

The complaint

Mr H, a sole trader, complains Santander UK Plc has introduced a monthly fee for its business bank account.

What happened

Mr H opened a business account in around 2001 with Abbey National. At the time, the account was marketed as “free forever” and there were no monthly fees.

In July 2025, Santander wrote to Mr H to give notice that the bank was converting his account to a new business account, the Classic Account. This new account had a different charging structure, including a £9.99 recurring monthly fee.

Mr H complained to Santander, saying he felt strongly that the bank should stand by their promise, or else compensate him for the costs of switching elsewhere.

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 Mr H. It also pointed out the changes in the banking landscape since he had opened his account.

Mr H referred the complaint to our service. One of our investigators looked into what had happened, but didn't uphold the complaint. Mr H didn't accept his 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.

There's no dispute that the marketing material for Mr H's account when it was opened said that Abbey National 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, which acquired Abbey in 2004, isn't disputing this either.

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

In order to decide that, I've taken into account the way the account was marketed when it was opened, but I've also considered the terms and conditions that apply. 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 Mr H 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 Mr H opened his account said that the bank could vary the applicable terms and conditions, provided it gave at least 30 days' notice.

Around 2015, Santander migrated Mr H's account 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.

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.

In my view, the terms and conditions relating to making changes are similar to those used by other banks. They 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.

Mr H argues that, given its past marketing material, Santander should cover the costs of him moving his bank account. I do not think this would be fair. Santander has offered an alternative account, albeit one with a monthly fee, and it has given notice as required. I don't think it would be fair to expect it to pay costs, when the contract between the parties does not require that.

I realise Mr H feels that more weight should be attached to the marketing literature. He believes that Santander should be forced to stand by the use of the word “forever” many years ago. 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.

I also need to be fair to both parties in making my decisions. And I think it's fair to say that Mr H has had a no fee account for a very long time, during which the costs to Santander have changed considerably. Mr H has referred to the Financial Conduct Authority's principles of Treating Customers Fairly and Consumer Duty and I have thought carefully about this. But I think it's relevant that, whilst Mr H hasn't paid monthly fees, Santander has other customers that 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 Mr H to pay a fee in this case.

I understand Mr H feels Santander has broken its promise and that the time and effort required to move his account will be unwelcome. 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.

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 11 February 2026.

Louise Bardell
Ombudsman