

The complaint

Mr F, a sole trader, complains that Santander UK Plc have decided to introduce charges on his business account, despite it being sold as fee free forever.

What happened

In 2006 Mr F opened his business account with Abbey National (now Santander) – with the promise that the account would be fee free forever.

However, in July 2025 Santander wrote to Mr F to say they would be migrating the business account to one that came with fees from October 2025. Unhappy with this he complained, saying he had been promised the account would remain fee free.

Santander responded to say 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 F time to consider his options.

Dissatisfied with this Mr F referred his complaint to our service, asking for Santander to honour the original promise of fee free forever. But our investigator didn't think Santander had done anything wrong and didn't ask them to do anything further.

Mr F 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 F's account when it was opened set out that Abbey National were offering free banking forever. It's clear this was how the account was advertised, and I've seen the literature from the time supports this. Santander isn't disputing this either. So, I accept what Mr F has said about what he was told when it was opened. And I accept this change is going to add to the costs to his business.

The issue for me to decide here is whether I think Santander is acting unfairly in changing Mr F's account to the new business account now, considering the terms and conditions applicable. And I see that the terms are what define the relationship between Mr F and Santander, rather than any associated marketing.

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 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. In 2015 Santander migrated Mr F'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. But the terms before this still allowed Santander to alter the terms – which will have included the introduction of fees, whether it was expressly stated or not.

I'm satisfied the terms currently applicable to Mr F's account allow Santander to make changes, subject to giving sufficient notice of this to their 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 F has said that he believes the original terms of the account said it would be fee free forever. And I appreciate this promise was likely what originally led him to choose Abbey National to bank with back in 2006.

But the terms and conditions are what outline the contractual obligations between Santander and their customer. And even if the other literature did form part of the contractual agreement Mr F had with Santander, or the terms said the account would remain fee free, 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 that would've been given to Mr F 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.

It's fair to say there have been significant changes to banking regulation since 2006. 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 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 F currently has. This is a commercial decision they're entitled to make and one which our Service wouldn't interfere with.

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 F indefinitely if they 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. Which isn't to say I think they should or even will do that. But that is in effect a withdrawal of the current terms.

My understanding is that free business banking is not currently a typical offering from any major retail bank. So, I'm not persuaded Santander are significantly out of step from wider industry practice. But if there are alternatives that may suit Mr F's needs, Santander have given him details on how to switch account provider.

Santander have offered Mr F an alternative account, albeit with a fee, and it gave him enough notice of the changes so he can find alternative options should he wish. I find this to be reasonable.

I understand why Mr F feels Santander has broken their promise, and he obviously has a right to feel disappointed. But overall, I'm satisfied Santander are 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. As such, I don't see that they've been unfair or unreasonable.

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 B to accept or reject my decision before 9 February 2026.

Thom Bennett
Ombudsman