



Deregulation Act 2015

2015 CHAPTER 20

Regulation of child trust funds

63 Child trust funds: safeguards for children's interests

After section 7B of the Child Trust Funds Act 2004 (as inserted by section 62) insert—

“Powers to safeguard interests of children

7C Powers to safeguard interests of children

- (1) The Treasury may make regulations under this section if the Treasury think it appropriate to do so for the purpose of safeguarding the financial interests of children, or any group of children, who hold child trust funds.
- (2) The regulations may authorise the Treasury to permit withdrawals from—
 - (a) any child trust funds;
 - (b) any child trust funds held with an account provider that is prescribed, or of a description prescribed, in the regulations.
- (3) The regulations may authorise the Treasury to require any account provider or any account provider that is prescribed, or of a description prescribed, in the regulations to take one or more of the following steps in relation to every child trust fund held with it—
 - (a) to seek to transfer the fund to another account provider;
 - (b) to seek to transfer all the investments under the fund to a protected child account that can be used for investments of that kind and is provided by a person chosen by the account provider;
 - (c) to seek to transfer an amount in cash representing the value of all the investments under the fund (whether consisting of cash or stocks and shares) to a protected child account that can be used for investments in cash and is provided by a person chosen by the account provider;
 - (d) to transfer an amount in cash representing the value of all the investments under the fund (whether consisting of cash or stocks and

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shares) to a protected child account that can be used for investments in cash and is provided by a person specified by the Treasury.

- (4) The regulations may provide—
- (a) that child trust funds held with an account provider that is prescribed, or of a description prescribed, in the regulations are to be treated for all purposes as if they were protected child accounts of a description so prescribed;
 - (b) that, where child trust funds are (under the regulations) to be treated as protected child accounts of a particular description, the account provider is to be treated, for such purposes as may be prescribed in the regulations, as a person who lawfully provides protected child accounts of that description.
- (5) If the regulations authorise the Treasury to require that one or more of the steps mentioned in subsection (3)(b) to (d) be taken, the regulations may also authorise the Treasury to require an account provider who, in pursuance of such a requirement, transfers all the investments under a child trust fund, or an amount representing the value of all the investments, to close the child trust fund.
- (6) If the regulations authorise the Treasury to require an account provider to take more than one of the steps mentioned in subsection (3), the regulations must also—
- (a) authorise the Treasury to specify the order in which the steps are to be taken, and
 - (b) provide that if (as a result of complying with a requirement to take a particular step) an account holder no longer holds investments under any child trust fund, any requirement imposed on that provider to take another step lapses.
- (7) The Treasury is not liable in respect of—
- (a) the selection by an account provider of a person to whom to make a transfer in response to a requirement of a kind mentioned in subsection (3)(a) to (c), or
 - (b) a decision made by it as to the person to be specified in a requirement of a kind mentioned in subsection (3)(d).
- (8) In this section, “protected child account” means an account which is a protected child account for the purposes of section 7A.”

Commencement Information

- 11** S. 63 in force for certain purposes at Royal Assent, see s. 115
- 12** S. 63 in force at 6.4.2015 in so far as not already in force by S.I. 2015/994, art. 3(b)

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Changes and effects yet to be applied to :

- specified provision(s) amendment to earlier commencing SI 2015/994 art. 13 Sch. by [S.I. 2015/1405 art. 2\(3\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 110A inserted by [2016 c. 12 s. 16\(1\)](#)