

The complaint

Mr S is a sole trader, trading as J. He complains that Santander UK Plc unfairly gave him notice that it intended to start charging fees on a bank account that should have been “fee free, forever”.

Mr S has made a similar complaint in respect of another account he holds. We have considered the two complaints separately, but I hope that both he and Santander will understand why I have expressed my decisions in respect of his two very similar complaints in very similar ways.

What happened

Mr S told us:

- He opened a sole trader account with Abbey National, Santander’s predecessor, during the 1990s. (For ease of reading, I will simply refer to “Santander” throughout this decision.)
- At the time he opened this account, it was advertised as providing “free business banking for life”. He is still alive, and so Santander should honour its promises. However, it has since introduced a charge of £9.99 per month.
- Santander tried to take away his free business banking around ten years ago. He referred his complaint to our service and the ombudsman decided in his favour. He has had free banking ever since.
- The turnover through his account is relatively small, and he does not think it causes a significant cost to Santander. Given that he is well over the UK State Retirement Age he considers his account is not going to be an ongoing problem for the bank, and he suggests the matter should be resolved through natural wastage.
- He acknowledges that the banking industry has changed over the last two or three decades, but he considers that it is entirely predictable that it would do so (and indeed that it will continue to change). He does not see why those changes should enable Santander to break its word.

Santander told us:

- Whilst it accepts that the account taken out by Mr S 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, Mr S’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 S's account was opened. Its records show that the account was opened in 2005, over 20 years ago, and since then 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 is 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 is migrating have a monthly fee of more than £9.99 per month.
- It is satisfied the implementation of a monthly fee is supported by the terms and conditions and it gave Mr S adequate notice of the intended change. Mr S's choices were to move to the new account with a monthly fee, close the account, or switch to a new provider.

Our investigator looked into things but didn't uphold the complaint. Mr S 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.

Having done so, whilst I am sorry to further disappoint Mr S I have reached the same conclusions as our investigator, for broadly the same reasons. But I will make some further comments below.

Firstly, I acknowledge that Mr S says the Financial Ombudsman Service previously upheld a complaint that he made about a similar issue. But he is now making a new complaint about the actions Santander took in 2025. I am required to consider that new complaint on its own individual merits, and that is what I have done.

There has been some confusion as to exactly when Mr S's account was opened. Santander's records show that it was opened during 2005, whereas Mr S recalls that it was opened in the mid-1990s. On balance I think it is more likely that Mr S has forgotten the exact date, and that Santander's records as to the account opening date are correct. In any event, I'm satisfied that the marketing information for Mr S'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 literature that supports this. I'd add that Santander isn't disputing this either. So, I accept what Mr S has said about what he 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 was acting unfairly when it gave Mr S notice that it intended to migrate his account to a new one, taking into account the terms and conditions applicable to his account.

The terms and conditions applicable to the account in 2005 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 2005 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, Mr S has benefitted from free business banking for over 20 years.

The other relevant terms and conditions to consider are the most recent. In 2015, Santander migrated Mr S's 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 in costs and regulation. The terms and conditions were updated in April 2025, and the above did not change.

So I'm satisfied the terms and conditions which applied to Mr S's account when Santander gave him notice of its intention to charge fees did allow Santander to make that change (subject to the bank having given sufficient notice of that change). The terms and conditions set out that Santander should give 60 days' notice of this change, and the bank did so. Overall, I think it was fair and reasonable for Santander to rely on the terms and conditions of Mr S's account when it decided to introduce a fee.

Mr S feels strongly that literature outside of the terms and conditions formed part of Santander's contractual obligation to him. 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 Mr S 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 have been given to Mr S when the account was opened. The tariff of charges provided to customers who opened accounts like Mr S's 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 connections with bank charges. And 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.

Santander is not the only major retail bank that has decided it does not wish to offer unrestricted free business banking to its customers. And Santander has made the point that whilst some customers, like Mr S, 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 it is acting unfairly in asking Mr S 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. In this case, it explained the decision it will no longer offer the account Mr S currently has. This is a decision it's entitled to make and one that I cannot fairly 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 Mr S indefinitely if it believed it was uneconomic to do so.

I would also note the terms and conditions allow Santander to close the account as long as sufficient notice is given.

Santander has offered Mr S a reasonable alternative account, albeit with a fee, and it has given Mr S enough notice of the changes that he could have found find alternative options had he wished to. I understand Mr S feels Santander has broken its promise. 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 do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 10 February 2026.

Laura Colman
Ombudsman