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## **LLOYDS TSB TO OFFER CHILD TRUST FUNDS**

Lloyds TSB has today announced its plans to offer Child Trust Funds in support of the Government's new savings initiative launching in January.

The move will see it linking with The Children's Mutual, the UK's only specialists in savings for children, to provide a stakeholder Child Trust Fund. The account will be available through Lloyds TSB's branches and telephony and internet services, allowing parents to easily use the £250 vouchers that the Inland Revenue will be issuing from January 2005\*.

Rick Hunkin, savings director at Lloyds TSB, says: "This is an exciting initiative which will help kick-start the savings of a new generation and we're keen to put our weight behind this positive move. By bringing together Lloyds TSB and The Children's Mutual we will be giving the best support possible to the Government's scheme – marrying accessibility to expertise in this area."

David White, chief executive, The Children's Mutual, says: "We've been focused on Child Trust Funds from the outset, doing our best to support the Government in shaping the concept. It's good to see that companies like Lloyds TSB are getting behind the initiative, and we're very pleased to be working with them to make these funds more widely accessible for parents. We truly believe that this initiative will play an important role in re-establishing a savings culture in this country."

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Lloyds TSB customers will be able to open their child's CTF account from January onwards, although the accounts will not go live until April. The stakeholder account, which will be managed and administered by The Children's Mutual, fully meets Government requirements. The fund will be invested in Scottish Widows' Balanced Growth Portfolio with charges capped at 1.5 per cent per annum.

Child Trust Fund application packs will be available from Lloyds TSB from January 2005.

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### **Notes to editors:**

\*Starting in January, 1.7 million children born since 1 September 2002 will receive a voucher for at least £250 to set up a Child Trust Fund account. From then on around 60,000 new born children each month will qualify for a Child Trust Fund into which parents, family, friends and the children themselves can add up to £1,200 per year. The accounts, which mature when the child reaches 18, are intended to provide a tax-free lump sum as a financial springboard into adult life.

The Children's Mutual/Lloyds TSB Child Trust Fund will conform to stakeholder product requirements by:

- Having the appropriate exposure to equities for a long term investment.
- Life-style switching – gradually moving out of equities and into safer investments as maturity approaches.
- Capping charges at 1.5 per cent per annum.

### **For more information:**

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