

## **The complaint**

A company I'll call P complains that Santander UK PLC (Santander) introduced a monthly charge of £9.99 for its business account, having originally said business account banking would be fee-free forever.

P is represented by one of its directors, Mr S.

## **What happened**

Mr S opened a business account with Santander around 20 years ago. He says that, at the time he opened the account, he was assured in writing that he would receive free banking for life, but that Santander had recently decided to remove the free banking benefit. He said this was unacceptable, given P had banked with Santander for 20 years, and that P would incur a cost of 16-24 hours of time if it had to switch banks, which Mr S didn't consider to be fair.

When Mr S complained to Santander, it rejected his complaint, saying it had acted in accordance with its terms of business, and that Mr S would need to move to the new account, close P's account, or switch to another provider. It said it had made the changes because the business banking landscape had changed considerably over the last decade, and that it needed to introduce a new account, in order to continue to provide excellent service.

Our Investigator looked at P's complaint, but he didn't uphold it. He was satisfied Santander was contractually entitled to make the change, and he noted that the marketing materials that referenced free banking also contained various caveats detailing the circumstances in which Santander might change its policy. Ultimately, he wasn't persuaded that Santander had treated P unfairly by introducing a fee for its banking, so he didn't uphold P's complaint.

Mr S rejected our Investigator's findings, and made various representations about why he felt Santander's actions were unfair. None of what Mr S said changed our Investigator's mind, so the matter was referred to me to issue a final 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.

Firstly, I should say that I'm aware I've summarised the events of this complaint in far less detail than the parties, and that I've done so using my own words. The reason for this is that I've focussed on what I think are the key issues here, which our rules allow me to do.

This approach simply reflects the informal nature of our service as a free alternative to the courts. And I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome in this case. So, if there's something I've not mentioned, it isn't because I've ignored it, and I must stress that I've considered everything both Mr S and Santander have said, before reaching my decision.

Given the passage of time, I can't say exactly what marketing materials Mr S saw when he opened P's account. But I've seen various documents that refer to the free banking promise, so I accept what he says about what he was told when he signed up to the account.

And ultimately, Santander accepts that those statements were made, and its position is that it has never made a contractual commitment to free banking forever. And indeed, the terms and conditions of P's account allow Santander to make changes to the agreement between it and him. Clause 14 provides the following:

"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 interest rates or fees (such as adding or removing fees) as well as other terms. We have listed below the reasons we might want to make changes..."

S14 then provides a list of circumstances that may lead to Santander making changes, and it goes on to say that it may need to make changes for other reasons that aren't covered in the list. It says that it will give P two months' notice of any such changes.

I've also seen historic terms and conditions documents that all include similar provisions, and such clauses are common in banking agreements, so I think it's more likely than not that a similar clause has always been present in the documents that govern the relationship between Santander and P. And that means that Santander is contractually entitled to make changes to its agreement with P, and I've seen nothing that excludes fee changes from that provision (including the various arguments Mr S made in response to our Investigator's findings).

With that being said, I need to consider whether or not Santander has acted fairly and reasonably in implementing the new tariff.

And, while I've thought about everything Mr S has said, I don't agree that Santander should be made to reinstate P's free account.

Ultimately, the account terms and conditions (and not any promotional material) are what govern P's relationship with Santander, and I haven't seen an irrevocable contractual term that obliges Santander to provide free business banking to P forever. Indeed, the agreement expressly states that Santander can vary the contract if it wishes. Mr S has said that he didn't sign any new contract, but Santander can make changes by serving notice on its customers. And I haven't seen anything to suggest that Mr S refused to agree to any new terms. Indeed if he had done so, the likelihood is that Santander would have declined to continue its relationship with P.

Even if I were to accept that the promotional material overrides the contract, the promise of free banking facilities forever was followed by a qualifying line, such as "unless there are any changes to the law or banking regulations". So, the promise wasn't absolute, and was always subject to change in certain circumstances.

Thinking about what Santander has said, I can agree that there have been significant changes to the world of banking regulation since 2004. Banks now have far greater obligations to better protect customers from various risks including anti-money laundering, countering terrorist financing, and preventing fraud and scams, all of which significantly increase the costs of offering an account to both personal and business customers.

Mr S has suggested that Santander's most recent profits are so large that this action isn't justified. But Santander's profits don't change what I've said above, and the fact remains that Santander is able to change its offering in the manner I have already set out.

So, while I respect Mr S's strength of feeling here, I'm not persuaded Santander has treated him unfairly. It has acted in line with its terms of business, it has followed its own process by giving the required notice (an additional month in fact), and it has clearly set out his options going forward.

Ultimately, this is a commercial decision Santander is entitled to make, and I don't consider it would be appropriate for me to interfere with that right in the circumstances of this particular complaint.

Notwithstanding that, even if I were to disregard all of the above, Santander's terms of business still allow it to end its relationship with P by giving two months' notice. So, if it had chosen to do so, that too would have ended P's free banking facilities. And it would create an absurd position if Santander was prevented from closing P's account because of a qualified non-contractual promise, particularly in light of its legal and regulatory obligations.

I understand that Santander changed its mind in 2012, when it last considered introducing a fee for its business account. But I don't consider that amounts to an admission that such actions were unfair, and in any event, my role is to assess the individual facts of each complaint I review, and determine whether or not the bank has acted fairly and reasonably.

And for the reasons I've set out above, I don't consider Santander has acted unfairly or unreasonably here.

Mr S did make a few other representations in response to our Investigator's findings, but they didn't change my outcome. He said two months was an exceptionally short time to implement such a change, but as I have said above, that is the contractual notice period, and in any event, Santander actually gave longer (from 2 July 2025 to 1 October 2025). He also said that the new account doesn't contain any benefits to him, and that it will cost P approximately £540 to switch banks.

But simply, because I've concluded that Santander hasn't acted unfairly here, whether or not the account is still suitable for P is a decision for Mr S to make. And given my conclusion here is that Santander has done that which it is entitled to do, it wouldn't be appropriate for me to tell it to pay P compensation if P were to decide to switch banking providers.

### **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 P to accept or reject my decision before 10 April 2026.

Alex Brooke-Smith  
**Ombudsman**