

## **The complaint**

A limited company, which I will call V in this decision, has complained about changes Santander UK Plc has made to its business banking account.

Mr S, as Director of V, has brought the complaint on its behalf.

## **What happened**

V opened a business bank account with Santander in 2010. The account was fee free and Mr S says the bank promised that V would have free business banking forever.

In July 2025 Santander told Mr S that it planned to migrate the account, with effect from October 2025, to one which incurs a monthly fee of £9.99 and the fee free account would no longer be available.

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

Mr S has told us:

- Santander has refused to address the contractual obligation of free banking for life/forever as set out in the account literature provided.
- The Financial Conduct Authority Principles for Businesses and Consumer Rights Act 2015 apply and mean that this change is unfair.
- Santander tried to introduce charges in 2012 but retracted.
- Santander waives the fee on its 'classic' business accounts for the first 12 months for new customers, so it should do the same for V having moved it to this account.
- Santander has not made any real changes to the account, it is cosmetic only with a fee attached.
- He wants Santander to honour its agreement of free banking for life and pay £500 compensation for the aggravation caused. He also wants £5,000 damages for the future costs, as a result of these charges.

Santander has told us:

- Whilst it accepts that the account taken out by V was previously marketed as free banking forever, this has never been included in the terms and conditions of the account. And none of the literature linked to the account later than 2010 referenced free banking forever. Outside of marketing and other literature, none of the terms and conditions applicable to the account, at any time, have ever included a commitment to free banking forever.
- Over the years, it 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, V'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.

- It is satisfied banking services have changed in the years since V's account was opened – 15 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 15 years or so, 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 V adequate notice of the intended change. V'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. Mr S did not 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.

In doing so, I have considered the Financial Conduct Authority rules, including the Principles for Businesses, as well as all other relevant rules and industry practice. The Consumer Rights Act 2015 however only applies to individual consumers and not limited companies. Having considered everything carefully, I do not consider that Santander has acted unfairly. I will explain why.

While Santander has said that none of its documentation or marketing information contained a reference to fee free banking after 2010, Mr S has provided a copy of a brochure he received from Santander, which states it will provide "*Free day-to-day business banking forever (see note 1)*".

Note 1 says "*For free day-to-day banking transactional limits please refer to our tariff of charges document.*"

And V has benefitted from free business banking for around 15 years - from the time the account opened in 2010 until October 2025. So the requirement now to pay a monthly fee is a change to the way V is used to using its accounts.

I am therefore going to proceed on the basis that this promise was made to Mr S.

The issue for me to decide therefore is whether I think Santander is acting unfairly in migrating V to the new account now, taking into account the terms and conditions applicable to V's account.

The terms and conditions applicable to the account when V 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 15 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, V has benefitted from free business banking for 15 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 V'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 V'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 V slightly more than this, so it's provided the notice required.

V feels strongly that literature outside of the terms and conditions, such as the brochure cited above, formed part of Santander's obligation to V. 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 V had with Santander, it would still be able to change this agreement under the terms and conditions outlined above.

There have been significant changes to banking regulation in recent years, 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. And free business banking is not currently a typical offering from any major retail bank. In Santander's case it's aware that whilst some customers, like V, have benefitted from fee free banking for several years, others have been paying significantly more. Santander has said it's taking this step to ensure all its customers are being treated fairly. Overall, I do not consider that it has acted unfairly in asking V to pay a fee in this case.

In addition, 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 V 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 V 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 V's comments that Santander offers 12 months free banking for new customers but I cannot reasonably require Santander to treat V as a new customer. I haven't seen

anything to support V is being treated any differently to other customers in similar circumstances and I don't see anything unfair in V having to pay a fee in this case.

Santander has offered V a reasonable alternative account, albeit with a fee, and it has given V enough notice of the changes so it can find alternative options should it wish to. I understand V 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 V to accept or reject my decision before 16 March 2026.

Harriet McCarthy  
**Ombudsman**