

## press release

25 May 2010

### Axe taken to saplings

**Gavin Oldham, chief executive of The Share Centre, comments on this week's announcement to axe the Child Trust Fund.**

"Whilst it was widely accepted that the Child Trust Fund (CTF) would be hit hard by the government savings, the detailed announcement yesterday reveals some inconsistencies.

"In particular, those children lucky enough to have a CTF when the axe falls – aged up to eight years old – will not only be able to keep it, but also receive an additional £1,200 per annum from the contributions of family and friends. However, once the legislation has been passed, no tax free savings can be made for newborns until they reach the 16, when they can open an ISA.

"I acknowledge that cuts must be made, although it is unfortunate that this must include the only initiative which provides a general financial inheritance for the next generation. However, we do consider that the CTF structure, without government contribution, should remain available for voluntary opening and contributions by family and friends.

"It is important that young people can grow up with both financial resource and financial education to get them started in adult life. At The Share Centre, we will continue to offer the Junior Investment Account, independent of the government; however we regret the passing of the Child Trust Fund which brought hope to many homes with no other experience of saving or investment."

The opinions expressed in this statement are the personal views of Gavin Oldham and are therefore not necessarily shared by The Share Centre.

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The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

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