

## **Guide for Junior ISA Providers**

*Please complete and return the application form on page 9*

### **Background**

The Government is providing all Looked After children and young people in the United Kingdom (who have been in care continuously for over a year and do not already have a Child Trust Fund) to have a Junior ISA. From the announcement of the scheme to date (December 2016) there have been over 89,000 young people benefitting, with a further c.12,000 per annum expected to qualify in the future. In February 2012 the Department for Education appointed The Share Foundation to operate the arrangements after a competitive tender process.

These Junior ISAs are opened with an initial Government contribution of £200, and The Share Foundation is responsible for raising additional voluntary donations to build the accounts to a more respectable level. It is also responsible for providing financial education to encourage responsible use of the money at adulthood. Our website provides a more detailed overview of the arrangements.

### **Financial Education**

Significant efforts are being made to ensure that young people are prepared to handle their Junior ISA investment at age 18. The Share Foundation has introduced the Stepladder of Achievement programme for 15 – 17 year old young people who hold a Junior ISA through the government scheme and for children in care of CTF age.

The Stepladder of Achievement programme will provide both life skills and financial resources in order to enhance the capability and prospects of young people in care, who are likely to have experienced an unpredictable education. The aim is to break the cycle of deprivation by enabling these young people to look forward to a normal adult life, by helping them to reverse this instability and enhance their employability prospects.

### **Establishing accounts**

The Share Foundation allocates accounts following advice given by an independent account allocation adviser, Rayner Spencer Mills. This is because The Share Foundation Board of Trustees includes a member from one of the Junior ISA providers, and we naturally wish to avoid any suggestion of potential conflict of interest. The selection of account providers may also be a regulated activity, and therefore beyond the scope of The Share Foundation.

Junior ISA Providers may offer one or more Junior ISA options (up to a maximum of 6 per participating Provider) for consideration. Please do not propose self-select Junior ISAs.

The account allocations are reviewed regularly to ensure that the accounts selected remain

the most appropriate for the children/young people. As with normal Junior ISAs young people will be able to take over the allocation and management of their accounts from the age of 16, although their accounts will only continue to benefit from additional contributions from our fund-raising programme if administration remains with The Share Foundation

## **Allocation decisions**

Allocation decisions will be made for groups of children and young people by age and cultural background. In terms of age, there are currently two main groupings:

- those born since 2 January 2011 (i.e. after CTF withdrawal);
- those under 18 born during the CTF era who did not qualify for a CTF account.

Criteria for selection also includes performance and charges, and where there is little preferential difference there is an allocation by rota between a spread of Junior ISA Providers to provide an improved range of working experience.

## **Operational interface**

Appendix 1 sets out the 'message flows' carrying data from The Share Foundation to the JISA Provider and back to The Share Foundation. We have tried to conform these as closely as possible to procedures that many JISA providers may already have in place: for example, using the Child Trust Fund HMRC-Allocated Account file transfer specification as a basis for account-opening and additional contributions. We do, however, need to keep all interfaces electronic and to maintain information on the value of accounts, so please find below the operational needs over and above those normally applied to Junior ISAs, with which Junior ISA providers should comply.

1. Electronic account opening – account opening instructions are sent in bulk on a regular basis by way of an encrypted CSV data file. This is not only for operational efficiency but also in order to meet stringent Department for Education requirements regarding security, which is paramount in the area of Looked After children and young people. All account addresses are c/o The Share Foundation: HMRC has issued regulations to confirm that this is acceptable, and that the single composite declaration from The Share Foundation is also acceptable when the accounts are linked to that declaration. Please refer to Appendix 2 for the template. The £200 initial account-opening payments are credited in bulk to your customer transfer account bearing a reference to the account-opening file. Confirmation of account-opening is by provision of the Common Return file as set out in Appendix 3.
2. Additional contributions are also credited in bulk to your customer transfer account bearing a reference to an accompanying Additional Contributions Details file. The format of the CSV file is shown in Appendix 4. Confirmation that contributions have been credited to accounts is by simple acknowledgement receipt of the payment reference and by provision of the Common Return file as shown in Appendix 3 below.
3. Quarterly data file output is sent to The Share Foundation, containing digital information on investment and cash balance values - in order to enable aggregated data to be provided to Local Authorities, the Department for Education and for fund-raising support and performance analysis. Again, this file is in the

same Common Return file format specified in Appendix 3.

4. All other outgoing information (contract notes, statements etc.) from Providers are electronic (by PDF). These PDFs should conform to the TSF naming convention in terms of file naming and the 'name' format as shown below. This enables us to re-direct the statement files to the correct Local Authority without delay. If this presents a problem please contact The Share Foundation's Database Administrator who will explore the potential for re-naming your PDF files with you in order to achieve this format.
5. The Share Foundation notifies account transfers by email and the provision of a bulk data file in an encrypted CSV data file. In this instance the value of the Opening Amount is zero as TSF does not know the exact value of each child's account. This information will be obtained by the new JISA Provider when they transfer the account from the existing JISA Provider using their normal account transfer procedures. Acknowledgement of account opening by the new Provider is by way of the Common Return file as specified in Appendix 3. Acknowledgement of account closing by the old Provider is also by way of the Common Return file as specified in Appendix 3.
6. The Share Foundation notifies account closures by email, and the acknowledgement is by way of the same Common Return file as specified in Appendix 3 and as referred to above.

### ***Name format***

In order to ensure smooth onward processing by The Share Foundation, the name format adopted for electronic PSF statements is as follows:

**TSFnxxxxxA-[first name(s)]-[surname]**

where TSFnxxxxxA is The Share Foundation's unique reference number for that child. See also point 4. above.

