

The complaint

A limited company, which I'll refer to as G, complains that Santander UK Plc has introduced a monthly fee for its business bank account.

What happened

G opened a business account with Santander in 2008. At the time, the account was marketed as "free forever" and there were no monthly fees.

In July 2025, Santander wrote to G to give notice that the bank was transferring G onto a new business account – the Classic Account. This new account had a different charging structure, including a £9.99 recurring monthly fee.

G complained to Santander, but the bank didn't uphold the complaint as it didn't think it had acted unfairly. Santander said that the change was permitted by the terms and conditions of its agreement with G. The bank also pointed out the changes in the banking landscape since G had opened its account.

G referred the complaint to our service. It said that Santander has previously tried to apply charges and then reversed its decision, which G considered showed that applying a fee would be unfair.

One of our investigators looked into what had happened, but didn't uphold the complaint. G didn't accept her 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.

Having done so, I'm sorry to disappoint G's director, but I've reached the same conclusion as our investigator, for essentially the same reasons. I'll explain why below.

There's no dispute that the marketing material for G's account when it was opened said that Santander was offering free banking forever. It's clear this was how the account was advertised and I've seen examples of the literature from the time that supports this. Santander isn't disputing this either.

The issue for me to decide here is whether I think Santander is acting fairly in migrating G's account to the Classic account (with a monthly fee) now.

In order to decide that, I've taken into account the marketing material from 2008, but I've also considered the terms and conditions that applied at that time. I think it's reasonable to attach more weight to these terms and conditions than to advertisements, because they set out the actual contract to which G agreed. I also think that it's reasonable to expect a business to read and understand the terms of the contract to which it is signing up.

The relevant terms and conditions when G opened its account said:

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

Around 2015, Santander migrated G to a new business account, the Everyday Account. The terms and conditions for this account also permitted the bank to make changes to the terms for a variety of reasons, provided notice was given. I've also reviewed the tariffs of charges that applied, which also permitted changes to be made from time to time.

The terms and conditions were most recently changed in April 2025 and the version that applies now says:

“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 accounts specific conditions. This includes the interest rates or fees (such as adding or removing fees) as well as other terms.”

All the versions of the terms and conditions I've seen gave the bank the ability to make changes. And I haven't found any evidence that any of the terms and conditions ever provided a guarantee of free banking forever.

Santander are relying on these terms and conditions in making these changes. In my view, these terms and conditions relating to making changes are similar to those used by other banks, set out the position clearly and unambiguously, and fairly require notice to be given. I see no reason to conclude it would be unfair for Santander to rely on them in the circumstances that apply here. I've also seen evidence that Santander has given more than the required amount of notice in this case.

I realise G's director feels strongly that more weight should be attached to the marketing literature. He believes that Santander should be forced to stand by its use of the word "forever" 17 years ago, otherwise "every financial promise ever made becomes meaningless". I can understand his frustration, but for the reasons I've explained, I consider Santander can fairly rely on its contract, and this contract permits the changes it has made.

G's director makes an argument about fairness. But I think it is hard to look at fairness in isolation. Free business banking is not currently a typical offering from any major retail bank. And in Santander's case, it has told us that whilst some customers, like G, have benefitted from fee free banking for many 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 it to be acting unfairly in asking G to pay a fee in this case.

I've considered G's point that Santander tried to impose charges previously, in 2012, but ultimately chose not to do so. G considers this indicates that the bank was implicitly admitting that "free forever" meant exactly that. This was a commercial decision Santander made at the time, for its own reasons. But I don't consider it means the bank is required to maintain a "free forever" account for ever more.

I understand G feels Santander has broken its promise. But overall, I'm satisfied the bank is entitled to change its terms and conditions and that it is fair for it to do so in these circumstances, notwithstanding past marketing literature, as long as sufficient notice is provided.

My final decision

For the reasons set out above, I do not require Santander UK Plc to take further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 10 February 2026.

Louise Bardell
Ombudsman