

The complaint

Mr A is unhappy that Nationwide Building Society won't allow him to withdraw money from his son's junior ISA before his son is 18.

What happened

Mr A raised a complaint with Nationwide because they wouldn't allow him to withdraw money from his son's junior ISA. Nationwide responded and explained to Mr A that the terms of the junior ISA included that no money could be withdrawn before the account holder – Mr A's son – was 18 years old. And because Mr A's son was presently only eleven years old, this meant that no money could be withdrawn from the account. Mr A wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Nationwide had done anything wrong or acted unfairly in how they'd managed the situation. Mr A remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The terms and conditions of the Junior ISA include that no money can be withdrawn from the ISA before the account holder reaches the age of 18.

Mr A says that when he took out the Junior ISA for his son roughly ten years ago, he was never made aware of this term. Given the length of time that's elapsed since the account was opened, it isn't possible to confirm what was or wasn't explained to Mr A at that time.

But I feel that it's reasonable to assume that Mr A would have been presented with the account terms and conditions and key features documents when he opened the account, both of which confirm that no money can be withdrawn from a Junior ISA until the account holder reaches the age of 18. And if Mr A wasn't presented with those documents at that time, then I feel it's reasonable that he should have requested them, or that he should have reviewed the rules for Junior ISAs online or via some alternative channel.

Ultimately, I feel that it was Mr A's responsibility to have ensured that he understood the nature of the Junior ISA that he opened for his son before he opened it, including that no money can be withdrawn from Junior ISAs until the account holder reaches the age of 18 – which it must be noted is one of the fundamental terms of a Junior ISA.

Mr A has also expressed his disappointment with the return from Nationwide's Junior ISA over the years it has been held. But while no money can be withdrawn from a Junior ISA until the account holder reaches 18, Mr A was free to transfer the account balance to another Junior ISA offered by a different provider – if Mr A felt that a better rate of interest could be achieved by doing so.

Mr A has also said that during his discussion with Nationwide about the Junior ISA, Nationwide explained that money could only be withdrawn from an account before the account holder reaches the age of 18 in exceptional circumstances, which included the child becoming terminally ill or passing away, which Mr A found to be distressing.

I can appreciate why this information might have been upsetting for Mr A to hear. But I don't feel that Nationwide intended to cause Mr A distress. Rather, I feel that Nationwide were correctly explaining to him the types of circumstance that would be considered as being exceptional circumstances regarding Junior ISAs.

Finally, I note that Nationwide referred Mr A to HMRC, who review the merits of individual requests to withdraw money from Junior ISAs early. This doesn't seem unreasonable to me, given that HMRC hold the relevant authority here. And I also note that HMRC declined the request of Mr A to withdraw money from his son's Junior ISA in this instance.

All of which means that I don't feel that Nationwide have done anything wrong or acted unfairly here as Mr A contends. Rather, I'm satisfied that Nationwide have acted in accordance with the terms of the Junior ISA, which I feel it was Mr A's responsibility to have been aware of and understood before he opened the account for his son.

I realise this won't be the outcome Mr A was wanting. But it follows that I won't be upholding this complaint or instructing Nationwide to take any further or alternative action here. I hope Mr A will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 January 2024.

Paul Cooper
Ombudsman