

## Child Trust Fund reaches Five Million Milestone

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Over five million<sup>1</sup> children now have a Child Trust Fund (CTF) according to the latest HMRC statistics, released today.

The Children's Mutual, leading Child Trust Fund provider, welcomes the news which demonstrates the popularity of the scheme with families across the UK and shows the widespread impact the CTF is having on changing the nations savings habits and providing a financial foot hold for tomorrow's 18-year-olds.

David White, Chief Executive of The Children's Mutual, said: "Reaching five million Child Trust Fund accounts is a significant milestone. It is significant for the families who have engaged and are preparing for their children's futures. But it is also significant for the providers who have made huge strides in engaging and supporting parents to help them with their financial decisions."

"Child Trust Funds are approaching their five year anniversary in early April and currently nearly three quarters of parents<sup>2</sup> choose to proactively open their child's CTF account. In addition to this our research has found that a further 10 per cent of parents consciously decide to let the Government open the account for them<sup>3</sup> – making an active engagement rate of nearly 85 per cent. This is particularly noteworthy as only 40 per cent of the adult population has a private pension<sup>4</sup> and an even lower 30 per cent has an ISA<sup>5</sup> - further underlining the true engagement UK families have with the Child Trust Fund."

For further information on The Children's Mutual, please visit

[www.thechildrensmutual.co.uk](http://www.thechildrensmutual.co.uk)

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**For more info see [thechildrensmutual.co.uk](http://thechildrensmutual.co.uk) or contact us . . .**

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<sup>1</sup> HMRC Statistics – March 2010 [http://www.hmrc.gov.uk/stats/child\\_trust\\_funds/ctf-mar2010.pdf](http://www.hmrc.gov.uk/stats/child_trust_funds/ctf-mar2010.pdf)

<sup>2</sup> HMRC Statistics – March 2010

<sup>3</sup> The Children's Mutual monthly brand tracker research, [1333 respondents](#).

<sup>4</sup> Family Resources Survey, Department for Work and Pensions – published May 2009

[http://www.statistics.gov.uk/downloads/theme\\_compedia/pensiontrends/Pension\\_Trends\\_ch07.pdf](http://www.statistics.gov.uk/downloads/theme_compedia/pensiontrends/Pension_Trends_ch07.pdf)

<sup>5</sup> Estimate based on TISA April 2009 [http://www.tisa.uk.com/statistics.html?stat\\_type=isa\\_pep](http://www.tisa.uk.com/statistics.html?stat_type=isa_pep) which show £14 million ISAs in the UK. Average population over 16 = 49.1m therefore estimate one third of population with ISA.

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### Notes to editors

- The Children's Mutual has a large database of case studies available.
- David White, Chief Executive, The Children's Mutual is available for interview

### About The Children's Mutual – Home of the Child Trust Fund

- The Children's Mutual's mission is to help parents, grandparents, family and friends fulfil their hopes for today's children.
- The Children's Mutual specialises exclusively in family-focused finance products and is currently the choice of 1 in 3 parents for their child's Child Trust Fund, with nearly 800,000 accounts.
- The Children's Mutual has won The Moneyfacts Award for Best Child Trust Fund Provider every year since its 2006 launch.
- The Children's Mutual, as experts in savings for children, made a significant contribution to the Government's Child Trust Fund consultation process.
- This expertise has led several financial institutions and family-focused high street retailers to choose The Children's Mutual as their CTF partner including ASDA, Boots, The Co-operative, Lloyds TSB, Mothercare and regional bank and building societies across the UK.

### About the Child Trust Fund

- The Child Trust Fund is designed to provide a tax efficient, long term savings vehicle for all eligible young children.
- Each eligible newborn child (born on or after 1 September 2002) receives £250 (£500 for low income families) from the Government when their parents register for Child Benefit. The Government will make a second contribution of £250 (£500 for low income families) when the child is seven and is considering a third in the child's teenage years. Parents, family and friends can all then add to this account up to a maximum value of £1,200 each year.
- The Government's preferred option is a Stakeholder Child Trust Fund Account. All Stakeholder CTF accounts are subject to strict guidelines governing investment type and charges.
- The CTF provider manages the account until it matures or can be rolled into an ISA when the child turns 18.