

The complaint

R, a limited company, complains Santander UK Plc gave notice in July 2025 that it planned to migrate R's account, which is free from fees, to an account which incurs a monthly fee in October 2025. R says this is unfair as, when it opened the account, it was promised it would be entitled to 'free banking forever'.

I'm aware the account was originally taken out with another bank which was taken over in 2004. For simplicity I've referred to Santander only throughout this decision although I recognise the initial agreement existed between R and a different bank.

What happened

R has told us:

- R chose this account on the basis Santander offered free banking forever. R believes Santander's decision to apply a fee now is a breach of the terms and conditions and is unfair.
- In 2012, Santander tried to introduce a fee but later reversed this decision. R says this amounted to a clear and permanent assurance, which Santander is now ignoring.
- R was unaware that the account migrated in 2015. In any event, it was not informed that any migration removed the guarantee, nor did R agree to such change.
- R believes the term "Free Banking Forever Tarriff" is unambiguous. It guarantees freedom from monthly fees and charges without an expiry date. Any attempt to migrate the account to a fee-based product undermines that guarantee and constitutes a breach of contract and misrepresentation.
- This situation has caused unnecessary business disruption, a loss of trust, and significant time spent on preparing the complaint and sourcing an alternative account.

Santander has told us:

- Whilst it accepts that the account taken out by R was marketed as free banking forever, this has never been included in the terms and conditions of the account.
- Over the years, Santander has needed to review the products it is able to offer its customers and, as part of simplifying the accounts available, it has migrated certain accounts to new products. In 2015, R's account was migrated to an 'everyday account' which has no promise of fee free banking. More recently, it needed to migrate some customers to a new account, and this is also an account with no promise of fee free banking.

- Santander is satisfied banking services have changed in the years since R's account was opened – over 20 years ago - and there have been changes in the relevant law and regulation. This has resulted in a need to change the way it operates business accounts which justifies a fee being charged.
- To ensure it's providing a fair and consistent service to all its customers, Santander is simplifying its 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 it's migrating have a monthly fee of more than £9.99 per month.
- It's satisfied the implementation of a monthly fee is supported by the terms and conditions and it has given R adequate notice of the intended change. R'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 it will facilitate.

Our investigator looked into things but didn't uphold the complaint. R didn't accept the investigator's findings, so the complaint has come 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.

I want to assure R I have considered all of the correspondence and points it's made, but not commented on each of them individually in this decision. This is not intended as a discourtesy. Instead, it reflects the informal nature of the Financial Ombudsman Service.

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

The issue for me to decide here is whether I think Santander is acting unfairly in migrating R to the new account now, taking into account the terms and conditions applicable to R's account.

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

“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 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.

Despite this, R has benefitted from free business banking for over 20 years. Overall, I think it's fair and reasonable that Santander are relying on the terms and conditions and making these changes.

The other relevant terms and conditions to consider as it's making these changes now are the most recent. In 2015, Santander migrated R's account to a Santander branded 'Everyday Current Account' and Santander's general terms and conditions applied from this point onwards. They provide a list of changes Santander might make, which include taking into account changes in costs and regulation. The terms and conditions were updated in April 2025 and state:

"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)..."

So I'm satisfied the terms and conditions currently applicable to R's account allow Santander to make changes to it subject to giving sufficient notice of this to its customers. The terms and conditions set out that Santander should give 60 days' notice of this change, and I can see it's given R slightly more than this, so it's provided the notice required.

I note that R has said it was unaware of the migration of its account in 2015. I have seen a copy of the letter that was sent to R, and I'm satisfied it was sent to R's correct address.

R feels strongly that literature outside of the terms and conditions formed part of Santander's obligation to R. And I have considered this point, and the literature, carefully. But the terms and conditions are what outline the contractual obligations between Santander and its customer. Even if the other literature did form part of the contractual agreement R had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

I'm also satisfied this change is supported by the literature I've seen that would've been given to R when the account was opened. The tariff of charges provided to customers opening the account in 2002 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 connections with bank charges. And there have been significant changes to banking regulation since 2002, 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.

Free business banking is not currently a typical offering from any major retail bank. And in Santander's case it's aware that whilst some customers, like R, have benefitted from fee free banking for more than 20 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 its acting unfairly in asking R to pay a fee in this case.

As a commercial business, Santander is entitled to make decisions about products that are no longer commercially viable, including withdrawing them completely. In this case, it explained the decision it will no longer offer the account R currently has. This is a decision it's entitled to make and one which this Service 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 R indefinitely if it believed it was uneconomic to do so.

Santander has offered R a reasonable alternative account, albeit with a fee, and it has given R enough notice of the changes so it can find alternative options should it wish to.

R has also raised concerns that after informing Santander of its intention to switch its account to a new provider, Santander applied a fee which temporarily caused the account to

go into overdraft. Although the fee was later refunded, R says this created a risk of adverse information being recorded. However, this issue wasn't included in R's original complaint to Santander and does not form part of the complaint Santander had the opportunity to investigate or respond to. I'm therefore unable to make a finding on this issue. If R wishes to pursue this part of its complaint, it will need to be raised separately with Santander in the first instance.

I recognise R will likely disagree with the outcome reached in this decision. But overall, I'm satisfied it's entitled to change the terms and conditions applicable to the account – including in relation to the cost of the account - as long as sufficient notice has been provided, as it has in this case.

My final decision

My Final decision is that I don't uphold R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 6 March 2026.

Ankita Patel
Ombudsman