

## **The complaint**

Mr M complains about Santander UK Plc's (Santander) decision to migrate his business account (the Account) from one that for many years operated on a free from fees basis to an account for which the bank proposed charging a monthly fee.

## **What happened**

Mr M has told us that:

- He opened the Account in 2008, at which time it was advertised as fee free for life.
- In July 2025, Santander contacted him to say with effect from 1 October 2025, they would be changing the Account to their Business Current Account for which a monthly fee of £9.99 would be charged.
- Given this, he tried to transfer the Account to another bank using the Current Account Switch Service. But Santander made this difficult. So, he complained to the bank.

Santander didn't uphold Mr M's complaint. In summary, they argued they hadn't provided him with a contractual commitment to make free banking available forever. And in any event, they didn't think the proposed changes contravened the terms and conditions of the Account. They also argued they were operating within a new business banking environment and the changes they proposed making in October 2025 were intended to accommodate the new environment.

Mr M wasn't happy with Santander's position and as his complaint remained unresolved, he referred it to this service to look into.

Our investigator didn't uphold the complaint. She acknowledged the promotional literature Mr M received at the time the Account was opened did say it would be fee-free forever. But she was satisfied the terms and conditions of the Account permitted Santander to introduce the changes that were proposed for October 2025. In doing so, she didn't think the bank acted unreasonably or unfairly.

In addition, she wasn't persuaded Santander caused delays or refused to carry out the requests to switch the Account to another bank. She noted on 27 August 2025, the bank received the request to carry out the switch. And later, on 3 September 2025 a further request was received to transfer the balance to Mr M's chosen bank, which took place on 4 September 2025.

Mr M didn't accept the investigator's conclusions and has asked for an ombudsman's review of his case. In summary, he said Santander have continued to offer free business accounts to customers and therefore, they have unfairly discriminated against him

## 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've reached the same overall conclusions as the investigator – and for broadly the same reasons. I'll explain why.

There's no dispute in this case that the marketing information for the Account when it was opened confirmed Santander was offering fee free banking forever. Given this position, I've first thought about whether Santander were allowed to migrate the Account to their new Business Current Account.

The terms and conditions applicable to the Account when Mr M opened it are relevant to my consideration. They 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."*

I've also reviewed all the subsequent versions of the applicable terms and conditions from the time the Account was opened until the most recent version. I'm satisfied they all contain the same, or similar, wording – meaning the changes Santander proposed making were permitted.

More to the point, I haven't seen any terms and conditions guaranteeing free banking forever. I think it's fair and reasonable therefore for Santander to rely on the terms and conditions when making the changes that were proposed in October 2025. Especially, since the Account terms and conditions, rather than any promotional literature are what govern Mr M's relationship with Santander.

It's relevant to note some time earlier in 2015, Santander migrated the Account to a Santander branded 'Everyday Current Account'. And Santander's general terms and conditions applied from this point onwards. The most recent were issued in April 2025. That being the case and as the bank's changes were more recent, I've considered them too.

Clause 14 says:

*"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 go on to provide a list of reasons why the bank might make changes - which include taking into account changes in operational costs, law or regulation.

I'm satisfied the terms and conditions currently applicable to the Account allow Santander to make changes to it subject to giving sufficient notice to affected customers. The terms and conditions set out that Santander should, in such circumstances give 60 days' notice. By their letter dated 2 July 2025, I'm satisfied Santander provided Mr M with the notice required.

I did also go on to consider whether, the bank acted fairly and reasonably when it decided to introduce the new £9.99 charge from October 2025. I have noted, however, the promise of free banking in the promotional literature wasn't unconditional. In other words, as explained this was subject to relevant changes to the law or regulation.

Banking regulations have changed significantly since 2008. For example, there are now more obligations on banks to better protect their customers from various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams. I think it's fair to say these have significantly increased the costs of offering an account to both personal and business customers.

Free business banking is not currently a typical offering from major retail banks. And Mr M has benefitted from fee free banking for around 17 years.

I've considered Mr M's point that Santander have continued to offer free business banking to customers and therefore he's been discriminated against.

For a limited 12-month period, Santander offer free business banking to start-up businesses. And, in circumstances where a business switches its account from another provider to them, the offer is extended to that business also.

But I've found no evidence, the bank has continued to offer free business banking to customers like Mr M. In other words, existing customers with established businesses. For such customers, Santander have made clear there is a £9.99 charge. This is a commercial decision Santander are entitled to make. Overall, I do not agree therefore with Mr M's assertion the bank has discriminated against him.

That being said, I do acknowledge Mr M's strength of feeling in this matter given the promise he received when the Account was opened. But in the circumstances of his case, I am not persuaded Santander treated him unfairly by requiring the payment of a fee going forward. I am satisfied the bank acted in line with their terms of business in this case. Furthermore, it has followed its own process by giving the required notice to Mr M, as well as explaining the options available to him if he decided he didn't wish to pay the new fee.

I would also add that Santander are entitled to make commercial decisions about products that are no longer commercially viable. Including withdrawing them completely if they think that's the appropriate thing to do.

The bank has explained they will no longer offer the account type Mr M operated. I consider this a commercial decision Santander are entitled to make and this Service wouldn't interfere with that decision. So, even if there had been a contractual obligation to always provide the Account with no associated fees, I wouldn't have concluded it would be fair that Santander should be obligated to provide the Account to Mr M indefinitely if they believed it was uneconomic to do so.

It is worth noting also, Santander's terms and conditions allow them to end their relationship with Mr M by giving sufficient notice. As noted above Mr M was given enough notice of the changes in order for him to find and switch to an alternative provider - which he did. And given the timeline of events as noted above, I'm not persuaded Santander were responsible for any delays in completing the switch.

### **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 Mr M to accept or reject my decision before 2 March 2026.

Asher Gordon  
**Ombudsman**