

## **The complaint**

A company I'll call T complains that Santander UK PLC (Santander) introduced a monthly charge of £9.99 for its business account, having originally said business account banking would be fee-free forever.

T is represented by its director, Mr F.

## **What happened**

Mr F opened a business account with Santander in 2004. He says that, at the time he opened the account, it was marketed and opened as being free forever, but that it was unilaterally changed to a fee-paying account in July 2025.

Mr F said the original offer of free business banking for life was a clear and binding representation on Santander's part, and that the switch to a paid account is unfair and amounts to a breach of FCA principles.

When Mr F complained to Santander, it rejected his complaint, saying it had acted in accordance with its terms of business, and that Mr F would need to move to the new account, close his account, or switch to another provider. It said it had made the changes because the business banking landscape had changed considerably over the last decade, and that it needed to introduce a new account, in order to continue to provide excellent service.

Our Investigator looked at Mr F's complaint, but he didn't uphold it. He was satisfied Santander was contractually entitled to make the change, and he noted that the marketing materials that referenced free banking also contained various caveats detailing the circumstances in which Santander might change its policy. Ultimately, he wasn't persuaded that Santander had treated T unfairly by introducing a fee for its banking, so he didn't uphold T's complaint.

Mr F rejected our Investigator's findings, and repeated his request for Santander to continue T's free banking. He made numerous representations about the legality and fairness of Santander's actions, but our Investigator didn't change his mind. Because no agreement could be reached, the matter came to me to decide.

## **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.

Firstly, I should say that I'm aware I've summarised the events of this complaint in far less detail than the parties, and that I've done so using my own words. The reason for this is that I've focussed on what I think are the key issues here, which our rules allow me to do.

This approach simply reflects the informal nature of our service as a free alternative to the courts. And I'm satisfied I don't need to comment on every individual argument to be able to

reach what I think is the right outcome in this case. So, if there's something I've not mentioned, it isn't because I've ignored it, and I must stress that I've considered everything both Mr F and Santander have said, before reaching my decision.

Given the passage of time, I can't say exactly what marketing materials Mr F saw when he opened T's account. But I've seen various documents that refer to the free banking promise, so I accept what he says about what he was told when he signed up to the account.

And ultimately, Santander accepts that those statements were made, and its position is that it has never made a contractual commitment to free banking forever. And indeed, the terms and conditions of T's account allow Santander to make changes to the agreement between it and him. Clause 14 provides the following:

"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 accounts specific conditions. This includes interest rates or fees (such as adding or removing fees) as well as other terms. We have listed below the reasons we might want to make changes..."

S14 then provides a list of circumstances that may lead to Santander making changes, and it goes on to say that it may need to make changes for other reasons that aren't covered in the list. It says that it will give T two months' notice of any such changes.

I've also seen historic terms and conditions documents that all include similar provisions, and such clauses are common in banking agreements, so I think it's more likely than not that a similar clause has always been present in the documents that govern the relationship between Santander and T. And that means that Santander is contractually entitled to make changes to its agreement with T, and I've seen nothing that excludes fee changes from that provision (including the various arguments Mr F made in response to our Investigator's findings).

With that being said, I need to consider whether or not Santander has acted fairly and reasonably in implementing the new tariff.

And, while I've thought about everything Mr F has said, I don't agree that Santander should be made to reinstate T's free account.

Ultimately, the account terms and conditions (and not any promotional material) are what govern T's relationship with Santander, and I haven't seen an irrevocable contractual term that obliges Santander to provide free business banking to T forever. Indeed, the agreement expressly states that Santander can vary the contract if it wishes.

Even if I were to accept that the promotional material overrides the contract, the promise of free banking facilities forever was followed by a qualifying line, such as "unless there are any changes to the law or banking regulations". So, the promise wasn't absolute, and was always subject to change in certain circumstances

Thinking about what Santander has said, I can agree that there have been significant changes to the world of banking regulation since 2004. Banks now have far greater obligations to better protect customers from various risks including anti-money laundering, countering terrorist financing, and preventing fraud and scams, all of which significantly increase the costs of offering an account to both personal and business customers.

So, while I respect Mr F's strength of feeling here, I'm not persuaded Santander has treated him unfairly. It has acted in line with its terms of business, it has followed its own process by

giving the required notice (an additional month in fact), and it has clearly set out his options going forward.

Ultimately, this is a commercial decision Santander is entitled to make, and I don't consider it would be appropriate for me to interfere with that right in the circumstances of this particular complaint.

Notwithstanding that, even if I were to disregard all of the above, Santander's terms of business still allow it to end its relationship with T by giving two months' notice. So, if it had chosen to do so, that too would have ended T's free banking facilities. And it would create an absurd position if Santander was prevented from closing T's account because of a qualified non-contractual promise, particularly in light of its legal and regulatory obligations.

I understand that Santander changed its mind in 2012, when it last considered introducing a fee for its business account. But I don't consider that amounts to an admission that such actions were unfair, and in any event, my role is to assess the individual facts of each complaint I review, and determine whether or not the bank has acted fairly and reasonably.

And for the reasons I've set out above, I don't consider Santander has acted unfairly or unreasonably here.

I accept that this change will have an impact upon T's business, but that doesn't change the fact that it is a change Santander is entitled to implement. And so, it wouldn't be appropriate to award compensation here, or tell Santander to reverse its decision, given Santander has done nothing wrong.

### **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 T to accept or reject my decision before 9 April 2026.

Alex Brooke-Smith  
**Ombudsman**