

The complaint

A company which I'll call 'C' complains Santander UK Plc gave notice in July 2025 that it planned to migrate its account, which is free from fees to an account which incurs a monthly fee from October 2025. C says this is unfair as, when it opened the account, it was promised it would be entitled to 'free banking forever'.

The complaint is brought on C's behalf by its director, Mrs R. Mrs R is represented throughout by Mr R.

I'm aware the account was originally taken out with another bank which was taken over in 2009. For simplicity I've referred to Santander only throughout this decision although I recognise the initial agreement existed between C and a different bank.

What happened

Mr R told us:

- It opened a business account in 2002 with another bank which was taken over by Santander in 2009. C chose the account on the basis it was offering free business banking forever.
- The changes which Santander are implementing break the promise made by C's original bank, and although Santander says C's account was migrated to a new account in 2015, there was no explicit mention of changing the terms and conditions to remove this promise.
- Santander had already tried to break the 'free business banking' promise in 2012 but were forced to make a U-turn due to complaints from customers. It's unfair and morally wrong that Santander is now relying on the updated terms introduced in 2015 to force through the change.
- Santander didn't answer the specific points he'd made as part of the complaint; the final response letter made no reference to the contract between itself and C, which was unprofessional and showed a lack of care.

Santander told us:

- When C opened its account with the original bank it was marketed as having "free and unlimited day-to-day banking," but there were no references to "forever" in the marketing material. Nor the account terms and conditions. The original bank offer of free day-to-day banking was also subject to other conditions, including that customers needed to credit at least £1,000 per month to their account.
- The original bank was later disbanded, and C's business account was transferred to Santander. At the time, the account was marketed as having "free day-to-day banking forever." This proposition was covered in marketing material until around 2010. But fee-free business banking was never included in the terms and conditions

of the account.

- Over the years, it 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.
- It is satisfied banking services have changed in the years since C's account was opened – over 20 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 the fee being charged.
- To ensure it's providing a fair and consistent service to all its customers, it 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 twenty plus years, and most of the products it's migrating have a monthly fee of more than £9.99 per month.
- It's satisfied that 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 it will facilitate.

Our investigator didn't recommend the complaint be upheld. She didn't dispute that C had been offered free business banking forever and accepted the promotional material provided to C at the time the account was opened likely said this. So, she acknowledged the change by Santander would feel like a broken promise, but she said the terms and conditions of C's account allowed Santander to make the changes it had proposed in certain circumstances such as changes to costs and regulations. The investigator also noted that the account terms said Santander could convert C's account provided it had given two months' notice, and vary the agreement as needed. The investigator acknowledged Santander had decided not to introduce fee for the account in 2012, but she didn't think it was unfair for the bank to make the change now or rely on the terms and conditions outside of the 'fee free business banking forever' marketing material to do so.

Mr R didn't agree and asked for an ombudsman to review C's complaint. In summary he said that Santander had broken its promise of free business banking forever, and just because the bank no longer wanted to offer this account to new customers that didn't mean it shouldn't honour the promise made to existing customers. Mr R also said that just because the banking landscape had changed, this didn't mean that a promise made by the bank could be torn up. Mr R also felt it was unfair for the bank to rely on a clause from the change of terms in 2015 which hadn't been highlighted, and it was irrelevant that C had additional years of free banking from 2012 as that was what the bank had promised to do.

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 R as I know he feels strongly about this complaint, but I'm not persuaded Santander has behaved unreasonably here. I'll explain why.

Mr R feels Santander has behaved unfairly by changing the terms of the agreement C entered into with its original bank, and that any terms which allowed it to make changes to the agreement should have been more prominently provided. He also says just because the bank has changed its offer for new customers, doesn't mean it shouldn't honour the promise it made to existing customers. I recognise why Mr R feels this way, because although Santander says C's account with the original bank wasn't marketed this way, there doesn't appear to be a dispute that the marketing information for C's account when it was transferred to Santander said the bank was offering free business banking forever. I've seen the literature from the time that supports this, so I understand why Mr R says Santander has broken its promise to C.

The issue for me to decide here is whether I think Santander is acting unfairly in migrating C to the new account now, taking into account the terms and conditions applicable to C's account. I acknowledge Mr R feels Santander is relying on the changes it made to C's account in 2015, which it should have explicitly communicated as it's such an important change. However, I have to take into consideration that all the terms and conditions form part of the agreement between C and Santander, not just a prominently advertised feature. So, I've looked at the terms and conditions applicable to the account when C opened it with the original bank. The original terms say:

"They explain our respective obligations to each other and apply: To Your Business Current Account. However, they may be supplemented or varied by the Terms and Conditions for specific services or where We have agreed in write to other conditions or variations"

and

"Changes to these terms and conditions

20.1 We may change the terms of this Agreement by writing to You"

The terms then go on to explain the various ways this could be communicated in writing, including by providing C with updated an updated terms and conditions. So, I don't think it's fair to say Santander has hidden behind the terms and conditions which were amended in 2015 to make the changes to C's account, as I'm satisfied that even with the previous bank there was a term in place which allowed it to make changes.

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, think it's fair to say, Santander has been clear in the applicable terms and conditions - changes can be made to the account, and I haven't seen any terms guaranteeing fee free business banking forever. Therefore, 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 I've considered, as Santander is making these changes now, 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 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 currently applicable to C'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 two months' notice of this change, and I can see it's given C more than that, so I'm satisfied it's met its obligations here.

I recognise Mr R says it's unfair that Santander can use changes in the banking landscape to tear up its promise to existing customers, and the bank should've continued to offer this account to existing customers even if the offer wasn't available for new accounts. However, it's 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, Santander has explained that it will no longer offer the account type that C 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, I don't think it's fair to say Santander must continue providing this account type to C 'forever' if it believed it wasn't feasible to do so. The terms and conditions of C's account allow Santander to close the account as long as it provides sufficient notice, as it has done here. Additionally, there is no requirement under the terms for Santander to qualify or qualify what it meant when saying it could vary the account conditions (or indeed no longer offer an account) due to changes in costs, regulation or the wider banking landscape. So, I can't fairly say Santander has done something wrong.

Mr R feels Santander has broken its promise, and I acknowledge the disappointment and upset this will have caused. But overall, I'm satisfied Santander is entitled to change the terms and conditions applicable to C's 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 C an alternative business account, albeit with a fee, and it has given C 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.

Mr R also told our service he was unhappy with Santander's response to C's complaint. In particular he felt the bank didn't address the points he'd raised. I'm sorry to disappoint Mr R but complaint handling isn't an activity that this service covers so I can't make a finding on whether Santander acted unreasonably when providing its response to C's complaint.

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

Jenny Lomax
Ombudsman