

The complaint

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

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

B has told us:

- It opened a business account in 2010 with another bank which was later taken over by Santander. B chose the account on the basis it was offering free banking forever. B believes Santander also made this promise over the years after it took over the account.
- B opened the account on the basis it would remain free of fees for the lifetime of the account and this is what was promised.
- B wasn't informed that the changes in terms and conditions allowed Santander to start applying fees to the account.

Santander has told us:

- Accounts taken out with the bank B initially opened the account with weren't initially marketed as being 'fee-free forever'. It's also said that from 2010, Santander wasn't advertising accounts it had taken over from other businesses as fee free either. But, it accepts that some of the accounts from before this time would've received literature advertising this.
- 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, 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 B'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 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 15 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 B adequate notice of the intended change. B's choices are to move to the new account with a monthly fee, close the account, or switch to a new provider which Santander said it will facilitate.

Our investigator looked into things but didn't uphold the complaint. 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 B originally opened the account with didn't advertise it as fee free forever. And Santander has said after 2010 it was no longer advertising its business accounts as fee from fees forever. So it's not clear what literature B would've seen when the account was opened.

But, B has said it was advertised the account on this basis. And it's clear it's been using the account without fees for many years now. So I accept the addition of fees is a change to what B is used to. There's also no dispute that some account holders received marketing information that Santander was offering free banking forever. So, I accept what B has said about what it 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 is acting unfairly in migrating B to the new account now, taking into account the terms and conditions applicable to B's account.

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

*"28. Changes to these Terms and Conditions
28.1 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, whilst B has said it wasn't notified of any changes that allowed it to require a fee, for more than 15 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, B has benefitted from free business banking for over 15 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's making these changes now are the most recent. In 2015, Santander migrated 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 currently applicable to B’s account allow Santander to make 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’s given B slightly more than this, so it’s provided the notice required.

B feels strongly that literature outside of the terms and conditions formed part of Santander’s obligation to B. 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 B had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

There have been significant changes to banking regulation since B’s account was opened, 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.

Free business banking is not currently a typical offering from any major retail bank. And in Santander’s case it’s aware that whilst some customers, like B, 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 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. In this case, it explained the decision it will no longer offer the account B currently has. This is a decision it’s entitled to make and one which 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 B 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 B a reasonable alternative account, albeit with a fee, and it has given B enough notice of the changes so it can find alternative options should it wish to. I understand B 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.

B has said more recently Santander has refunded one of the monthly fees applied to the account. It may well have chosen to do this and it may be that B wishes to contact Santander to find out more about why. For the purposes of this complaint, for the reasons given, I’m satisfied it was entitled to start applying fees to the account from the time it confirmed it would.

My final decision

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

Faye Brownhill
Ombudsman

