

## The complaint

J, a limited company, complains Santander UK Plc migrated its account, which was free from fees to an account which incurs a monthly fee in October 2025.

J is represented in bringing this complaint to us by one of its directors, Mr J.

## What happened

J originally opened this account with another bank which was taken over in 2004 by Santander. When J opened the account, it was promised it would be entitled to 'free banking forever'.

In July 2025, Santander wrote to J to give it notice they were transferring it to a new account from October 2025. Their letter explained the name of the product was changing, alongside a range of fees and charges. This letter provided J with three options on how it could proceed:

- Accept the changes and take no further action.
- Close the account and end its agreement with Santander at no cost to J.
- Switch account to another provider using the Current Account Switch Service.

J was unhappy with these options, so Mr J complained to Santander on its behalf. Santander didn't uphold the complaint, so Mr J brought J's complaint to our service. One of our investigators looked into the matter, and having considered the information provided by both parties, she didn't uphold the complaint.

Mr J told us, in summary:

- The original account offered 'free banking forever' with the only stipulation being that J had to stay within certain transactional limits which he says J always has. Mr J says it was the unique selling point, and it gained the original bank an increased market share.
- The key conditions at the time were - 'transaction limits, and changes to the law, regulations or taxes'. Mr J says none of these have changed so much as to materially affect the provision of free banking. And he says our investigator hasn't shown him any specific term or condition printed in 2002 and drawn to J's attention, which contradicts the principle of free banking forever.
- The 2015 'Everyday Account' terms and conditions were not drawn to J's attention at the time. Mr J says terms and conditions cannot be applied retrospectively or override the essential and indelible 'key feature' of an account. Santander are perfectly entitled to apply them to new customers going forwards, but they should not override a specific irrevocable guarantee given to legacy customers.

- J hasn't been shown any explicit term or condition which permits Santander to charge the account. Santander claimed it was a term in Section E which gave them the right to convert J to another account if they no longer offer the existing account. Mr J says this still doesn't confer on them the right to charge J for the new account. Such an important change should have to be absolutely clear and unambiguous and drawn explicitly to J's attention.
- It is a huge leap to suggest that anyone foresaw the benefit of fee-free banking would one day end.
- It is a breach of advertising standards if you advertise a product as 'forever' and then later insert terms and conditions which mean absolutely no-one can benefit from it forever.
- Mr J says our service is putting greater store in hidden small print in the subsequent 'terms and conditions' than the large print published conditions explained at the time in the marketing literature.
- Mr J is considering switching J's account to a different bank but would wish to resume its 'free banking forever' account with Santander if the complaint was upheld.
- If our service rejects J's complaint because of the change to the terms and conditions in 2015, Mr J wonders what it says about regulatory oversight, fairness and accountability.
- Santander's open contract with J is still to offer it free day to day business banking facilities, forever - regardless of how many times they change the name or migrate the account. If this is removed, J should be offered compensation for the loss of this most important benefit.

Santander told us:

- J's account was opened in 2002. 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, they have needed to review the products they offer and, as part of simplifying the accounts available, they have migrated certain accounts to new products. In 2015, J's account was migrated to the 'Everyday Account' which had no promise of fee free banking. More recently, they needed to migrate some customers, including J, to a new account, and this is also an account with no promise of fee free banking.
- They are satisfied banking services have changed in the years since J's account was opened – around 23 years ago - and there have been changes in the relevant laws and regulations. This has resulted in a need to change the way they operate business accounts which justifies a fee being charged.
- To ensure they're providing a fair and consistent service to all of their customers, Santander is simplifying their 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 Santander are migrating currently have a monthly fee of more than £9.99 per month.

- They're satisfied the implementation of a monthly fee is supported by the terms and conditions and they have given J adequate notice of the intended change. J'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 they will help facilitate.

In response to Mr J's comments, our investigator explained the role of the Financial Ombudsman Service isn't to punish businesses, or to tell businesses what procedures and policies they should have in place, but to consider the service a business has provided and, whether they acted in a fair and reasonable manner in line with their terms and conditions.

She noted although 'free banking forever' was included in the marketing material of the original bank's offering, this was not included in the terms and conditions of the account. And on page six of their tariff of charges it stated, 'We may vary existing charges or introduce new charges. If this happens, we will let you know at least 30 days in advance.' Those documents, and not the marketing material, formed the contractual agreement that was in place at the time.

