

## **The complaint**

A limited company, which I'll call A, complains that Santander UK Plc has introduced a monthly fee for its business bank account.

## **What happened**

A opened a business account in around 2001 with Abbey National. At the time, the account was marketed as "free forever" and there were no monthly fees.

In July 2025, Santander wrote to A to give notice that the bank was converting its account to a new business account, the Classic Account. This new account had a different charging structure, including a £9.99 recurring monthly fee.

A's director complained to Santander, saying the bank had breached its promise.

The bank didn't uphold the complaint as it didn't think it had acted unfairly. Santander said that the change was permitted by the terms and conditions of its agreement with A. It also pointed out the changes in the banking landscape since he had opened his account.

A referred the complaint to our service. One of our investigators looked into what had happened, but didn't uphold the complaint. A didn't accept her 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.

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There's no dispute that the marketing material for A's account when it was opened said that Abbey National was offering free banking forever, albeit with caveats around law and regulations and taxes. It's clear this was how the account was advertised and I've seen examples of the literature from the time that supports this. Santander, who acquired Abbey in 2004, isn't disputing this either.

The issue for me to decide here is whether I think Santander is acting fairly in migrating A's account to the Classic account (with a monthly fee) now.

In order to decide that, I've taken into account the way the account was marketed when it was opened, but I've also considered the terms and conditions that apply. I think it's reasonable to attach more weight to these terms and conditions than to advertisements, because they set out the actual contract to which A agreed. I should add that I agree with A's director that when Santander bought Abbey National, it took over the contractual obligations of Abbey National.

The relevant terms and conditions when A opened his account said that the bank could vary the applicable terms and conditions, provided it gave at least 30 days' notice.

Around 2015, Santander migrated A's account to a new business account, the Everyday Account. The terms and conditions for this account also permitted the bank to make changes to the terms for a variety of reasons, provided notice was given.

The terms and conditions were most recently amended in April 2025 and the version that applies now 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 accounts specific conditions. This includes the interest rates or fees (such as adding or removing fees) as well as other terms.”

All the versions of the terms and conditions I've seen gave the bank the ability to make changes. And I haven't found any evidence that any of the terms and conditions ever provided a guarantee of free banking forever. So I don't agree that Santander took on the obligation to provide free banking from Abbey National, because this was never a contractual commitment. It follows that I also disagree that there has been a breach of contract law.

I consider that the terms permitting change are set out clearly and unambiguously. The terms also require notice to be given, allowing time to exit without incurring any new fees, which is generally regarded as making a term fairer. I see no reason to conclude it would be unfair for Santander to rely on them in the circumstances that apply here. I also think that it's reasonable to expect a business to read and understand the terms of the contract to which it is signing up.

A's director argues that Santander has manipulated our processes by giving very short notice of the change. But I don't think this is fair. I've seen evidence that the bank has given more notice than the amount required by A's contract and it isn't required to take into account our processes when making commercial decisions.

I know A's director considers Santander's justifications for its actions to be largely either incomprehensible or irrelevant. But the terms and conditions, whilst listing some potential reasons, also permit Santander to make changes without giving a reason, including to fees. So I don't think it makes any difference how valid Santander's reasons are.

I need to be fair to both parties in making my decisions. And I think it's fair to say that A has had a no fee account for a very long time, during which the costs to Santander have changed considerably. I think it's relevant that, whilst A hasn't paid monthly fees, Santander has other customers that have been paying significantly more. I appreciate that this situation may have persisted for some time, but that doesn't mean it's right for it to continue. Santander has said it's taking this step to ensure all its customers are being treated fairly, and I haven't found it to be acting unreasonably in asking A to pay a fee in this case.

A is correct that Santander sought to impose charges previously, in 2012, but ultimately chose not to do so. This was a commercial decision Santander made at the time, for its own reasons. But I don't consider it commits the bank to continuing to offer accounts with no monthly fee indefinitely.

In summary, I understand A's director feels Santander has broken its promise. But overall, I'm satisfied the bank is entitled to change its terms and conditions and that it is fair for it to do so in these circumstances, notwithstanding past marketing literature, as long as sufficient notice is provided.

### **My final decision**

For the reasons set out above, I do not require Santander UK Plc to take further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 12 February 2026.

Louise Bardell  
**Ombudsman**