

The complaint

A company which I'll call 'T' complains that Santander UK Plc has behaved unreasonably as it has given notice that it intends to change T's account to one which charges a monthly fee, when the original account was taken out with the promise of 'free banking forever'.

The complaint is brought on T's behalf by its director, Mr M.

What happened

T held a business current account which was taken out with Santander in July 2010.

Mr M told us:

- T's account was opened with Santander because the bank offered free business banking forever. The marketing brochures at that time said the account would be 'free forever' and this would only change in limited circumstances.
- The term 'free banking forever' was an entrenched term and can't be altered by any other terms or condition that say Santander can vary it. In 2012 Santander had tried to remove the free forever banking but withdrew this due to customer backlash.
- In July 2025, Santander contacted T to say that it was withdrawing its current fee-free account and changing this to a £10 per month chargeable account from October 2025.
- Santander said it could make this change because in 2015 it had changed the terms and conditions of the account and removed the fee-free banking. He complained to Santander, but the bank hadn't really responded and simply said its legal team had signed off the changes. It was now trying to delay the complaint process so the change could come into effect.
- Santander should honour the promise it made that T's account would be free forever except in limited circumstances. T hadn't taken its account out with the other banks which had been taken over by Santander, but Santander itself.
- Santander says it is no longer offering the account held by T but if it is offering a different business current account that should not allow it to get round the fee free forever promise.

Santander told us:

- It had taken over a bank that had marketed a business current account as 'free day to day banking forever' and marketing material was produced under that banking brand until 2009.
- In 2010, all the accounts held with this bank were moved to a new business current

account held with itself. However, the terms and conditions of this account didn't include free day-to-day banking forever.

- In 2015, it decided to simplify its banking products as many different accounts had been inherited due to various banking mergers. All the accounts which had been moved to the business current account were migrated to a new 'business everyday current account' and the existing business current accounts were closed. All customers holding the business current account were contacted and told that their accounts were being migrated. There was nothing within the terms of the 'business everyday current account' which said the account would be 'free forever.'
- It had made the commercial decision to no longer offer the business everyday current account and had written to account holders giving them at least two months' notice of its decision. The account holders were offered the option to close their accounts, switch to a new provider, or be moved to a new classic business current account from 1 October 2025 onwards.
- The terms of the 'business everyday current account' allow it to convert the account into a different one if the everyday account was no longer available, so it hadn't done anything wrong.

Our investigator didn't recommend the complaint be upheld. She said the terms and conditions of T's account which it had opened in 2010 allowed Santander to vary the contract with T and the fees it charged. She said the terms and conditions allowed Santander to make the changes it had proposed in certain circumstances, which included changes in costs and regulations. She accepted that T said it had received other promotional material when it opened its account which said it would get fee-free banking forever, but she said this material did contain caveats to the 'promise'. The investigator also said Santander was entitled to close the account should it wish to do so, as it has discretion on who it offers accounts to and at what cost. And although the bank had decided to reverse its decision to charge account fees in 2012, it didn't mean Santander needed to change its position this time. So, she didn't think Santander had acted unfairly.

Mr M didn't agree and asked for an ombudsman to review T's complaint. In summary Mr M said that the investigator hadn't considered T's case fairly and individually as her response was similar to that of other cases. Mr M said that the investigator's opinion differed from contract law because the contract with the bank consisted of a number of documents including the marketing material and not just the account terms and conditions. Mr M also said that the 'free-forever' promise was an integral part of the contract and should have required specific customer consent to be overridden. He didn't think the limited circumstances where the account could be changed were applicable in this case and a statement such as costs and regulations have changed shouldn't be enough for Santander to renege on its promise. Mr M didn't agree that Santander was no longer offering T's account type as it still offered a business current account, it was simply that the bank was now charging for the same account.

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.

I'm sorry to disappoint Mr M as I know he feels strongly about T's complaint, but I'm not persuaded Santander has behaved unreasonably here. I'll explain why.

Mr M feels Santander has behaved unfairly by changing the terms of T's account to now charge a fee, given that the marketing material outside of the account terms and conditions promised 'Fee free banking forever'. I recognise why Mr M feels this way as there's no dispute by either party that the marketing information for T'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 the account information from the time that supports this.

