

The complaint

Mr H has complained about changes Santander UK Plc want to make to his business bank account.

Mr H has been represented in this complaint, but for ease I will refer to him throughout.

What happened

Mr H opened a business bank account with a bank that is now part of the Santander group in 2003. (For ease I will refer to Sanader throughout this decision.) The account was fee free and Mr H says the bank promised that this would continue forever.

In July 2025, Santander told Mr H that it planned to migrate his account, with effect from October 2025, to one which incurs a monthly fee of £9.99 and the fee free account will no longer be available. Mr H complained but as Santander did not change its position, Mr H brought his complaint about this to us.

Mr H has told us:

- When he opened the account, Santander promised he would be entitled to free day-to-day banking forever, so it is unfair to break that promise.
- The proviso was that he carry out all transactions online, by telephone or at an ATM and he has complied with this. When Santander closed the local branch ATM, he has to use the Post Office for deposits, which means cheques can take seven days to clear.
- Santander's decision to apply a fee now is a breach of the terms and conditions, which do not set out when 'forever' ends.
- In 2012 Santander tried to introduce a fee but was met with disgruntled customers, so it reversed this decision.
- It is not about the terms and conditions and whether it can technically entitled to do this or not but about the guarantee he was given.

Mr H wants Santander to continue the fee free account. If it does not agree then he will change banks, as he doesn't want to stay with a bank he cannot trust.

Santander has told us that:

- It accepts that when Mr H opened his account it was marketed as having "*free day-to-day banking forever*". And it was still promoted as fee-free in marketing material until around 2010. However, Santander says that there was never anything included in the terms and conditions of the account that contractually agreed to it being fee-free forever.
- 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, Mr H'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 says banking services have changed in the years since Mr H's account was opened – over 21 years ago - and there have been changes in the relevant law and regulations. 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 its customers migrating to the classic account have not benefitted from fee free banking for the past 21 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 that it has given Mr H adequate notice of the intended change.
- Mr H'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.

One of our investigators looked into the matter. She didn't recommend the complaint be upheld, as she thought Santander was entitled to make changes to the terms of the account it had, and it would also be entitled to withdraw the account.

Mr H doesn't accept the Investigator's assessment. He has made a number of points in response to the Investigator. I have considered everything he has said and have summarised his main points below:

- The Investigator has made subjective findings, rather than making findings based in fact. In doing so, she has redefined the word "*forever*".
- He chose this account on the basis it offered free banking forever. Forever cannot mean for as long as it suits Santander, otherwise every financial promise ever made becomes meaningless.
- No clause allowing variation of contract terms can retrospectively erase a core selling point — especially one deliberately described as permanent.
- The fee free account was offered on the basis that all transactions would be carried out online or through the ATM. He has complied with this requirement.
- In 2012 Santander tried to introduce a fee but later reversed this decision which has set a precedent and to ignore this simply rewards its persistence.
- To allow this change undermines the very principle of consumer protection that this service exists to uphold. I should consider the wider principle at stake — it concerns the right of consumers and small businesses to rely on plain, unqualified promises made by major financial institutions.
- The Financial Ombudsman Service is here to uphold fairness and to treat this purely as a technical issue rather than one of integrity and trust misses the entire point of our role.
- The reasoning is one-sided. If he chose not to honour his obligations under a loan or overdraft, Santander would soon act.

As the Investigator was unable to resolve the complaint, it 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.

Having done so, I do not intend to uphold the complaint. I will explain why.

There's no dispute here the marketing information for Mr H'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 literature from the time that supports this. So, I accept what Mr H 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 Mr H to the new account now. Part of that determination requires me to consider the terms and conditions applicable to Mr H's account.

The terms and conditions applicable to the account when Mr H opened it said:

"5.1.1 We may change these Conditions (which includes adding or removing conditions) by notifying you of the change... If the change is to your disadvantage, we will notify you direct at least 30 days before we make 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 21 years, Santander has been clear in the applicable terms and conditions - changes can be made to the account, and none provided a contractual guarantee of free banking forever. Mr H has, however, benefitted from that free business banking for over 21 years.

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. They contain a similar term to that set out above. Each edition of the terms and conditions also provide a list of changes Santander might make, which include taking into account changes in costs and regulation; general banking practice and prudent running of the business.

The terms and conditions were updated in April 2025, and the above did not change and also said:

"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)..."

Given all this, I'm satisfied the terms and conditions currently applicable to Mr H's account allow Santander to make changes to it, subject to giving sufficient notice of this to its customers.

While I accept that Mr H acted on the promise of free banking forever from Santander, it's the terms and conditions that set out Santander's contractual obligations, not the marketing and other literature.

However, I'd add that much of the marketing that references free banking forever, also explains this is subject to relevant changes to the law, regulation or the imposition of any tax in connections with bank charges. I have read the tariff of charges provided to customers opening the account in 2003. While this is titled '*free banking forever*', 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 it also says "*we may vary existing charges or introduce new charges*".

There have been significant changes to banking regulation over the years 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.

So I'm satisfied the terms and conditions currently applicable to Mr H's account allow Santander to make changes to it, subject to giving sufficient notice of this to its customers, which it did here.

Mr H has said this is one-sided logic, as he would not be allowed to breach the terms of the agreement. However, the terms of the agreement permit Santander to make this change. Mr H has also said he should have been able to rely on the plain unqualified promises made by Santander but the promise was qualified, because Santander included the provisions allowing it to change the terms of the bank account, as set out above.

Having considered all this carefully, I am therefore satisfied that the terms of the account allow Santander to make these changes for the reasons it has.

My remit is to consider what is fair and reasonable in all the circumstances of the complaint, so I have also considered (even though it is contractually entitled to make the change, whether this change is fair and reasonable overall, given the promise made to customers like Mr H.

I acknowledge that Mr H feels strongly that a promise was made to him and this should be given more consideration and should supersede the contract terms. He considers this a matter of integrity of financial institutions and has wider implications for consumer confidence.

I can understand Mr H's disappointment. However, we do not regulate the financial services industry. My remit is to consider individual complaints and determine what is, in my opinion, the fair and reasonable outcome of such complaints.

Mr H says fairness would mean not allowing Santander to make this change. When considering what is fair and reasonable, I am required to consider the position of both parties.

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 Mr H, have benefitted from fee free banking for more than 20 years, others have been paying fees. Santander has said it's taking this step to ensure all its customers are being treated fairly and given the changes to banking regulation over the years as mentioned above.

Taking everything into account, I do not consider that it is unfair or unreasonable for Santander to ask Mr H to pay a fee in this case.

Mr H has also commented that Santander told its customers it would be applying a fee to the account in 2012 and reversed this decision. What I'm considering here is whether Santander is entitled to make the changes to Mr H's account now, and it is. I do not think any decision Santander made in 2012 impacts the outcome of this complaint.

In addition to everything I have already said, 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

Mr H 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, I do not consider I could reasonably have concluded it would be fair that Santander should be obligated to provide this product to Mr H indefinitely if it believed it was uneconomic to do so. I cannot require a bank to continue to offer an account that it does not consider it viable.

I would also note that each edition of the terms and conditions allow Santander to close the account as long as sufficient notice is given.

Santander has offered Mr H a reasonable alternative account, albeit with a fee, and it has given Mr H enough notice of the changes so it can find alternative options should he wish to. I understand Mr H 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.

I realise this will be disappointing to Mr H but I do not agree that I can reasonably require Santander to take any different action.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 January 2026.

Harriet McCarthy
Ombudsman