

The complaint

A company which I'll refer to as F, complains about Santander UK Plc's (Santander) decision to migrate its business account (the Account) from one that for many years operated on a free from fees basis to an account which incurred a monthly fee.

In bringing this complaint, F is represented by its director who I'll refer to as Mr P

I'm aware, the Account was branded originally in the name of Abbey National Plc, which later became Santander. For ease and convenience, however, I'll only refer to Santander throughout my decision.

What happened

Mr P has told us that:

- F opened the Account in 2006 at which time it was advertised as fee free for life.
- In 2015, Santander changed the Account to their Business Everyday Current Account but nonetheless, the fee free feature remained in place.
- In July 2025, Santander contacted F to say with effect from 1 October 2025, they'd be changing the Account to their Business Current Account for which a monthly fee of £9.99 would be charged. But given the promise the bank made when the Account was first opened, its action was unfair, so he complained to Santander. To put things right, the bank should continue operating the Account on a fee free basis.

Santander didn't uphold F's complaint. In summary, they said they hadn't provided it with a contractual commitment to make free banking available forever. And 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 introduced in October 2025 was intended to accommodate the new environment.

F wasn't happy with Santander's position and as the complaint remained unresolved, Mr P referred it to this service to look into

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

Mr P didn't accept the investigator's conclusions. In summary, he said Santander made a promise to F of free banking forever and he didn't believe there had been any change in the law that would have impacted the bank's ability to keep its promise.

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 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 acting unfairly in migrating the Account to their new business account.

The terms and conditions applicable to the Account when Mr P 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 in October 2025 were permitted.

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

In 2015, Santander migrated the Account to their 'Everyday Current Account'. 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 signalled its intention to make these changes after that date, I've considered them too.

Clause 14 says this:

“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 I note 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 subject to giving sufficient notice to their customers. The terms and conditions set out that Santander should, in such circumstances give 60 days' notice. And I can see by their letter dated 2 July 2025 the bank provided F 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 going forward. Especially as it is the imposition of the charge that is at the heart of F's case against Santander. I have noted, however, the promise

of free banking in the promotional literature was caveated in that it was explained this was subject to relevant changes to the law or regulation.

Banking regulations have changed significantly since 2006 when the Account was opened. 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 F has benefitted from fee free banking for nearly 19 years. That being said, I acknowledge Mr P's strength of feeling in this matter because a benefit F had long enjoyed would no longer be available.

But in the circumstances of this case, I am not persuaded Santander have treated F unfairly by requiring the payment of a fee going forward. I am satisfied Santander have acted in line with their terms of business in this case. I'm also satisfied they have followed their own process by giving the required notice to F, as well as explaining the options available to it going forward.

Ultimately, 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 it will no longer offer the account type F had. I consider this a commercial decision Santander are entitled to make and this Service would not 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 for Santander to be obligated to provide the Account to F 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 F by giving sufficient notice. And as I've already noted, Santander gave F enough notice of the changes so that if they were unacceptable, Mr P could find alternative arrangements on its behalf.

For the reasons I've explained above, therefore, in the circumstances of this case, I am not persuaded Santander have acted unfairly or unreasonably towards F.

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 F to accept or reject my decision before 2 March 2026.

Asher Gordon
Ombudsman