

The complaint

M, a limited company, complains Santander UK Plc gave notice in July 2025 that it planned to migrate M's account, which was free from fees to an account which incurs a monthly fee in October 2025. M says this is unfair as, when it opened the account, it was promised it would be entitled to 'free business banking forever'.

I'm aware the account was originally taken out with another bank which became part of the Santander in 2004. For simplicity I've referred to Santander only throughout this decision although I recognise the initial agreement existed between M and a different bank.

What happened

M has told us:

- Santander made a clear promise of '*free business banking forever*'.
- All marketing material about the account and terms said there would be no charges (within limits).
- This change has not been agreed.
- The free business banking promise was the key reason it chose this account.
- In 2012 Santander tried to introduce a fee but later relented in the face of complaints.
- Instead, Santander moved the accounts with a change in terms. It still offered free banking at the time but has relied on the new terms to make this change. However, the terms do not state that this promise can be retracted.

Santander has told us:

- Whilst it accepts that the account taken out by M 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, M'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 M's account was opened – over 22 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 22 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 M adequate notice of the intended change. M'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.

M didn't accept the investigator's findings. It says that the clear promise of free banking was not subject to any caveats in the literature provided and so should override any other terms. To allow Santander to do this sets a dangerous precedent. M also says that many banks do offer free banking still, so any changes in the cost of running accounts cannot be that high to justify this move by Santander, which indicates it is greed on its part.

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.

There's no dispute here the marketing information for M's account when it was opened in 2003 set out that Santander was offering free business 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 M has said about what it 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 acted unfairly in migrating M to the new account now, taking into account the terms and conditions applicable to M's account.

The terms and conditions applicable to the account when M 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 22 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, M has benefitted from free business banking for over 22 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 M'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 M'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 M slightly more than this, so it's provided the notice required.

M feels strongly that literature outside of the terms and conditions formed part of Santander's obligation to M. And I have considered this point, and the literature, carefully. While I accept that M acted on the promise of free banking forever from Santander, it's the terms and conditions that set out the contractual obligations between Santander and its customer. Even if the other literature did form part of the contractual agreement M 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 M 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. M has said that none of these have happened. However, 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.

While M has referred to some banks that do offer free banking, 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 M, have benefitted from fee free banking for more than 22 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 M to pay a fee in this case.

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 M currently has. 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 M indefinitely if it believed it was uneconomic to do so.

M has also commented that Santander told its customers it would be applying a fee to the account in 2012 and reversed this decision. What I'm considering here is whether Santander is entitled to make the changes to M's account now, and it is. I do not think any decision Santander made in 2012 impacts the outcome of this complaint.

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

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

I understand M 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 M 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 M to accept or reject my decision before 6 March 2026.

Harriet McCarthy
Ombudsman