

The complaint

Mr B has complained about changes Santander UK Plc has made to his business bank account.

What happened

Mr B opened a business bank account with Santander in 2005. The account was fee free and Mr B says Santander promised that this would continue forever.

In July 2025, Santander told Mr B that it planned to unilaterally migrate his account, with effect from October 2025, to one which incurs a monthly fee and the fee free account will no longer be available.

Mr B complained but as Santander did not change its position, he brought his complaint about this to us.

Mr B has told us:

- He opened the account based on the clear and explicit promise that it guaranteed “*free banking forever*”.
- All advertising material and official documentation about the account stated this. It was a core feature of the product and the main reason he chose the account.
- By withdrawing its promise of free banking forever, Santander has breached the terms of the original contract between them.
- The term “*forever*” is unambiguous and cannot be interpreted to mean “*until we decide to stop*”. Banks should not be allowed to make such promises and then discard that promise later for its own convenience.
- Santander induced him to open the account with this promise it is no longer willing to honour. This is misrepresentation, deception and a clear violation of trading standards.

Santander has told us:

- Whilst it accepts that the account taken out by Mr B 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, Mr B’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 B’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 Mr B adequate notice of the intended change. Mr B'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 the matter but didn't uphold the complaint. Mr B didn't accept the investigator's findings. He said that Santander in Spain does not make bank charges, even though it would also have had changes to costs and regulations there too. Santander has unilaterally changed the fundamental nature of the agreement, which is unfair

As the Investigator was unable to resolve the complaint, it has been passed to me.

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 do not intend to uphold the complaint. I will explain why.

There's no dispute that the marketing information for Mr B'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 B 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 B to the new account now. That determination requires me to consider the terms and conditions applicable to Mr B's account.

The terms and conditions applicable to the account when Mr B opened it 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 B 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, as it's making these changes now, are the most recent. In 2015, Santander migrated Mr B'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)...”

So I’m satisfied the terms and conditions currently applicable to Mr B’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 B slightly more than this, so it’s provided the notice required.

While I accept that Mr B acted on the promise of free banking forever from Santander, it’s the terms and conditions that set out Santander’s contractual obligations, not the marketing and other literature. Even if the other literature did form part of the contractual agreement Mr B 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 that would’ve been given to Mr B when the account was opened. The tariff of charges provided to customers opening the account in 2003 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.

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 B, 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 B to pay a fee in this case.

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 B had. 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 wouldn’t have concluded it would be fair that Santander should be obligated to provide this product to Mr B 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.

I’ve noted Mr B’s comments that Santander offers fee free banking in Spain. But I do not think that a decision the banking group makes about how it operates in another country impacts Santander’s actions here. I haven’t seen anything to support that Mr B is being treated any differently to other customers in similar circumstances and I don’t see anything unfair in Mr B having to pay a fee in this case.

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

I understand Mr B 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 B 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 March 2026.

Harriet McCarthy
Ombudsman