

The complaint

A limited company, that I will call Q in this decision, has complained about changes Santander UK Plc has made to its business bank account.

Mr H, as Director of Q, has brought the complaint on its behalf.

What happened

In 2010, Q opened a business bank account with a bank that later became part of the Santander group. For simplicity, I will refer to Santander only throughout this decision although I recognise the initial agreement existed between Q and a different bank.

The account was fee free and Mr H says Santander promised that this would continue forever. In July 2025, Santander told Q that it planned to unilaterally migrate its account, with effect from October 2025, to one which incurs a monthly fee and the fee free account will no longer be available.

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

- The account was marketed with a clear promise of free business banking forever. This was carried forward when Santander took over the account and forms part of the contractual terms and conditions of the account.
- Financial Conduct Authority rules mean this change is unfair, and the small print in the account terms cannot override a prominent and specific promise made on the opening of the account.
- This is a matter of breach of trust. Santander can afford to continue to adhere to its promise but instead is cutting services and adding costs.

Santander has told us:

- Whilst it accepts that the account taken out by Q was marketed as providing 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, Q'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 says banking services have changed in the years since Q's account was opened – over 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 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 Q adequate notice of the intended change. Q'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. Q 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.

In doing so, I have considered the Financial Conduct Authority rules, including the Principles for Businesses. 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 H says this was a prominent feature in the marketing material he received. Q 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 Q is used to using its accounts. I am therefore going to proceed on the basis that this promise was made to Q.

The issue for me to decide therefore is whether I think Santander is acting unfairly in migrating Q to the new account now.

In addition to the relevant rules and guidance mentioned above, I have to take into account the terms and conditions applicable to Q's account.

The terms and conditions applicable to the account when Q opened it says:

*“Changes to these Terms and Conditions
28.1 We may change the terms of this Agreement by writing to You.”*

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 - changes can be made to the account, and none provided a guarantee of free banking forever.

Despite this, Q has benefitted from free business banking for over 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 Q'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 Q’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 Q slightly more than this, so it’s provided the notice required.

Q feels strongly that literature outside of the terms and conditions formed part of Santander’s obligation to Q. I have considered this point carefully. However, it is 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 Q 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 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.

I also 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 Q, have benefitted from fee free banking for many 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 Q 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 Q 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 Q 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 Q a reasonable alternative account, albeit with a fee, and it has given Q enough notice of the changes so it can find alternative options should it wish to. I understand Q 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 Q to accept or reject my decision before 16 March 2026.

Harriet McCarthy
Ombudsman