



The Special Account

The Court Funds Office is part of an Associated Office of the Ministry for Justice (formerly the Department for Constitutional Affairs). It provides a banking and investment service for the civil courts in England and Wales, including the Court of Protection. Cash deposited in the Court Funds Office is transferred to the UK Debt Management Office (an executive agency of the Treasury) for investment. The return on investments is used to pay interest to customers and to cover the running costs of the Court Funds Office.

The special account is a type of account which is similar to a bank or building society deposit account, but which has some of the features of a current account. It is only available to those people who are entitled to hold monies in the Court Funds Office. Whilst monies may be paid into the Court Funds Office for various different reasons, the special account is only available to children who have been awarded damages or where monies are invested for those who are deemed to lack the capacity to manage their own finances under a court order.

The special account:

- Pays interest at a single rate, regardless of the sum invested (so long as the sum is £10 or more).
- Pays interest gross, without deduction of tax, so those who are not tax payers do not need to reclaim the tax.
- Pays a variable rate of interest, currently at 6% (6.09% AER).
- Credits interest to the account every six months, at the end of May & November each year, or on withdrawal of monies at any other time.
- Has no fixed term of investment. Monies may be withdrawn with no loss of interest or notice period.
- Is protected by a government guarantee
- Produces statements of account twice a year in April and October, on request or on closure of the account.
- Produces interest vouchers annually at the end of the tax year, on request or on closure of the account.

Whilst the Court Funds Office cannot, at present, make all payments or accept monies electronically other than in exceptional cases it can:

- Pay an agreed amount to a Deputy's bank account automatically on a monthly, quarterly, half-yearly or annual basis.
- Pay out an agreed amount within five working days of receipt of a request for payment direct to the Deputy's bank account.
- Credit monies received by the Court Funds Office to the client's special account with effect from the date of receipt of the cheque.
- Pay interest to the Deputy's account on receipt if so requested (subject to any restrictions placed on the Deputy by the Court of Protection).



The Equity Index Tracker Fund (EITF)

The Court Funds Office also offers an investment vehicle called the Common Investment Fund Equity Index Tracker Fund. This is a form of unit trust managed by Legal and General on behalf of the Ministry of Justice. It is only available to certain clients of the Ministry of Justice and can only be held:

- In an account in the name of the client at the Court Funds Office.
- By the Deputy on behalf of the client if there is no account in the Court Funds Office, or the Deputy does not wish to have the investment held at the Court Funds Office or:
- By the broker on behalf of the client where a broker manages a portfolio and the investments are not held at the Court Funds Office.

The EITF is a simple and cost-effective means of investing in the stock market over the medium to long term. The fund invests directly in Legal & General unit trusts which track each of the world's major markets with 80% held in the UK and 20% held overseas. An index tracker is a fund that invests in a representative sample of all the companies that make up the index they are tracking with the intention of delivering the return of the index tracked. They can be a cost effective way to invest in a wide range of different holdings, rather than investing in one, or a few individual holdings. As such it presents a lower risk although, as with any stock market investment, the value of the fund may go down as well as up.

The EITF may only be transferred into the name of the client if that client is deemed to have ceased to lack capacity to manage their finances. It cannot be transferred to trustees, relatives or beneficiaries of the client on the client's death.

The Court Funds Office will also hold other investments on behalf of a client and will either liaise direct with the appointed broker or with the deputy with regard to the buying, selling or transferring of such investments. This office may hold most stocks, shares and unit trusts but cannot manage PEPS, ISAS or other such schemes or hold Premium Savings Bonds on the client's behalf.

If you would like further information on the Equity Index Tracker Fund, or on how to open a special account with us, please contact us for a leaflet or information pack at:

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