

JUNIOR **ISA GUIDE**

Since 1999, Individual Savings Accounts (ISAs) have been a popular choice for adults who want to save or invest in a tax-efficient way. But, in 2011 there was a new kid in town, with the launch of **Junior ISAs**; allowing parents and legal guardians to save and/or invest for their dependants.

WHAT IS A JUNIOR ISA?

Sometimes called a JISA, a Junior ISA is a tax-efficient children's savings or investment account; it lets you put aside **up to £9,000* a year** on behalf of your child, to give them a head start when it comes to their financial future.

[*The allowance amount is decided by the government and may be subject to change in the future. You can read more about this here.](#)

You can choose to make a one-off deposit or set up a monthly Direct Debit; as long as you don't exceed the annual Junior ISA allowance (which resets each year when the new tax year begins on April 6th).

THERE ARE TWO TYPES OF JUNIOR ISAS:

Junior Cash ISAs:

A Junior Cash ISA is like a bank or building society savings account – but neither you, nor the child will pay tax on any interest that's earned on their savings.

Unlike a regular savings account, **you cannot withdraw money from a Junior Cash ISA and the funds can only be accessed by the child when they turn 18.**

Junior Stocks and Shares ISA:

With a Junior Stocks and Shares ISA. Contributions made on behalf of your child are used to buy various types of investments and they don't pay tax on any capital growth, interest or dividends they receive. This is riskier than a Junior Cash ISA, as the value of the Junior Stocks and Shares ISA can go down as well as up.

Capital at risk. Your child could get back less than invested.

Your child can have one Junior Cash ISA and one Junior Stocks and Shares ISA – however, the combined value of both accounts cannot be more than their annual tax-free Junior ISA allowance (currently set at £9,000).

A note about Child Trust Funds

A child cannot have a Junior ISA if they already have a Child Trust Fund (CTF). See 'Transferring a Child Trust Fund' below for more information.





INTRODUCING A JUNIOR STOCKS AND SHARES ISA WITH WEALTHIFY

If you want to invest in your child's future, why not start investing in a Wealthify Junior Stocks and Shares ISA?

With a Junior Stocks and Shares ISA, your capital is at risk and your child could get back less than invested.

This could be a good option if you're looking to invest over the long term, as it could offer more potential for growth compared to a Junior Cash ISA (where inflation could eat away at any interest your child might make).

If you already have a Junior Cash ISA, you can still open a Wealthify Junior Stocks and Shares ISA, as your child can have one of each type. You just need to make sure that the combined amount you pay into both Junior ISAs does not exceed the annual allowance.

INVESTING WITH US AT A GLANCE

- We offer a tax-efficient way to invest for your child
- You can invest up to £9,000 per year
- Our expert Investment Team manages your child's Junior Stocks and Shares ISA, making all investing decisions on their behalf. This way, they're able to maximise investment growth whenever possible, while shielding their investments as best as possible;
- We offer a mix of global investments, giving your child a diversified Investment Plan;
- You can opt for an Ethical Plan on your child's behalf, ensuring their investments align with your family's ethical values;
- 24/7 access to your account online or via our mobile app.

INVESTING FOR YOUR CHILD'S FUTURE

As a parent or guardian, you can open a Junior ISA for your child to help them create a healthy financial future. They need to be under 18 years old, live in the UK, and they can't already have a Child Trust Fund (CTF).

If they do have a Child Trust Fund, you can transfer the balance to a Wealthify Junior Stocks and Shares ISA – more on that later.

You can start an Investment Plan from your child's birth, up until they turn 18 years old. If you're starting a brand-new Junior Stocks and Shares ISA for a child who is over 13, please remember that with investing, most people hold theirs for a minimum of 5 years. So, you may wish to consider investing in a Junior Cash ISA instead. **Wealthify doesn't offer a Junior Cash ISA at present.**

THE ROLE OF THE REGISTERED CONTACT

The 'registered contact' is the person who opens the Junior Stocks and Shares ISA. They must be the child's parent or legal guardian, and evidence may be requested to prove this.

As a registered contact, you'll be responsible for maintaining the Junior Stocks and Shares ISA account.

This means you'll need to keep any documents about the account stored safely. You'll also need to let us know if any of your or your child's details change, as we need to be able to contact you and your child when they reach 18.

It's important to note that registered contacts are not able to withdraw from the child's Junior Stocks and Shares ISA. The funds will only be accessible by the child, and only when they turn 18 ([unless there are exceptional circumstances](#)).

MAKING FLEXIBLE PAYMENTS WORK FOR YOU

A Wealthify Junior Stocks and Shares ISA provides you with a flexible way to invest for your child. You can choose how much and how often to pay money into your child's Junior Stocks and Shares ISA:

- Whether you want to invest monthly by Direct Debit;
- Top-up their Plan when you can;
- Or, would like to allow family and friends to be contributors, too.

