

The complaint

A sole trader, Mr H (trading as O), complains that Santander UK Plc gave notice in July 2025 that it planned to migrate his account, which was free from fees, to an account which incurred a monthly fee. Mr H says this is unfair because when he opened the account, he was promised it would be “free for life”.

I want to stress that in this decision I have only considered the complaint above, in relation to an account Mr H opened in 1999. If Mr H has any other concerns about Santander’s behaviour, including about the timing of any fees, then if he has not already done so he will need to raise those concerns with Santander. If he is dissatisfied with Santander’s response, he may then be able to refer a further complaint or complaints to the Financial Ombudsman Service. We would consider whether such a complaint was in our jurisdiction at that time.

I should also explain that I am aware Mr H has made a very similar complaint about an account opened in 2010. I have considered those two complaints separately, and issued separate final decisions. But I hope both parties will understand why the similarities between the complaints mean that I have expressed my two decisions in very similar ways.

What happened

Mr H told us:

- He opened a business account in 1999 with another bank which was taken over by Santander in 2004. He chose the account on the basis it was advertised as “free forever”. (For simplicity I’ve referred to Santander only throughout this decision although I recognise the initial agreement existed between Mr H and a different bank.)
- Around 2012, Santander suggested that it intended to charge a fee on his account – but it later backed down.
- He believes Santander has changed the terms and conditions of his account without informing him properly.
- Santander has paid him a token amount for poor customer service, but he considers it should make an additional payment for poor service and stress, in addition to waiving the fees on his account for life.

Santander told us:

- Whilst it accepts that the account taken out by Mr H was marketed as free banking forever, or “for life”, 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, Mr H’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 Mr H's account was opened – over 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, Santander 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 plus 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 that it gave Mr H adequate notice of the intended change. Mr H's choices were to move to the new account with a monthly fee, close the account, or switch to a new provider.

Our investigator looked into things but didn't uphold the complaint. Mr H didn't accept the investigator's 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.

There's no dispute here that the marketing information for Mr H's account when it was opened set out that Santander was offering free banking "forever" or "for life". 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 H has said about what he 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 H to the new account now, taking into account the terms and conditions applicable to his account.

I don't have a copy of the terms and conditions that would have applied to Mr H's account when it was opened in 1999. I don't think it is unreasonable that Santander is unable to provide terms and conditions from such a long time ago, especially as there have been several changes to the account's terms and conditions since then. I do however have a copy of the terms and conditions which would have applied to Mr H's account in 2002, which 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 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 than 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 H has benefitted from free business banking for over 20 years. Overall, I think it's fair and reasonable that Santander are relying on the terms and conditions and making these changes.

The other relevant terms and conditions to consider are the most recent. Santander told us that in 2015, it migrated Mr H's account to a Santander branded 'Everyday Current Account' and Santander's general terms and conditions applied from this point onwards. They 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 say:

"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)..."

I acknowledge that Mr H is not satisfied that his account was in fact migrated to an Everyday Current Account in 2015. But if it did not, then the earlier terms and conditions would still apply. In either case, I'm satisfied the terms and conditions applicable to Mr H's account in July 2025 allowed 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 that it did provide sufficient notice to Mr H.

Mr H feels strongly that literature outside of the terms and conditions formed part of Santander's obligation to him. And 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 Mr H had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

I'm also satisfied this change is supported by the literature I've seen. The tariff of charges provided to customers in the early 2000s was 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 this account was opened, for example, the 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, significantly increasing the costs of offering an account to both personal and business customers.

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 H, have benefitted from fee free banking for more than 20 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 its acting unfairly in asking Mr H to pay a fee in this case.

Mr H has made a point of the fact that the original terms and conditions from 1999 are not available. On balance, I think it is likely that they would say that the bank was entitled to make changes to its terms and conditions. I say that because it is usual banking practice for the terms and conditions of any bank account to explain that the bank is able to make changes to those terms.

But in any event, even if there had been a contractual obligation to always provide the account with no fees attached, I still wouldn't have concluded it would be fair that Santander should be obligated to provide this product to Mr H indefinitely the bank it believed it was uneconomic to do so. 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 has decided that it will no longer offer the account Mr H had in July 2025. This is a decision it's entitled to make and one which this Service wouldn't interfere with.

I would also note the terms and conditions allow Santander to close the account as long as sufficient notice is given.

I've noted that Mr H says that Santander suggested it would make a similar change in 2012 and then backed down. But that does not mean Santander was wrong to introduce a fee for his account in 2025. For the reasons I've given, I consider that Santander acted fairly and reasonably when it gave Mr H notice of the introduction of the fee.

Santander has offered Mr H a reasonable alternative account, albeit with a fee, and it gave him enough notice of the changes to allow him to find alternative options should he wish to. I understand Mr H 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.

My final decision

My final decision is that I do not uphold this complaint about Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 4 March 2026.

Laura Colman
Ombudsman