

### **The complaint**

Mr D complains that Santander UK Plc have decided to start charging him for his business account, after previously promising it would be fee free.

### **What happened**

In 2005 Mr D opened his business account with Abbey (now Santander) – with the promise that the account would be free from fees forever.

However, in July 2025 Santander wrote to him to say they would be migrating his business account to one that came with fees from October 2025. Unhappy with this Mr P complained, saying that Santander had reneged on the original promise. He said they had attempted to add charges to the account in 2012 but ultimately decided not to.

Santander responded to say that the business banking landscape had evolved over the last decade, and they were simplifying their product range. They said they had provided at least two months' notice of the change, to give Mr D time to consider his options.

Dissatisfied with this Mr P referred his complaint to our service, saying in 2015 Santander had moved his fee free account to a Business Everyday account. He believed this wasn't communicated clearly and is ultimately what led to the fees. He said other banks offered free banking. But our investigator didn't think Santander had done anything wrong and didn't ask them to do anything further.

Mr P disagreed, and as such the complaint has been 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.

There's no dispute here the marketing information for Mr P's account when it was opened set out that Abbey were 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. Santander isn't disputing this either. So, I accept what Mr P has said about what he was told when it was opened. And I accept this change is going to add to the costs to him and his business.

The issue for me to decide here is whether I think Santander is acting unfairly in changing Mr P to the new business account now, taking into account the terms and conditions applicable to his account.

The terms and conditions applicable to the account when it was opened say:

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

All the versions of the terms available throughout the years, from the time the account was opened until the most recent version, contain the same, or similar, wording that allowed changes to be made. And this type of term is very common across the banking terms and conditions, both for businesses and personal customers. So, for the entire 20-year lifespan of this account, Santander has been clear in the applicable terms - changes can be made to the account, and none provided a guarantee of free banking forever.

Overall, I think it's fair and reasonable that Santander are relying on the terms to make these changes.

The other relevant terms to consider as it's making these changes now are the most recent. As Mr P has pointed out in 2015 Santander migrated his 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 to their own costs and regulation. The terms were updated in April 2025, and the above did not change.

But I think it's important to bear in mind that the terms throughout the lifespan of Mr P's account this still allowed Santander to alter the agreement – which will have included the introduction of fees, whether it was expressly stated or not.

I'm satisfied the terms applicable to Mr P's account in July 2025 allowed Santander to make changes to it subject to giving sufficient notice of this to its customers. The terms say Santander should give 60 days' notice of this change, and I can see they gave him slightly more than this.

Mr P's position is that the promise of fee free banking formed part of Santander's obligation to him. And I have considered this point, and the original marketing, carefully. And I appreciate this promise was likely what originally led him to choose Abbey to bank with back in 2005.

But the terms and conditions are what outline the contractual obligations between Santander and their customer. Even if the other literature did form part of the contractual agreement he had with Santander, they would still be able to change this agreement under the terms outlined above.

I'm also satisfied this change is supported by the literature I've seen that would've been given to Mr P when the account was opened. The tariff of charges provided to customers opening the account in 2005 is titled 'free banking forever', but the literature goes on to explain this is subject to relevant changes to the law, regulation or the imposition of any tax in connection with bank charges.

It's fair to say that there have been significant changes to banking regulation since 2005. 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. Mr P has mentioned the closure of his local branch, which I think is reflective of the changes in the way people and businesses bank.

Santander are entitled make decisions about products that are no longer commercially viable, including withdrawing them completely. In this case, they explained the decision to no longer offer the account Mr P currently has. This is a legitimate commercial decision they're entitled to make and one which our Service wouldn't generally interfere with. Even if there had been a contractual obligation to always provide the account with no fees attached, I likely wouldn't have concluded it would be fair that Santander should be obligated to provide this product to him indefinitely if they believed it was uneconomic to do so.

I would also note the terms through the years always allowed Santander to close the account if sufficient notice is given. Which isn't to say I think they should or even will do that. But they've always been able to effectively end the fee free banking by closing the account.

Mr P has highlighted other banks he feels would provide free business banking – although my understanding is that free business banking is not currently a typical offering from any major retail bank. Some I'm not persuaded that Santander are significantly out of step from wider industry practice. But if there are alternatives that he feels may suit his needs, Santander have given him details on how to switch account provider.

Santander have offered Mr P a reasonable alternative account, albeit with a fee, and it has given him enough notice of the changes so it can find alternative options should it wish to. I understand why he feels Santander has broken its promise, and I understand the frustration this will have caused. But overall, I'm satisfied they are 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.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 5 January 2026.

Thom Bennett  
**Ombudsman**