

The complaint

F, a limited company, complains Santander UK Plc gave notice in July 2025 that it planned to migrate F's account, which is free from fees, to an account which incurs a monthly fee in October 2025. F says this is unfair as, when it opened the account, it was promised it would be entitled to 'free banking forever'.

F has told us:

- F chose this account on the basis it offered free banking forever. F 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.
- Changing banks will come with a significant amount of work and disruption and two months' notice isn't enough notice to allow F to make alternative arrangements should it wish to.
- In 2012 Santander tried to introduce a fee but later reversed this decision which has set a precedent.

Santander has told us:

- F's account was opened in 2011. None of the literature linked to the account later than 2010 referenced free banking forever. Outside of marketing and other literature, none of the terms and conditions applicable to the account, at any time, have ever included a commitment to free banking forever.
- 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, F'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 F's account was opened – around 14 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 F adequate notice of the intended change. F'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. F didn't accept their 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.

I want to assure F I have considered all of the correspondence and points it's made, but not commented on each of them individually in this decision. This is not intended as a courtesy. Instead, it reflects the informal nature of the Financial Ombudsman Service and my role in considering F's individual complaint. In particular, F has raised numerous points around how it believes Santander's actions will impact and has impacted other account holders, but I'll only be considering, and answering, the specific circumstances of F's complaint here.

F has provided copies of a large amount of marketing information, as well as other documents, that state the account provided by Santander offers free banking forever. Much of this documentation appears to date from before F's account was opened, and before F existed as a limited company. I haven't seen any documentation which states it was sent to F in relation to its account. And, as I've outlined above, Santander has said none of the documentation or marketing information contained a reference to fee free banking after 2010 – the year before F opened its account.

So it doesn't appear F did receive marketing or any other information stating its account would be fee free forever. But, it's clear it has benefitted from free business banking for around 14 years - from the time the account opened in 2011 until October 2025. So the requirement now to pay a monthly fee is a change to the way F is used to using its account.

The issue for me to decide here is whether I think Santander is acting unfairly in migrating F to the new account now, taking into account the terms and conditions applicable to F's account. The terms and conditions applicable to the account when F opened it in 2011 (that had been in place since 2010) 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 the entire time F's account has been open, 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, F has benefitted from free business banking for around 14 years. Overall I think it's fair and reasonable 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 F'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 F's account allow Santander to make changes to it subject to giving sufficient notice of this to its customers.

F has said earlier versions of the terms and conditions did guarantee the account would be fee free forever. The only terms and conditions applicable to F's account were the ones in place from the time it opened the account. Any versions that existed before this aren't relevant. But in any event, I've seen the earliest available terms and conditions, and every available version since and to date, and none offer any guarantee of fee free banking forever. They also all include a clause that allows Santander to make changes, which in my experience, is not unusual for any bank to include in its terms and conditions.

F 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.

I understand F doesn't believe it has been given enough notice of the changes. But the terms and conditions set out that Santander should give 60 days' notice of this change. I can see it wrote to F on 9 July 2025 letting it know the changes would take effect from 1 October 2025, so it's provided more than the notice required.

It seems F feels strongly the literature outside of the terms and conditions formed part of Santander's obligation to F. As I've said, I haven't seen any evidence to show F did receive any literature referring to free banking forever. But even if it had, as I've explained, it's the terms and conditions that set out Santander's contractual obligations, not the marketing and other literature.

I'd add that 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.

When considering a complaint I'm required to take into account not just the terms and conditions but what I consider to be good industry practice. 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 F, have benefitted from fee free banking for around 14 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 taking everything into account, I haven't found it's acting unfairly or unreasonably in asking F to pay a fee in this case.

As a commercial business Santander is entitled make decisions about products that are no longer commercially viable, including withdrawing them completely. In this case, it explained the decision it will no longer offer the type of account F 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 have concluded it would be fair that Santander should be obligated to provide this product to F 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.

F has commented 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 F'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.

F has said it wasn't informed when the account was migrated in 2015 this 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 14 years F has used the account. And whilst I accept the situation may have come as a surprise, as I've said, Santander has provided the notice required by the terms and conditions, a notice period which is in line with that I would typically expect to see when any bank is making changes to an account.

I understand F has said it will be caused inconvenience and cost to move to another account provider. And this is unfortunately unavoidable should F decide to change bank accounts due to the decision Santander has made here. Santander has offered F a reasonable alternative account, albeit with a fee, and it has given F enough notice of the changes so it can find alternative options should it wish to. I understand F 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 L to accept or reject my decision before 24 December 2025.

Faye Brownhill
Ombudsman