

The complaint

T, a limited company, complains Santander UK Plc gave notice in July 2025 that it planned to migrate T's account, which is free from fees, to an account which incurs a monthly fee in October 2025. T says this is unfair as, when it opened the account, it was promised it would be entitled to 'free banking forever'.

T has told us:

- T chose this account on the basis it offered free banking forever. T believes Santander's decision to apply a fee now is a breach of the terms and conditions and a betrayal of its trust.
- Whilst Santander has migrated the account to a different product, this was an administrative change not a contractual one and therefore doesn't give Santander the right to impose a fee.
- T believes this change is unethical and a breach of trust. It doesn't think it's fair that it could've mislead customers with marketing only to rely on small print when making changes to the account.

Santander has told us:

- Over the years, Santander has needed to review the products it is able to offer its customers and, as part of simplifying the accounts available, it has migrated certain accounts to new products. In 2015, T's account was migrated to an 'everyday account' which has no promise of fee free banking. More recently, it needed to migrate some customers to a new account, and this is also an account with no promise of fee free banking.
- Santander is satisfied banking services have changed in the years since T's account was opened – around 20 years ago - and there have been changes in the relevant law and regulation. This has resulted in a need to change the way it operates business accounts which justifies a fee being charged.
- To ensure it's providing a fair and consistent service to all its customers, Santander is simplifying its business account range by consolidating existing business accounts to the 'classic' account which comes with a fee of £9.99 per month. Many of those customers migrating to the classic account have not benefitted from fee free banking for the past 20 plus years, and most of the products it's migrating have a monthly fee of more than £9.99 per month.

- It's satisfied the implementation of a monthly fee is supported by the terms and conditions and it has given T adequate notice of the intended change. T's choices are to move to the new account with a monthly fee, close the account, or switch to a new provider which Santander said it will facilitate.

Our investigator looked into things but didn't uphold the complaint. T didn't accept the investigator's findings so the complaint has been passed to me for a 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.

There's no dispute here the marketing information for T's account when it was opened set out that Santander was offering free banking forever. It's clear this was how the account was advertised and I've seen the literature from the time that supports this. I'd add that Santander isn't disputing this either. So, I accept what T has said about what it was told in some of the literature linked to the account when it was opened.

The issue for me to decide here is whether I think Santander is acting unfairly in migrating T to the new account now, taking into account the terms and conditions applicable to T's account.

The terms and conditions applicable to the account when T opened it say:

“5.1.1 We may change these Conditions (which includes adding or removing conditions) by notifying you of the change.”

I've also reviewed all the subsequent versions of the applicable terms and conditions available throughout the years, from the time the account was opened until the most recent version. I can see they all contain the same, or similar, wording that allowed changes to be made. So, for more than 20 years, Santander has been clear in the applicable terms and conditions - changes can be made to the account, and none provided a guarantee of free banking forever.

Despite this, T has benefitted from free business banking for over 20 years. Overall, I think it's fair and reasonable that Santander are relying on the terms and conditions and making these changes.

The other relevant terms and conditions to consider as it's making these changes now are the most recent. In 2015, Santander migrated T's account to a Santander branded 'Everyday Current Account' and Santander's general terms and conditions applied from this point. They set out that:

“This agreement may last for a long time, so we're likely to need to make changes to it from time to time. We might change these terms or your account's specific conditions. This includes interest rates or fees (such as adding or removing fees)...”

The terms and conditions also provide a list of changes Santander might make, which include taking into account changes in costs and regulation. The terms and conditions were updated in April 2025, and the above did not change.

So I'm satisfied the terms and conditions currently applicable to T's account allow Santander to make changes to the account subject to giving sufficient notice of this to its customers.

The terms and conditions set out that Santander should give 60 days' notice of this change, and I can see it's given T slightly more than this, so it's provided the notice required.

T feels strongly that literature outside of the terms and conditions formed part of Santander's obligation to T. And I have considered this point, and the literature, carefully. But the terms and conditions are what outline the contractual obligations between Santander and its customer. Even if the other literature did form part of the contractual agreement T had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

I'm also satisfied this change is supported by the literature I've seen that would've been given to T when the account was opened. Much of the marketing that references free banking forever, also explains this is subject to relevant changes to the law, regulation or the imposition of any tax in connection with bank charges. And there have been significant changes to banking regulation since 2003, for example, the obligations on banks to better protect its customers from various risks including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams, significantly increasing the costs of offering an account to both personal and business customers.

T has argued the migration in 2015 was 'administrative' and not 'contractual' and believes this means it didn't allow Santander to make these changes. But the terms and conditions are what set out the contractual agreement between Santander and its customer, and as I say, the terms and conditions applicable to the account, regardless of how it's administered, have always allowed this kind of change.

T has also said it wasn't informed when the account was migrated in 2015 this change might've resulted in a fee being applicable at some point in the future. But as I've outlined, the provision to make these changes has always existed in the terms and conditions applicable to the account. The changes could've been made at any time over the last approximately 20 years T has used the account.

T has noted that Santander told its customers it would be applying a fee to the account back in 2012 and reversed this decision. What I'm considering here is whether Santander is entitled to make the changes to T's account now, and it is. I haven't found this is different because it decided to reverse its decision to do so in 2012. And whilst T has said this change was linked to decisions made by the Financial Ombudsman Service, each case is based on its individual merit. So a different decision isn't relevant to the decision I'm making here.

Free business banking is not currently a typical offering from any major retail bank. And in Santander's case it's aware that whilst some customers, like T, have benefitted from fee free banking for more than 20 years, others have been paying significantly more. Santander has said it's taking this step to ensure all its customers are being treated fairly, and I haven't found its acting unfairly or unreasonably in asking T to pay a fee in this case.

As a commercial business Santander is entitled to make decisions about products that are no longer commercially viable, including withdrawing them completely. In this case, it explained it's made the decision it will no longer offer the account T currently has. This is a decision it's entitled to make and one which this Service wouldn't typically interfere with.

So, even if there had been a contractual obligation to always provide the account with no fees attached, I wouldn't likely have concluded it would be fair that Santander should be obligated to provide this product to T indefinitely if it believed it was uneconomic to do so. I would also note the terms and conditions allow Santander to close the account as long as sufficient notice is given.

Santander has offered T a reasonable alternative account, albeit with a fee, and it has given T enough notice of the changes so it can find alternative options should it wish to. I understand T feels Santander has broken its promise. But overall, I'm satisfied it's entitled to change the terms and conditions applicable to the account – including in relation to the cost of the account - as long as sufficient notice has been provided, as it has in this case.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 30 December 2025.

Faye Brownhill
Ombudsman