

## The complaint

M, a limited company, complains Santander UK Plc gave notice in July 2025 that it planned to migrate M's account, which is free from fees, to an account which incurs a monthly fee in October 2025. M 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 which was taken over in 2004. For simplicity I've referred to Santander only throughout this decision although I recognise the initial agreement existed between M and a different bank.

M has told us:

- It opened a business account in 2002 with another bank which was taken over by Santander in 2004. M chose the account on the basis it was offering free banking forever. And Santander also made this promise over the years after it took over the account.
- All of the advertising and documentation M has and remembers from this time confirmed the account would remain fee free for the life of the account so believes the account has been falsely advertised and it has acted unlawfully in trying to implement a fee.
- M has had to open a new account without fees at great inconvenience. It believes Santander should pay it compensation of £2,000 – the monthly fee it planned to charge until M plans to stop trading, plus an additional approximately £700 for the inconvenience caused.
- Santander's profits have been considerable, so it had no need to start charging fees on M's account

Santander has told us:

- Whilst it accepts that the account taken out by M 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, M'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 M's account was opened – around 24 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 24 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 M adequate notice of the intended change.

Our investigator looked into things but didn't uphold the complaint. M 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 M'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. I'd add that Santander isn't disputing this either. So, I accept what M 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 M to the new account, taking into account the terms and conditions applicable to M's account.

The terms and conditions applicable to the account when M 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 23 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, M had benefitted from free business banking for around 24 years.

The other relevant terms and conditions to consider as it made these changes in October 2025 are the most recent. In 2015, Santander migrated M'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 M’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 M slightly more than this, so it provided the notice required.

M feels strongly that literature outside of the terms and conditions formed part of Santander’s obligation to M. 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 M had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

I’m also satisfied this change is supported by the literature I’ve seen that likely would’ve been given to M when the account was opened. Whilst I don’t have literature dating back to 2002, the tariff of charges provided to customers opening the account from 2003 is titled ‘free banking forever’, but the literature 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 2002, 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.

But even if the literature M received in 2002 didn’t say this, for the reasons given I don’t think Santander has acted unfairly or unreasonably. Free business banking is not currently a typical offering from any major retail bank. Whilst M has said it’s found an alternative account free of fees, it’s also stated this account doesn’t offer all of the facilities of its Santander account at an inconvenience to M.

In Santander’s case it’s aware that whilst some customers, like M, benefitted from fee free banking for more than 23 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 M 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 M currently has. And whilst M doesn’t believe Santander should make this decision based on its profits, this is a decision Santander is entitled to make. And 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 M 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 M a reasonable alternative account, albeit with a fee, and it gave M enough notice of the changes so it could find alternative options as it wished to. And whilst I accept this would’ve caused inconvenience to M as it made the choice to look for an

alternative account, it is an expected part of operating a business that there will be administration involved from time to time.

I understand M 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 see no reason Santander should pay M the fees it has not incurred or the other compensation its suggested.

### **My final decision**

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

Faye Brownhill  
**Ombudsman**