

The complaint

Mr G is a sole trader. He complains about Santander UK Plc's decision to migrate his business account (the Account) from one that for many years operated on a free from fees basis to an account for which the bank proposed charging a monthly fee.

I should mention that to begin with, the Account was branded in the name of Abbey National plc which later became Santander. For ease and convenience, however, I'll only refer to Santander throughout my decision.

What happened

There's little dispute between the parties about the core events in this case. So, what follows is a summary of what happened.

Mr G has told us that:

- The Account was opened in 2010 and the literature promoting the Account at the time promised it would operate on a fee free basis forever.
- Although in 2012, Santander did attempt to introduce a charge for the Account, they changed their mind due to customer protests. The fee free arrangement continued afterwards even though in 2015, the bank transferred the Account to a new one – called the Everyday Account.
- On 2 July 2025, however, Santander wrote to him to say, with effect from 1 October 2025, they were changing the Account to their Business Current Account for which a monthly fee of £9.99 would be charged. But given the promise that had been made to him when the Account was first opened, he regarded the proposed changes as unfair and so he complained to Santander. To put things right, he asked the bank to continue operating the Account on a fee free basis.

Santander didn't uphold Mr G's complaint. They argued that they were operating within a new business banking environment and they needed to introduce the charges to accommodate that environment. They also argued they never provided Mr G with a contractual commitment to make free banking available to him forever. And that the changes they proposed did not contravene the terms and conditions of the Account. Furthermore, Santander maintained that in any event, Mr G was given the option not only to move to its new business current account from 1 October 2025 but also terminate his relationship with the bank if the proposed changes were unacceptable to him.

Mr G wasn't happy with Santander's position. And as the complaint remained unresolved, Mr G referred it to this service to look into

Our investigator didn't uphold the complaint. She acknowledged that the promotional literature Mr G received at the time the Account was opened did say it would be fee-free forever. However, she said she was satisfied that the terms and conditions of the Account

which governed the relationship between Mr G and the bank, permitted it to introduce the changes it proposed. Ultimately, she said she was satisfied it was reasonable for Santander to rely on these terms and conditions to change the Account to a fee paid account, and she didn't think they had acted unreasonably or unfairly in doing so.

Mr G didn't accept the investigator's conclusions. He remained unhappy that Santander failed to honour the promise made to him in 2010. So, he has asked for an ombudsman to review his case.

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.

Having done so, I've reached the same overall conclusions as the investigator – and for broadly the same reasons. I'll explain why.

There's no dispute in this case that the marketing information for the Account when it was opened confirmed that Santander was offering fee free banking forever. Given this position, I've first thought about whether Santander are therefore allowed to now migrate the Account to their new business account.

The terms and conditions applicable to the Account when Mr G opened it are relevant to my consideration. They say the following:

“5. We can vary these Conditions

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 from the time the Account was opened until the most recent version. I'm satisfied they all contain the same, or similar, wording - meaning that changes Santander proposed making were permitted.

More to the point, I haven't seen any terms and conditions guaranteeing free banking forever. I think it's fair and reasonable therefore for Santander to rely on the terms and conditions when making the changes they proposed, not least since the Account terms and conditions, rather than any promotional literature are what govern Mr G's relationship with Santander.

In 2015, Santander migrated the Account to a Santander branded 'Everyday Current Account'. Santander's general terms and conditions applied from this point onwards. The most recent were issued in April 2025. That being the case and as the bank is making these changes now, I've considered them too.

Clause 14 says this:

“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 go on to provide a list of reasons why the bank might make changes - which include taking into account changes in operational costs, law or regulation.

I'm satisfied the terms and conditions currently applicable to the Account allow Santander to make changes to it subject to giving sufficient notice to their customers. The terms and conditions set out that Santander should, in such circumstances give 60 days' notice. And I can see by their letter dated 2 July 2025 Santander provided Mr G with the notice required.

I did also go on to consider whether, nonetheless, the bank acted fairly and reasonably when it decided to introduce the new £9.99 charge going forward. Especially as it is the imposition of the charge that is at the heart of Mr G's case against Santander. I have noted, however, that the promise of free banking in the promotional literature was caveated in that it was explained this was subject to relevant changes to the law or regulation

Banking regulations have changed significantly since 2010. For example, there are now more obligations on banks to better protect their customers from various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams. I think it's fair to say these have significantly increased the costs of offering an account to both personal and business customers.

Free business banking is not currently a typical offering from major retail banks. And Mr G has benefitted from fee free banking for around 15 years.

That being said, I do acknowledge Mr G's strength of feeling in this matter. But in the circumstances of his case, I am not persuaded Santander have treated him unfairly by requiring the payment of a fee going forward. I am satisfied Santander have acted in line with their terms of business in this case and have followed their own process by giving the required notice to Mr G as well as explaining the options available to him going forward.

Santander are entitled to make commercial decisions about products that are no longer commercially viable. Including withdrawing them completely if they think that's the appropriate thing to do. The bank has explained they will no longer offer the account type that Mr G currently has. I consider this a commercial decision Santander are entitled to make and this Service would not interfere with that decision. So, even if there had been a contractual obligation to always provide the Account with no associated fees, I wouldn't have concluded it would be fair that Santander should be obligated to provide the Account to Mr G indefinitely if they believed it was uneconomic to do so.

It is worth noting also that Santander's terms and conditions allow them to end their relationship with Mr G by giving sufficient notice. As I've already noted, I can see that Santander have given Mr G enough notice of the changes so that he can find alternative arrangements if he finds them unacceptable. So, for the reasons I've explained above, I am not persuaded Santander have acted unfairly or unreasonably towards Mr G.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 January 2026.

Asher Gordon

Ombudsman