. So, this does make it more difficult for Killik to provide the type of support Mr F is seeking. Had the queries been raised at the time of the transfer, I would have expected Killik to be in a position to help Mr F liaise with the transferring firm through the transfer process to get his questions answered. As Mr F is aware TSC was acquired by another firm that is separate to Killik and it has no association with this firm.

I understand this will come as a disappointment to Mr F, but I haven't found that Killik has treated him unfairly when dealing with his queries. I haven't found that it failed to invest funds that it should have when it received the transfer from TSC, and it has demonstrated what value it received in relation to Mr F's CTF when it accepted the transfer. I appreciate that this doesn't help Mr F gain the understanding he is seeking about how the funds in the CTF have been invested, and why the value wasn't what he expected, but I haven't found that this is as a result of failings by Killik.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 October 2025.

Daniel Little
Ombudsman