

The complaint

Miss R complains Santander UK Plc moved from a free business account to one with a monthly fee and transaction charges, breaking a guarantee made when the account was opened.

What happened

Miss R, trading as a business name which I'll refer to as L, complains Santander gave notice in July 2025 that it planned to migrate L's account, which was free from fees, to an account which incurs a monthly fee and transaction charges, starting in October 2025.

The account was originally taken out with another bank which was taken over by Santander. But, for ease, I've referred to Santander only throughout this decision.

Miss R has told us:

- When the account was opened in 2006, she was given an unequivocal guarantee she'd receive free business banking forever unless there are any changes to the law or banking regulations, or new taxes relating to bank charges. And, since there have not been any such regulatory changes, she doesn't believe Santander is entitled to implement the proposed fee and charges.
- Santander should be forced to honour the guarantee given to her in 2006.
- The bank attempted to make similar changes in 2012 and was forced to withdraw them. Miss R believes this is because they were unethical and not in accordance with the Business Banking Code or law.

Santander has told us:

- Whilst it accepts that the account taken out by L 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, L'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 L's account was opened – over 15 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 justify a fee being charged.
- To ensure it provides 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 15 plus years, and most of the migrating products have a monthly fee of more than £9.99 per month.

- It's satisfied the implementation of a monthly fee and transaction charges is supported by the terms and conditions and it has given L adequate notice of the intended change. L's choices are to move to the new account with a monthly fee and transaction charges, close the account, or switch to a new provider which Santander said it will facilitate.

Our investigator looked into things but he didn't uphold the complaint. Miss R didn't agree – she has been lied to and cheated by Santander and shouldn't be surprised a big company is being allowed to trample over small businesses and is then supported by the ombudsman service. The matter 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 here - the marketing information for L's account when it was opened said Santander was offering free banking forever. It's clear this was how the account was advertised and I've seen literature from the time which supports this.

I recognise Miss R has referred to changes due to be implemented by Santander in 2012 which ultimately weren't brought in. This isn't something I've taken into account in this matter. The issue for me to decide is whether Santander is acting unfairly in migrating L to the new account now, taking into account the terms and conditions applicable to the account.

The terms and conditions applicable to the account when L 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 relevant 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 nearly 20 years, Santander has been clear in its terms and conditions - changes can be made to the account, and none provided a guarantee of free banking forever.

Even so, L has benefitted from free business banking for nearly 20 years. Overall, I think it's fair and reasonable for Santander to rely on the terms and conditions to make these changes.

The other relevant terms and conditions to consider are the most recent. In 2015, Santander migrated L'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 currently applicable to L's account allow Santander to make changes to it, subject to giving sufficient notice of this to its customers – defined as 60 days' notice. I can see L was given slightly more than this, so Santander has provided the notice required.

Miss R feels strongly that literature outside of the terms and conditions formed part of Santander's obligation to L. 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. And, even if the other literature did form part of the contractual agreement L had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

Further, I'm satisfied this change is supported by the literature I've seen that would've been given to L when the account was opened. The tariff of charges provided to customers is titled 'free banking forever', but it 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 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. I would also note the terms and conditions allow Santander to close the account as long as sufficient notice is given.

Free business banking is not currently a typical offering from any major retail bank. And, in Santander's case, it confirms that whilst some customers, like L, have benefitted from fee free banking for more than 15 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 L 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 L 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 (which, for the avoidance of doubt, I don't agree there is), I likely wouldn't have concluded it would be fair that Santander should be obligated to provide this product to L indefinitely if uneconomic to do so.

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

I understand Miss R feels Santander has broken its promise and I recognise she will be disappointed by this decision. But, taking everything into account, 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 and transaction charges – upon giving sufficient notice, as it has in this case.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept

or reject my decision before 20 January 2026.

Rebecca Ellis
Ombudsman