I also acknowledge Mr M feels Santander has behaved unreasonably because it is still offering a business current account, albeit with a different name and fee. I also understand why he feels Santander has broken its agreement with T which he says wouldn't be permissible under contract law, as the 'free forever' promise was fundamentally part of the bank's contract with T. However, as an ombudsman it is not my role to say whether a business has acted unlawfully or not – that's a matter for the Courts. My role is to decide what's fair and reasonable in all the circumstances of the complaint. In order to decide that I have to take a number of things into account including relevant law and what I consider having been good industry practice at the time.

The issue for me to decide here is whether I think Santander is acting unfairly in migrating T to a new account now, taking into account the terms and conditions applicable to its account. And to do that, I do have to take into consideration that all the terms and conditions form part of the agreement between T and Santander. Mr M doesn't appear to dispute that the terms and conditions applicable to the account when T opened it 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."

As there is a clear heading here to say that Santander can vary the terms of the agreement, I'm satisfied that Santander didn't try to hide this option for it to make changes within the terms and conditions. But I've also looked at 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, I think it's fair to say Santander has been clear in the applicable terms and conditions that changes can be made to the account, and I haven't seen any terms guaranteeing free banking forever. Therefore, I think it's fair and reasonable that Santander are relying on the terms and conditions in 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 T'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. I recognise that Mr M doesn't believe that section E14 of the contract permits Santander to make the changes it has because the bank is still offering a business current account just with a £9.99 fee. But I don't agree. I say that because the account terms say that Santander can convert an account to another account in its range if it no longer offers that particular type of account. Here, Santander has said it is no longer offering the 'business everyday current account' so I'm satisfied the bank can rely on this term. But in any event, even if I am wrong about that, the business banking terms provided to T in 2015 say:

"16. Changes to your Account

16.1 We can change these Conditions and the Special Conditions:

b) to provide for the introduction of new or improved systems, methods of operation, services or facilities:

d) to reflect general banking practice:

f) to ensure our business is run prudently

h) for any valid reason not stated in these Conditions”

Santander has said its chosen to no longer offer T's account type because of 'changes to the banking landscape and so that it can 'continue providing excellent service, fair value and innovative solutions'. I recognise that Mr M feels generalist statements about changes in tax, regulation and costs increasing aren't sufficient justification for Santander to remove its 'fee free forever promise'. However, Santander has explained its rationale for making these changes and now charging a monthly fee, and they are in line with the account terms. There is no requirement under the terms for Santander to qualify or qualify what it meant when saying it could vary the account conditions due to changes in costs, regulation or the wider banking environment. So, I can't fairly say Santander has done something wrong.

Furthermore, T's account 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 T'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 T slightly more than this, so it's provided the notice required.

I recognise that Mr M feels strongly that literature outside of the terms and conditions, such as the brochures and advertisements at the time formed part of Santander's obligation to T and that it is wrong to treat the free forever promise as 'outside of the terms and conditions'. 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 T had with Santander, it would still be able to change this agreement under the terms and conditions outlined above. And I'm sorry to further disappoint Mr M, but I'm also not of the opinion that the terms of T's account mean the bank is required to ask for T's consent before making these changes.

Additionally, I'm also satisfied this change is supported by the information I've seen that would've been given to T when the account was opened. The tariff of charges which was provided to customers opening the account in early 2010, is titled 'free banking forever', but the information 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, although I recognise Mr M doesn't feel this should be relevant to the change being applied by Santander, there have been significant changes to banking regulation since 2003, 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 is aware that whilst some customers, like T, have benefitted from fee free banking for over fifteen 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 recognise that Mr M

says this is irrelevant to T's account, but I haven't found it acting unfairly in asking T to pay a fee in this case.

It is a commercial decision that Santander is entitled to make about products that it believes are no longer commercially viable, including withdrawing them completely. In this case, it has explained that it will no longer offer the account type that T currently has. This is a decision it's allowed to make and one which this Service wouldn't interfere with. So, even if there had been a contractual agreement to always provide the account with no fees attached, as Mr M says, I don't think it's fair to say Santander must continue providing this account type to T 'forever' if it believed it wasn't feasible to do so. And, as our investigator has already mentioned, the terms and conditions of T's account do allow Santander to close the account as long as it provides sufficient notice.

I recognise Mr M feels Santander has broken its contractual promise to T, and I acknowledge the frustration and disappointment this will have caused. But overall, I'm satisfied Santander is 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. I can see that Santander has offered T an alternative account, albeit with a fee, and it has given T enough notice of the changes so it can find alternative options should it wish to do so. Therefore, I'm not persuaded that Santander has behaved unreasonably here.

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 T to accept or reject my decision before 11 March 2026.

Jenny Lomax
Ombudsman