

The complaint

Mr S's complaint is about the decision by Santander UK Plc to migrate his business account, which was free from fees, to an account which incurs a monthly fee with effect from October 2025. Mr S says this is unfair as, when he opened the account, he was promised he would be entitled to free banking for life.

What happened

Santander gave Mr S notice in July 2025 that it planned to migrate the account. He complained but Santander did not change its position, so Mr S brought the complaint to us.

Mr S has told us:

- When he opened his account with Santander in 2006, he was promised free banking for life. It should keep this promise.
- Santander tried to introduce a fee years ago but it is morally wrong.

Santander has told us:

- Whilst it accepts that the account taken out by Mr S was marketed as free banking for life, this has never been 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, Mr S'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.
- Banking services have changed in the years since Mr S's account was opened – almost 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 a 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 20 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 Mr S adequate notice of the intended change.

Santander says Mr S's choices are to move to the new account with a monthly fee, close the account, or switch to a new provider which Santander will facilitate.

Our Investigator looked into the matter but didn't recommend that the complaint be upheld, as she was satisfied that Santander had not acted unfairly.

Mr S didn't accept the Investigator's findings. Mr S says he has the paperwork still that promised him free banking for life, "*nothing more nothing less*". Santander has been underhand in moving the account in 2010 and 2015, which he was not given any option about, and thereby changing the terms and conditions of the account without him knowing. This was misleading, as he thought the same terms and conditions would be transferred to the new accounts.

As the Investigator was unable to resolve the complaint it 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 Mr S'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 Mr S 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 Mr S to the new account now, taking into account the terms and conditions applicable to his account.

The terms and conditions applicable to the account when Mr S opened it said:

"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 almost 20 years, Santander has 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, Mr S has benefitted from free business banking for many years.

The other relevant terms and conditions to consider as it's making these changes now are the most recent. In 2015, Santander migrated B's account to a Santander branded 'Everyday Current Account' and Santander's general terms and conditions applied from this point. They set out that:

"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; general banking practice and prudent running of the business. The terms and conditions were updated in April 2025, and the above did not change.

Mr S says that Santander acted underhandedly in moving the account in 2010 and 2015, and changing the terms and conditions to allow such changes. However, as set out above

the terms that applied to the account when Mr S opened it also contained terms that provided it with the right to make changes to the account; and I am satisfied that this would include introducing a fee. And again, as stated, none of the editions of the terms and conditions set out any guarantee in relation to the free banking offer.

I'm also satisfied this change is supported by the marketing literature I've seen that would've been given to Mr S when the account was opened. The tariff of charges provided to customers opening the account 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 2003, 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 would also add that each edition of the terms and conditions I have seen allow Santander to close the account as long as sufficient notice is given.

Given the above, I'm satisfied the terms and conditions currently applicable to Mr S'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 60 days' notice of this change, and I can see it's given Mr S slightly more than this, so it's provided the notice required.

My remit is to consider what is fair and reasonable in all the circumstances of the complaint, so I have also considered (even though Santander is contractually entitled to make the change, whether this change is fair and reasonable overall, given the promise made to Mr S.

When considering what is fair and reasonable, I am required to consider the position of both parties.

Free business banking is not currently a typical offering from any major retail bank. And in Santander's case it's aware that whilst some customers, like Mr S, have benefitted from fee free banking for many 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 given the changes to banking regulation over the years as mentioned above.

Taking everything into account, I do not consider that it is unfair or unreasonable for Santander to ask Mr H to pay a fee in this case.

Mr S has also commented that Santander told its customers it would be applying a fee to the account previously (this was in 2012) and reversed this decision. What I'm considering here is whether Santander is entitled to make the changes to Mr S's account now. I do not think any decision Santander made in 2012 impacts the outcome of this complaint.

In addition to everything I have already said, 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 Mr S currently has. This is a decision it's entitled to make and one which this Service wouldn't interfere with. So, even if there had been a contractual obligation to always provide the account with no fees attached, I do not consider I could reasonably have concluded it would be fair that Santander should be obligated to provide this product to Mr S indefinitely if it believed it was uneconomic to do so. I cannot require a bank to continue to offer an account that it does not consider it viable.

Santander has offered Mr H a reasonable alternative account, albeit with a fee, and it has given Mr S enough notice of the changes so it can find alternative options should he wish to. I understand Mr S feels Santander has broken its promise. But overall, 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 - as long as sufficient notice has been provided, as it has in this case.

I realise this will be disappointing to Mr S but I do not agree that I can reasonably require Santander to take any different action.

My final decision

I don't uphold this complaint our text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 February 2026.

Harriet McCarthy
Ombudsman