

## **The complaint**

X, a limited company, complains Santander UK Plc gave notice in July 2025 that it planned to migrate X's account, which is free from fees, to an account which incurs a monthly fee in October 2025. X 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 in 2009. For simplicity I've referred to Santander only throughout this decision although I recognise the initial agreement existed between X and a different bank.

X has told us:

- It opened a business account in 2009 on the basis it would remain fee free forever and built its business model around this. It believes the advertising literature formed part of X's contract with Santander.
- It doesn't believe the account migration carried out in 2015 allows Santander to apply a fee as X didn't agree to this. It also believes the migration was administrative. And more broadly, X doesn't believe Santander is allowed to vary the basis on which the contract has been agreed based on a change in the terms and conditions.
- There are numerous businesses that continue to offer free accounts, so this is clearly possible for Santander to continue, especially given its profits.
- X is unhappy with the fact Santander has relied on the terms and conditions only in its response to the complaint and the amount of time it has had to spend researching this issue. It also believes Santander's decision is against Financial Conduct Authority principles and other regulation and guidance.

Santander has told us:

- Whilst it accepts that the account taken out by X 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, X'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 X's account was opened – around 16 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 16 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 X adequate notice of the intended change.

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

There's no dispute here the marketing information for X'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 from the time that supports this. I'd add that Santander isn't disputing this either. So, I accept what X 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 X to the new account, taking into account the terms and conditions applicable to X's account.

The terms and conditions applicable to the account when X 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 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, for more than 16 years, Santander had 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, X had benefitted from free business banking for around 16 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 made these changes in October 2025 are the most recent. In 2015, Santander migrated X'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 applicable to X's account when the changes would've been made allowed Santander to make the 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 gave X slightly more than this, so it provided the notice required.

X feels strongly that literature outside of the terms and conditions formed part of Santander's obligation to X. And I have considered this point, and the literature, carefully. But the terms and conditions are what outlined the contractual obligations between Santander and its customer. Even if the other literature did form part of the contractual agreement X had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

And whilst X has said it didn't agree to any changes, and the migration of the account was 'administrative', as I've explained above, the terms and conditions have always allowed for these changes to be made. They've also never reference or agreed to free business banking forever.

X has said there's no requirement for Santander to apply fees and other banks continue to provide free accounts. As a commercial business, Santander has taken the decision that due to significant changes to banking regulation over the past 16 years, 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, the costs of offering an account to both personal and business customers has increased.

Whilst there may well be some banks who offer free business accounts on a temporary or permanent basis, free business banking is not currently a typical offering from any major retail bank. In Santander's case it's aware that whilst some customers, like X, benefitted from fee free banking for around 16 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 X 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 X currently has. And whilst X doesn't believe Santander should make this decision based on its profits, this is a decision Santander is entitled to make. As a commercial decision, its 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 X 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 offered X a reasonable alternative account, albeit with a fee, and it gave X enough notice of the changes so it could find alternative options as it wished to. I understand X feels Santander has broken its promise and that it has acted unlawfully. But this service is an informal one, not a court of law. Having taken into account all the circumstances, as well as the terms and conditions of the account, overall, I'm satisfied Santander was 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 was provided, as it was in this case. Because of this, I don't think its acting unfairly or unreasonably.

### **My final decision**

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

Faye Brownhill  
**Ombudsman**