

## The complaint

A company which I'll refer to as E, complains about Santander UK Plc's (Santander) decision to migrate its business account (the Account) from one that for many years operated on a free from fees basis to an account which incurred a monthly fee.

In bringing this complaint, E is represented by its director, who I'll refer to as Miss S

I'm aware the Account was branded originally in the name of Abbey National Plc, which later became Santander. For ease and convenience, however, I'll only refer to Santander throughout my decision.

## What happened

Miss S has told us that:

- She opened the Account in 2010 at which time it was advertised as fee free for life.
- In 2015, Santander changed the Account to their Business Everyday Current Account. Nonetheless, the free from fees feature remained in place.
- In July 2025, Santander contacted E to say with effect from 1 October 2025, they would be changing the Account to their Business Current Account for which a monthly fee of £9.99 would be charged. But given the promise Santander made when the Account was first opened, the proposed changes are unfair. So, she complained to Santander. To put things right, the bank should continue operating the Account on a fee free basis.

Santander didn't uphold E's complaint. In summary, they said they hadn't provided E with a contractual commitment to make free banking available forever. Furthermore, they didn't think the proposed changes contravened the terms and conditions of the Account. They also argued they were operating within a new business banking environment and the changes they proposed introducing in October 2025 were intended to accommodate the new environment.

E wasn't happy with Santander's position and as the complaint remained unresolved, Miss S referred it to this service to look into.

Our investigator didn't uphold the complaint. She acknowledged the promotional literature E received at the time the Account was opened did say it would be fee-free forever. However, she was satisfied the terms and conditions of the Account permitted Santander to introduce the changes that were proposed for October 2025. In doing so, she didn't think they'd acted unreasonably or unfairly.

E didn't accept the investigator's conclusions, and on its behalf, Miss S asked for an ombudsman to review the case. In summary, Miss S said Santander's 2010 literature offering fee free banking became an implied term of their contract. Therefore, the changes

Santander introduced in October 2025 breached that contract. She's referred to case law which she says supports her position.

### **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, I've reached the same overall conclusions as the investigator – and for broadly the same reasons. I'll explain why.

There's no dispute in this case the marketing information for the Account when it was opened confirmed Santander were offering fee free banking forever. Given this position, I've first thought about whether Santander are therefore allowed to now migrate the Account to their new business account.

The terms and conditions applicable to the Account when E opened it are relevant to my consideration. They say:

*“5. We can vary these Conditions*

*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 from the time the Account was opened until the most recent version. I'm satisfied they all contain the same, or similar, wording - meaning the changes Santander proposed making were permitted.

I've thought about Miss S's point that the fee free banking in Santander's promotional literature formed part of the bank's contractual obligations to E. But I'm not persuaded by that argument. I'm satisfied the terms and conditions are what set out the contractual obligations between Santander and E rather than any promotional material. But even if the literature Miss S referred to did form part of the contractual agreement E had with Santander, the bank would still be able to change this agreement under clause 5 of the terms and conditions I've set out above.

More to the point, however, I haven't seen any terms and conditions guaranteeing free banking forever. So, I think it's fair and reasonable for Santander to rely on the terms and conditions when making the changes they proposed in October 2025.

In 2015, Santander migrated the Account to a Santander branded 'Everyday Current Account'. Santander's general terms and conditions applied from this point onwards. The most recent were issued in April 2025. That being the case and as the bank signalled its intention to make the changes after this date, I've considered them too.

Clause 14 says:

*“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 go on to provide a list of reasons why the bank might make changes - which include taking into account changes in operational costs, law or regulation.

I'm satisfied the terms and conditions currently applicable to the Account allow Santander to make changes to it subject to giving sufficient notice to their customers. The terms and conditions set out that Santander should, in such circumstances give 60 days' notice. By their letter dated 2 July 2025 Santander provided E with the notice required.

I did also go on to consider whether, nonetheless, the bank acted fairly and reasonably when it decided to introduce the new £9.99 charge going forward. Especially as it is the imposition of the charge that is at the heart of E's case against Santander. I have noted, however, the promise of free banking in the promotional literature was caveated in that it was explained this was subject to relevant changes to the law or regulation.

Banking regulations have changed significantly since 2010. For example, there are now more obligations on banks to better protect their customers from various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams. I think it's fair to say these have significantly increased the costs of offering an account to both personal and business customers.

Free business banking is not currently a typical offering from major retail banks. And E has benefitted from fee free banking for around 15 years.

That being said, I do acknowledge Miss S's strength of feeling in this matter because a benefit E had long enjoyed would no longer be available.

But in the circumstances of this case, I am not persuaded Santander have treated E unfairly by requiring the payment of a fee going forward. I am satisfied Santander have acted in line with their terms of business in this case. I'm also satisfied they have followed their own process by giving the required notice to E as well as explaining the options available to it going forward.

Ultimately, Santander are entitled to make commercial decisions about products that are no longer commercially viable. Including withdrawing them completely if they think that's the appropriate thing to do. The bank has explained it will no longer offer the account type E had. I consider this a commercial decision Santander are entitled to make and this Service would not interfere with that decision. So, even if there had been a contractual obligation to always provide the Account with no associated fees, I wouldn't have concluded it would be fair for Santander to be obliged to provide the Account to E indefinitely if they believed it was uneconomic to do so.

It is worth noting also, Santander's terms and conditions allow them to end their relationship with E by giving sufficient notice. As I've already noted, Santander have given E enough notice of the changes so that if they were unacceptable, Miss S could find alternative arrangements. In the circumstances of this case therefore and, for the reasons I've explained above, I'm not persuaded Santander have acted unfairly or unreasonably towards E.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 2 March 2026.

Asher Gordon  
**Ombudsman**