

The complaint

C, a limited company, complains Santander UK Plc moved from a free business account to one with a monthly fee, breaking clear commitments made when the account was opened.

C is represented by a director but I'll refer to C throughout this decision. Also, the account was originally taken out with another bank, later taken over by Santander. However, I've referred to Santander throughout this decision.

What happened

C complains Santander gave notice in July 2025 it planned to migrate C's account, which was free from fees, to an account which incurs a monthly fee. This was due to start in October 2025. C has told us:

- Free banking for life means just that. C has a legal right to free business banking for life - contract law doesn't allow Santander to make these changes without C's agreement. Therefore, it should honour the commitment given in 2004.
- Santander attempted to make similar changes in 2012. The matter was referred to this Service and Santander confirmed free business banking for life would continue.
- The arguments raised by C to Santander haven't been answered or responded to. It just repeats what it wants to do and ignores the complaint.

Santander has told us:

- Whilst it accepts the account taken out by C 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, C'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 C's account was opened – 21 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 justify a fee being charged. To ensure it provides 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 21 years, and most of the migrating products 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 C adequate notice of the intended change. C'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 this matter but didn't uphold the complaint. C responded to reiterate the previous points made and state terms and conditions at the time of giving notice of the change are irrelevant. The matter 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 C's account when it was opened said Santander was offering free banking forever. It's clear this was how the account was advertised and I've seen literature from the time which supports this. The issue for me to decide is whether Santander is acting unfairly in migrating C to the new account now, taking into account the terms and conditions applicable to C's account.

The terms and conditions applicable to the account when C 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 the subsequent versions of the terms and conditions available from 2004 until the most recent version. I can see they all contain the same, or similar, wording allowing changes to be made. So, for around 21 years, Santander has been clear in its terms and conditions - changes can be made to the account, and none provided a guarantee of free banking forever. Even so, C has benefitted from free business banking for 21 years. Overall, I'm satisfied it's fair and reasonable for Santander to rely on the terms and conditions to make these changes.

The other relevant terms and conditions to consider are the most recent. In 2015, Santander migrated C's account to a Santander branded 'Everyday Current Account' and Santander's general terms and conditions applied from this point. They 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)..."

The terms and conditions also 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 the above didn't change.

I'm satisfied the terms and conditions currently applicable to C's account allow Santander to make changes, subject to giving sufficient notice – 60 days - to its customers. I can see C was given slightly more than this, so Santander has provided the notice required.

I understand C's point - literature outside of the terms and conditions formed part of Santander's obligation to C. I've considered this 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 C had with Santander, it'd still be able to change this agreement under the terms and conditions outlined above.

Further, I'm satisfied this change is supported by the literature I've seen from when the account was opened. The tariff of charges provided to customers is titled 'free banking forever', but 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 there have been significant changes to banking regulation since 2000, 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. I also note the terms and conditions allow Santander to close the account as long as sufficient notice is given.

Free business banking is not currently a typical offering from any major retail bank. And, in Santander's case, it confirms whilst some customers, like C, have benefitted from fee free banking for 21 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 it's acting unfairly in asking C 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 C currently has. This is a decision it's entitled to make and one which this Service wouldn't routinely interfere with. So, even if there had been a contractual obligation to always provide the account with no fees attached (which, for the avoidance of doubt, I don't agree there is), I likely wouldn't have concluded it'd be fair Santander should be required to provide this product to C indefinitely if uneconomic to do so.

Santander has offered C a reasonable alternative account, albeit with a fee, and it has given enough notice of the changes to find alternative options should it wish to. I'm also satisfied it responded to the initial complaint and, although it wasn't upheld, gave options and referral rights for C to bring the matter to this Service.

I recognise C will likely disagree with the outcome reached in this decision. But, taking everything into account, 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 – upon giving sufficient notice, as it has in this case.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 3 February 2026.

Rebecca Ellis
Ombudsman