

The complaint

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

I'm aware the account was originally taken out with another bank which had then been taken over by Santander. For simplicity I've referred to Santander only throughout this decision although I recognise the initial agreement existed between Mr B and a different bank.

Mr B has told us:

- Mr B opened the account in 2007 and chose the account on the basis it was offering free banking forever. It was widely advertised this way and he believes it's unfair and unreasonable that Santander are relying on the terms and conditions to change this now.
- It's unfair that Santander changed the terms and conditions in 2015 under the guise of simplifying the accounts.
- He doesn't believe Santander is prevented from providing free banking and other banks continue to do so. So he doesn't accept there have been changes in the banking landscape that have required this change.
- He believes this decision is unlawful, as set out in European Law and is in conflict with Financial Conduct Authority's Principles. He also mentions Santander have tried to introduce fees in the past and have later withdrawn this decision.

Santander has told us:

- The bank Mr B took the account out with didn't advertise it as fee free forever. However, when Santander took over the marketing and other information for the account it accepts it will have referred to the free forever 'promise'.
- 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, Mr B'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 Mr B's account was opened – around 19 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 19 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 Mr B adequate notice of the intended change.

Our investigator looked into things but didn't uphold the complaint. Mr B didn't accept the investigator's 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.

Accounts taken out with the bank Mr B originally opened the account with didn't advertise it as fee free forever.

But, Santander has agreed it started to send out marketing and literature saying this from the time it took over the accounts. And there's no dispute here the marketing information from Santander said the account was offering free banking forever, albeit after Mr B had already opened the account. I also accept that Mr B has been using the account without fees since it was opened, so I understand the addition of fees now is a change to the arrangement he's used to.

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

The terms and conditions applicable to the account when Mr B opened it said:

*“Changes to these terms and conditions
10.1 We may change the terms of this Agreement by writing to You”*

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 19 years, Santander had 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, Mr B had benefitted from free business banking for around 19 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 made these changes in October 2025 are the most recent. In 2015, Santander migrated Mr B'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 applicable to Mr B’s account allowed Santander to make the 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 gave Mr B slightly longer than this, so it provided the notice required.

Mr B feels strongly that literature outside of the terms and conditions formed part of Santander’s obligation to Mr B. And I have considered this point, and the literature, carefully. As I say, it’s not clear why Mr B would’ve seen this literature at the time he opened his account given the previous bank wasn’t advertising the account as fee free forever, but even if he did, the terms and conditions are what outlined the contractual obligations between Santander and its customer. Even if other advertising literature did form part of the contractual agreement Mr B had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

Mr B has said there’s no law that prevents banks providing free accounts, and whilst our service is not a legal one, I don’t think this has been suggested. As a commercial business, Santander has taken the decision that due to significant changes to banking regulation for the past 19 years, 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, the costs of offering an account to both personal and business customers has increased.

Whilst there may well be some banks who offer free business accounts on a temporary or permanent basis, free business banking is not currently a typical offering from any major retail bank. In Santander’s case it’s aware that whilst some customers, like Mr B, benefitted from fee free banking for around 19 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 it’s acting unfairly in asking Mr B to pay a fee in this case.

As a commercial business Santander is entitled make decisions about products that are no longer commercially viable, including withdrawing them completely. And I would note the terms and conditions allow Santander to close the account as long as sufficient notice is given.

In this case, Santander explained the decision it will no longer offer the account Mr B currently has. This is a commercial decision Santander is entitled to make and one this Service wouldn’t typically interfere with. So, even if there had been a contractual obligation to always provide the account with no fees attached, I wouldn’t likely have concluded it would be fair that Santander should be obligated to provide this product to Mr B indefinitely if it believed it was uneconomic to do so.

Mr B has raised the fact that Santander has previously told customers it intended to implement a fee and later reversed this decision. I accept Santander may well have done

this, and in doing this some customers have continued to benefit from free banking for several more years. But in this case I'm considering whether Santander has the right to make these changes now.

Santander offered Mr B a reasonable alternative account, albeit with a fee, and it gave Mr B enough notice of the changes so he could find alternative options as he wished to. I understand Mr B feels Santander has broken its promise and that it has acted unlawfully. But this service is an informal one, not a court of law.

Having taken into account all the circumstances, as well as the terms and conditions of the account and any regulation I think is relevant, overall, I'm satisfied Santander was 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 was provided, as it was in this case. Because of this, I don't conclude Santander has acted unfairly or unreasonably.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 March 2026.

Faye Brownhill
Ombudsman