

## The complaint

Miss H, a sole trader, complains Santander UK Plc gave notice in July 2025 that it planned to migrate Miss H's business account, which is free from fees, to an account which incurs a monthly fee in October 2025. Miss H says this is unfair as the agreement was that she would get free banking forever.

## What happened

I'm aware the account was originally taken out with another bank which was taken over by Santander in 2004. For ease I've referred to Santander only throughout this decision although I recognise the initial agreement existed between Miss H and a different bank.

Miss H told us:

- She opened a business account in 1999 with another bank which was taken over by Santander in 2004. Miss H said the prominent marketing promise of free business banking directly influenced her decision to take out and maintain the account.
- All of the advertising and documentation Miss H has and remembers from the time she opened the account, and for some years after, confirmed the account would remain fee free for the life of the account, as long as her business operated within specified transaction limits. Specifically Miss H was able to provide a copy of the 'welcome letter' she received from Santander's predecessor bank in 1999 after opening the account.
- Miss H feels that Santander is not acting fairly by relying on buried clauses or vague updates to terms and conditions to override a prominent and specific marketing commitment.
- Miss H is concerned that a fee is being levied but there is no corresponding uplift in the services offered by Santander. Miss H feels that having to pay an unexpected fee at a time when Santander is closing branches does not represent value for money.

Santander has told us:

- Whilst it accepts that the account taken out by Miss H was marketed as free banking forever, 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, Miss H's account was migrated to an 'everyday account' which had no promise of fee free banking forever. 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 forever.
- Santander is satisfied banking services have changed in the years since Miss 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 it has given Miss H adequate notice of the intended change. It said Miss H's choices are to move to the new account with a monthly fee, close the account, or switch to a new provider which Santander said it will facilitate.

Our Investigator looked into things but didn't uphold the complaint. Miss 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.

I want to assure Miss H I have considered all of the correspondence and points she has made, but I have not commented on each of them individually in this decision. This is not intended as a discourtesy. Instead, it reflects the informal nature of the Financial Ombudsman Service and my role in considering Miss H's individual complaint.

Miss H's account was opened back in 1999 and, given the length of time that's passed, it has not been possible to get a copy of the marketing information that she was provided with at the time. But I have seen a copy of Miss H's 'welcome letter' that she helpfully provided us with, which shows that she was told that if her business operated within defined transaction limits, then free business banking would be extended indefinitely.

But, in any event, there's no dispute here that when Miss H's account was opened, the marketing information set out that Santander was offering free banking forever. I'd add that Santander isn't disputing this either. So, I accept what Miss H has said about what she was told in 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 Miss H to the new account now, taking into account the terms and conditions applicable to her account.

It has not been possible to obtain the terms and conditions applicable to the account when it was opened by Miss H in 1999. The earliest terms I have seen date from 2002. But given that all copies of the terms and conditions that I've seen from 2002 say the same thing in relation to whether or not the business can make changes to the terms of the account, I think it's fair to rely on the 2002 terms and conditions as representative of what was likely said in the terms applicable in 1999.

The terms and conditions dating from 2002 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 a few years after 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 that changes can be made to the account, and none provided a guarantee of free banking forever.

Despite this, Miss H has benefitted from free business banking for over 25 years. Overall, I think it's fair and reasonable that Santander are relying on the terms and conditions and making these changes.

So the other relevant terms and conditions to consider as it's making these changes now are the most recent. In 2015, Santander migrated Miss 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 state:

*"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 know that Miss H is concerned about potentially not being notified of what she referred to as a change in the terms in 2015. But while the account changed, as Miss H's account was migrated to a Santander account, what I am saying here is that there was no change in the terms and conditions in relation to Santander being able to make changes to the account. It's the case that the terms always allowed for these changes to be made.

So I'm satisfied the terms and conditions currently applicable to Miss H'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 Miss H slightly more than this, so it's provided the notice required.

Miss H feels strongly that literature outside of the terms and conditions – the marketing materials and brochures – formed part of Santander's obligation to her. And I have considered this point. 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 Miss 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, specifically a tariff of charges, that is likely to have been given to Miss H when the account was opened. Again, given the length of time that has passed, I haven't been able to get a copy of the tariff of charges that would have applied in 1999. But I have seen a copy of the tariff of charges provided to customers opening the account from August 2002 that is titled 'free banking forever' and I'm satisfied it's likely Miss H would have received a similar copy in 1999. This goes on to explain that 'free banking forever' is subject to relevant changes to the law, regulation or the imposition of any tax in connection with bank charges. And there have been significant changes to banking regulation since 2002, 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 can see that Miss H has raised concerns about whether the new account represents good value for money. She doesn't feel that she will get an improved service from Santander as a

result of the fee being charged and she is concerned that the fee comes at a time when banks are increasingly closing branches. So Miss H questions why it is that she needs to pay a fee. I understand Miss H's concerns. But while Miss H might not see any changes in the day to day services she receives from Santander, as outlined above, there have been significant changes to banking regulations over the last few decades which has led to increased costs to Santander of providing its banking services.

It's also important to note that 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 Miss H, have benefitted from fee free banking for more than 25 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 Miss H to pay a fee in this case.

As a commercial business Santander is entitled to make decisions about products that are no longer commercially viable, including withdrawing them completely. In this case, it explained its decision to no longer offer the account Miss H currently has. This is a decision it's entitled to make and one which this Service wouldn't typically interfere with. So, even if there had been a contractual obligation to always provide the account with no fees attached, I wouldn't have likely concluded it would be fair that Santander should be obligated to provide this product to Miss H indefinitely if it believed it was uneconomic to do so.

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

Santander has offered Miss H a reasonable alternative account, albeit with a fee, and it has given Miss H enough notice of the changes so she can find alternative options should she wish to.

I do understand Miss 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**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 14 April 2026.

Martina Ryan  
**Ombudsman**