



Child Trust Funds Act 2004

2004 CHAPTER 6

Penalties

20 Penalties

- (1) A penalty of £300 may be imposed on any person who fraudulently—
 - (a) applies to open a child trust fund,
 - (b) makes a withdrawal from a child trust fund otherwise than as permitted by regulations under section 3(4)(d), or
 - (c) secures the opening of a child trust fund by the Inland Revenue.
- (2) A penalty not exceeding £3,000 may be imposed on—
 - (a) an account provider who fraudulently or negligently makes an incorrect statement or declaration in connection with a claim under section 8 or 9 or regulations under section 10 or 13, and
 - (b) any person who fraudulently or negligently provides incorrect information in response to a requirement imposed by or under regulations under section 15.
- (3) Penalties may be imposed on—
 - (a) an account provider who fails to make a claim under section 8 or 9 or regulations under section 10 by the time required by regulations under the section concerned, and
 - (b) any person who fails to make a document available, or provide information, in accordance with regulations under section 15.
- (4) The penalties which may be imposed under subsection (3) are—
 - (a) a penalty not exceeding £300, and
 - (b) if the failure continues after a penalty under paragraph (a) is imposed, a further penalty or penalties not exceeding £60 for each day on which the failure continues after the day on which the penalty under that paragraph was imposed (but excluding any day for which a penalty under this paragraph has already been imposed).

Changes to legislation: There are currently no known outstanding effects for the Child Trust Funds Act 2004, Section 20. (See end of Document for details)

- (5) No penalty under subsection (3) may be imposed on a person in respect of a failure after the failure has been remedied.
- (6) For the purposes of subsection (3) a person is to be taken not to have failed to make a claim, make available a document or provide information which must be made, made available or provided by a particular time—
- (a) if the person made it, made it available or provided it within such further time (if any) as the Inland Revenue may have allowed,
 - (b) if the person had a reasonable excuse for not making it, making it available or providing it by that time, or
 - (c) if, after having had such an excuse, the person made it, made it available or provided it without unreasonable delay.
- (7) A penalty may be imposed on an account provider in respect of—
- (a) the provision by the account provider, as a child trust fund, of an account which does not meet the condition in subsection (8),
 - (b) a failure by the account provider to comply with section 8(2) or 9(3) or with a requirement imposed on the account provider by regulations under section 5(5), 6(3), 7^{F1}, 7A, 7B] or 10(3), or
 - (c) a breach of section 12(1), or regulations under section 12(2), in relation to a child trust fund held with the account provider.
- (8) An account meets the condition referred to in subsection (7)(a) if—
- (a) it is of one of the descriptions prescribed by regulations under section 3(2),
 - (b) section 3(4) is complied with in relation to it, and
 - (c) the requirements imposed by regulations under section 3(5) are satisfied in relation to it.
- (9) The penalty which may be imposed under subsection (7) on the account provider is a penalty not exceeding—
- (a) £300, or
 - (b) £1 in respect of each account affected by the matter, or any of the matters, in respect of which the penalty is imposed,
- whichever is greater.

Textual Amendments

- F1** Words in s. 20(7)(b) inserted (26.3.2015 for specified purposes) by [Deregulation Act 2015 \(c. 20\)](#), ss. [62\(5\)](#), [115\(2\)\(d\)](#)

Commencement Information

- I1** S. 20(1)(a) s. 20(2)-(6) (7)(a) (7)(b) (8) (9) in force at 1.1.2005 for specified purposes by [S.I. 2004/2422](#), [art. 2](#)
- I2** S. 20(1)(a) s. 20(2)-(6) (7)(a) (7)(b) (8) (9) in force at 6.4.2005 in so far as not already in force by [S.I. 2004/3369](#), [art. 2\(1\)\(2\)\(4\)](#)
- I3** S. 20(1)(b)(c)(7)(c) in force at 6.4.2005 by [S.I. 2004/3369](#), [art. 2\(1\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Child Trust Funds Act 2004, Section 20.