

## **The complaint**

Mr H complains Santander UK Plc moved from a free business account to one with a monthly fee, breaking a promise made when the account was opened.

## **What happened**

Mr H, trading as a business name which I'll refer to as C in this decision, 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.

The account was originally taken out with another bank which was taken over by Santander. But, for ease, I've referred to Santander throughout this decision.

Mr H has told us:

- Santander is acting disingenuously. When the account was opened in 2000, he was promised free business banking for life and it should mean just that.
- In 2012, when Santander wrote to say the account name would change, it did not outline their ability to later impose fees or change conditions.
- The monthly charge wasn't clearly set out in the text of the recent letter but instead on subsequent pages. And this could mean other customers miss the change.
- If he'd been aware charges would eventually be imposed, he wouldn't have signed up to or maintained this account, moving to a more convenient and modern online banking service.

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 – 25 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 has a £9.99 monthly fee. Many of those customers migrating to the classic account have not benefitted from fee free banking for the past 25 years, and most of the migrating products have a monthly fee of more than £9.99.

- 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. Mr H says this outcome goes against natural justice and didn't accept the investigators view. 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 available to me from 2002 – those closest to the time of when the account was opened - 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 relevant terms and conditions available throughout the years, from 2002 until the most recent version. I can see they all contain the same, or similar, wording allowing changes to be made. So, for around 24 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 25 years. Overall, I think 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.

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 – defined as 60 days' notice. I can see C was given slightly more than this, so Santander has

provided the notice required. Further, I'm satisfied the notice is clear a monthly charge would be made for the new account.

I understand Mr H's point - literature outside of the terms and conditions formed part of Santander's obligation to C. I have considered this point, and the literature, 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 which would've been given to Mr H 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 that whilst some customers, like C, have benefitted from fee free banking for 25 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.

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 understand Mr H feels Santander is acting disingenuously and I recognise he will be disappointed by this decision. But, taking everything into account, 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 – 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 2 February 2026.

Rebecca Ellis

**Ombudsman**