### **On reaching 16 and 18**

When young people reach 16 years of age they are entitled to manage their own Junior ISAs, and those in care will be informed of this right as part of the financial education program. This means that if they wish to have their Junior ISA transferred to another Provider we will arrange this. If co-ordination continues to be arranged through The Share Foundation (i.e. through a Provider registered with The Share Foundation), additional contributions will continue to be made to their account. However if the new Provider is not registered with The Share Foundation it will not be possible to continue to include the account in future distributions, as it will no longer be possible to provide 'in care liaison'.

At age 18 the account will move from a Junior ISA to an adult ISA with the same Provider by default. At this point it is necessary to carry out verification of identity and active acceptance of the adult ISA: if this does not happen no changes to investment can take place and no funds may be either paid in or withdrawn.

The Share Foundation will use best endeavours to ensure that young people do accept responsibility for their new adult ISA in this way, and if this is successful it will retire from

active involvement, leaving the young person to communicate directly with the Provider. If, however, contact cannot be established, The Share Foundation will provide the Provider identity to the Local Authority and vice versa. Meanwhile it will maintain its records and act as a point of liaison for as long as possible until the direct link is made. Local Authority guidance is normally available to young people for a maximum of 6 years after becoming an adult.

### **Leaving care**

If a child is adopted, returns to natural parents or otherwise leaves care, The Share Foundation's role is passed to the person in a position of parental authority who will then become the contact for the Junior ISA Provider. Our Junior ISA account record will therefore be closed at this point.

### **When a child dies or is terminally ill**

Normal Junior ISA rules apply in these events, and The Share Foundation will arrange for the liquidation of the account and payment of funds to the estate/responsible person as set out in the Junior ISA regulations.

### **Transfer of JISA accounts between JISA Providers**

If the Account Allocation Adviser so instructs, The Share Foundation will request transfer of accounts between Providers.

The Share Foundation  
[info@sharefound.org](mailto:info@sharefound.org)  
www.sharefound.org  
01296-310400

Elsinore House  
43 Buckingham Street  
AYLESBURY  
Bucks  
HP20 2NQ

## Appendix 1:

### Data flows between The Share Foundation and Junior ISA Providers

Note: all files, whether CSV or XML, may be encrypted and sent by e-mail: there is no requirement for FTP transfer

	<b>Message description</b>	<b>Direction</b>	<b>Message Format</b>	<b>Notes</b>
1	Account opening	TSF → Provider	Appendix 2	Based on CTF RAA spec. Accompanied by BACS payment with reference
2	Account opening acknowledgement	Provider → TSF	Appendix 3	Common Return file
3	Additional Contributions detail	TSF → Provider	Appendix 4	Based on CTF RAA spec for Age 7 payments. Accompanied by BACS payment with reference
4	Contribution acknowledgement	Provider → TSF	Appendix 3	Common Return file
5	Quarterly valuation	Provider → TSF	Appendix 3	Common Return file
6	Statements, Contract Notes	Provider → TSF	PDF	As per TSF Naming Convention: not in paper format
7	Account closure	TSF → Provider	e-mail	
8	Account closure acknowledgement	Provider → TSF	Appendix 3	Common return file

## Appendix 2:

### Template for Account-opening file (CSV)

DATA ITEM	TEMPLATE COLUMN	NOTES
TSFChildRefId	Column A	
Surname	Column B	
Forename	Column C	
MiddleNames	Column D	this may be blank
DOB	Column E	
JISAProviderName	Column F	
JISAAccountType	Column G	
JISAAccountOptions	Column H	
OpeningAmount	Column I	this will be the £200 from HMT
NINumber	Column J	Where the child is 16 or over. Where there is no NINO, this field will be left blank

### Appendix 3:

#### Template for Common Return file (CSV)

DATA ITEM	TEMPLATE COLUMN	NOTES		
		ACCOUNT OPENING	ADDIT'NAL CONTRIB'S / QUARTERLY VALUATIONS	ACCOUNT CLOSURE
JISAProviderName	Column A			
JISAAccountType	Column B			
JISAAccountOption	Column C			
JISAAccountCustomerRefNo	Column D			
JISAAccountRefNo	Column E			
TSFReferenceNumber	Column F			
JISAAccountOpeneddate	Column G	Date opened		
JISAAccountCashValue	Column H	Opening amount	Current value	the final value
JISAAccountInvestmentValue	Column I	likely to be blank	Current value	the final value
JISAAccountValuationDate	Column J	likely to be blank	Valuation date	Valuation date
JISAAccountClosedDate	Column K	this will be blank	this will be blank	Date closed

#### Appendix 4:

#### Template for Additional Contribution Details file (CSV)

DATA ITEM	TEMPLATE COLUMN	NOTES
TSF Child Ref Id	Column A	
JISA Account Customer Ref No	Column B	
JISA Account Ref No	Column C	
JISA Provider Name	Column D	
Contribution Amount	Column E	
NINO	Column F	Where the child is 16 or over. Where there is no NINO, this field will be left blank



**Junior ISA Provider Application & Account Options form**

*Please note that we will also ask for completion of a due diligence proforma*

**Part 1: Organisation Details**

Provider Name			
Address			
Post Code			
Contact Name			
Job Title & Department			
Direct Telephone		Switchboard	
Mobile No.		Fax No.	
E-mail		Website	
Customer Transfer a/c	Sort Code:	A/C No.	

**Part 2: Account Options** (please include details of these account options or a weblink)

Account Option Name	Cash	Stocks & Shares	Cultural (if any)

**Part 3: Declaration to The Share Foundation**

Please consider the above Junior ISA account options for selection on behalf of children and young people in care. I confirm that I have read this Guide for Junior ISA Providers and that we will employ our best endeavours to operate any accounts opened with us according to these guidelines.

Signature: ..... Date: .....