Mr J remained unhappy with our investigator's view of the matter and asked for J's complaint to be reviewed by an ombudsman. The case was then passed to me to decide.

### **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.

J has benefitted from free business banking for around 23 years - from the time the account opened in 2002 until October 2025. However, Santander now require J to pay a monthly fee for using its account. So, I need to decide whether I think Santander is acting unfairly in moving J to the new account now, taking into account the changes to the terms and conditions that would apply.

I want to reassure Mr J I've considered all the correspondence and points he's made on J's behalf. I may not comment on each of them individually in this decision, but this is not intended as a courtesy. Instead, it reflects the informal nature of the Financial Ombudsman Service and my role in considering J's individual complaint.

There's no dispute the marketing information for J's account when it was opened set out the bank 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 aren't disputing this either. So, I accept what Mr J has said about what J was told in some of the literature linked to the account when it was opened.

However, as our investigator explained, the marketing information doesn't constitute the agreement between J and Santander. It is the terms and conditions of the account that set out how the account will operate and what charges will apply. Mr J's strength of feeling about this matter is clear and he's told us that it's a matter of principle to him. It's clear he feels strongly that the marketing material and other literature outside of the terms and conditions form part of Santander's obligation to J.

I have considered this point, and the literature I've seen that would've been given to J when the account was opened, carefully. But the terms and conditions are what outline the

contractual obligations between Santander and their customer. Having reviewed the terms and conditions applicable to the account when J opened it, I see it was stated:

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

I've then 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'. So, I can't say Santander have done anything wrong by relying on the terms and conditions when making these changes.

In addition, the most recent terms from 2015 when Santander migrated J's account to the 'Everyday Account' 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) ...”*

Mr J said it wasn't made clear to J when the account was migrated in 2015 that a fee may become applicable at some point in the future. However, as I've outlined, the provision to make these changes always existed in the terms and conditions applicable to the account and could've been made at any time previously.

The terms and conditions were updated in April 2025, and this term remained. Even if the other literature did form part of the contractual agreement J had with Santander, they would still be able to change this agreement under the terms and conditions I've detailed above.

Santander also said they might *“convert your account to another in our range”*, by giving notice of *“at least two months before the change”*. These terms said the bank was able to vary the agreement, or even close the account and cease providing services, provided notice was given.

Whilst I accept the situation may have come as a surprise, Santander has provided slightly more notice than required by the terms and conditions, and this is a notice period which is in line with what I would typically expect to see when any bank is making changes to an account. So, I'm satisfied the terms and conditions applicable to J's account allow Santander to make these changes, and they provided J with sufficient notice of their intentions.

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

As a commercial business, Santander are entitled to make decisions about products that are no longer commercially viable, including withdrawing them completely. The tariff of charges provided to customers when opening the account was titled 'free banking forever', but the literature went on to explain this was subject to relevant changes to the law, regulation or the imposition of any tax in connections with bank charges. There have been significant changes to banking regulation since then, for example, the 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, significantly increasing the costs of offering accounts to both personal and business customers.

In this case, Santander have explained their decision to no longer offer the account J currently has. This is a decision they're entitled to make and one we wouldn't 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 J indefinitely if it believed it was uneconomic to do so.

I'm also aware Santander were planning to introduce fees to these accounts previously but changed their mind. That was a commercial decision they made at the time, and not one our service or the courts were involved in. I would likely have reached the same decision I have now if J had brought its case to me back then. So, Santander's decision at that time resulted in J benefitting from around 10 more years of using the account without paying monthly fees.

I understand Mr J's concerns about the inconvenience and cost to move to another account provider, and this is unfortunately unavoidable should J decide to change bank accounts due to the decision Santander have made here. Santander have offered J a reasonable alternative account, albeit with a fee, and they have given enough notice of the changes for J to find alternative options should it wish to. I know Mr J feels Santander have broken their promise, but overall, I'm satisfied they were entitled to change the terms and conditions applicable to the account – including in relation to the cost of the account - if sufficient notice has been provided, as it has in this case.

Lastly, Mr J has suggested we instruct or advise Santander to suspend the disputed charges until the legal position in relation to accounts affected by this change becomes clear. The Financial Ombudsman Service is a free and impartial service available as an alternative to the courts, so I have proceeded to make a decision in this case. J still has the option to pursue this matter through the courts, should it wish to do so.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 2 February 2026.

Tara Richardson  
**Ombudsman**