To add money into your child's Plan, just click on the 'Top-up' button when you sign in to your Wealthify account.

If your child receives money as a gift for their birthday or a festive celebration, you could use this to boost their Plan. You just need to make sure that any payments you make come from the bank account you have registered with us.

At no additional cost to your fees, your family and friends can be set up as contributors. Family members and friends can also be set up as depositors with your permission. Find out more details [here](#)

PLAN FOR DIFFERENT LIFE STAGES

Any money you invest into a Junior Stocks and Shares ISA will belong to the child, and they will only have access to it when they turn 18. This means that once it's invested, you cannot get it back until it matures.

Instead, it'll be locked away and they'll be able to use it towards funding their further education, buying their first car, putting a deposit down on a house, or using it to travel.

Whatever they choose to do, the money is theirs and the world is their oyster. Once your child turns 18, the Junior Stocks and Shares ISA will mature into an adult Stocks and Shares ISA. They can then choose to withdraw their money or keep on investing.





TRANSFERRING AN EXISTING JUNIOR ISA

Unlike adult ISAs where you can open a new one every tax year, a child's Junior ISA is slightly different.

A child can only have one Junior Stocks and Shares ISA and one Junior Cash ISA, and the total contributions in the tax year can't exceed the Junior ISA annual allowance (currently set at £9,000 per tax year). When a new tax year begins (April 6th), the allowance is reset and you can continue to make contributions.

If you'd like to open a Wealthify Junior Stocks and Shares ISA but your child already has a Junior Stocks and Shares ISA with another provider, **you'll need to transfer that existing Junior Stocks and Shares ISA to us by using our simple transfer form.**

TRANSFERRING A CHILD TRUST FUND

If your child was born between September 1st 2002 and January 2nd 2011, they would have automatically been given a Child Trust Fund. But this was stopped in 2011 and Junior ISAs were introduced.

If your child has a Child Trust Fund, you can still open a Wealthify Junior Stocks and Shares ISA by transferring the balance over to us using our simple transfer form. By using the form, any money you transfer will keep its tax-efficient status and once completed, the Child Trust Fund will be closed.

HOW DOES MY CHILD ACCESS THEIR MONEY?

A few months before your child's 18th birthday, we'll contact you to request your child's most recent contact details. This information will be added to your child's Plan so that we can confirm their identity; ready for when they turn 18 and they can access their funds.

When your child turns 18, their Junior Stocks and Shares ISA matures into an adult Stocks and Shares ISA and all account responsibility will pass to them.

They'll need to contact Wealthify and let us know what they'd like to do with their Plan. Once we've confirmed their details, they'll have complete access to their money – and be able to withdraw the funds in full – or keep part, or all, of their money invested. The choice is theirs.

TAX ADVANTAGES

A Junior ISA allows you to save and/or invest on behalf of your child without paying tax on any interest, dividends, or capital gains they earn. Additionally, saving or investing into a Junior ISA on behalf of your child does not affect your own annual ISA allowance.

And further to this, your child won't be charged tax when the time comes to withdraw their money.

For these reasons, many people believe that it pays to take full advantage of the tax-free allowance if you can – especially as you won't be able to 'roll over' the allowance into the following tax year.

IS A JUNIOR ISA SAFE?

The investments within your Junior Stocks and Shares ISA will be held with Wealthify.

Wealthify is authorised and regulated by the Financial Conduct Authority (FCA) and covered by the Financial Services Compensation Scheme (FSCS).

In accordance with the FCA's Client Asset rules, even if Wealthify went into administration, our creditors would not have a claim to your child's investments.

Please remember that with a Junior Stocks and Shares ISA, your capital is at risk and your child could get back less than invested.

It's important to note that the Financial Services Compensation Scheme does not allow you to claim compensation simply because the value of your child's account falls below what you originally invested. For more information about FSCS cover for investment products, visit the [FSCS website](#).

IF YOU ARE UNHAPPY WITH OUR SERVICE

Our aim is to provide you with an excellent service at all times. If you're at all dissatisfied with our service and wish to make a complaint, you can contact us via:

- [Sending us a message via our website](#);
- By calling us on 0800 802 1800 (Monday - Friday, 8am - 6:30pm and Saturdays 9am - 12:30pm);
- Or by writing to us at:

Wealthify, Tec Marina, Terra Nova Way, Penarth CF64 1SA.

We'll deal with your complaint as quickly and fairly as we can, and in accordance with the requirements of our regulator; the Financial Conduct Authority (FCA).

If you are unhappy with the way we've dealt with your case, you're likely to be able to refer your complaint to the Financial Ombudsman Service (but remember that the Ombudsman won't look at a complaint until it has been raised with us and we've had reasonable time to investigate and respond).

[Our complaints policy is here](#).

Wealthify's award-winning proposition also offers a Stocks and Shares ISA, a Personal Pension, and a General Investment Account.

Tax treatments depend on your child's individual circumstances and may change in the future.

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