

## **The complaint**

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

The account was originally taken out by Mr D under the brand of another bank, which was taken over by Santander in 2004. For ease I've referred to Santander only throughout this decision.

## **What happened**

Mr D told us:

- He opened a business account in 2005. One of the reasons Mr D chose the account was because it offered free banking forever.
- All of the advertising and documentation Mr D has and remembers from the time he opened the account confirmed the account would remain fee free for the life of the account, as long as his business operated within specified transaction limits.
- Mr D remembers the account being heavily promoted as fee free forever. He said that when Santander ceased using the other bank's brand and his account was migrated to a Santander account in 2015, it continued to offer a guarantee that fee free banking would remain.
- Mr D said that he operates a micro business and this change will add to the cost of running his small business. He asked that Santander cancel the new account charges and confirm the account will remain fee free forever, in line with the original promise.

Santander has told us:

- Whilst it accepts that the account taken out by Mr D 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 D's account was migrated to an 'everyday account' which had 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 D's account was opened – 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.
- Santander said it's satisfied the implementation of a monthly fee is supported by the terms and conditions and it has given Mr D adequate notice of the intended change. It said Mr D'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 D 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 Mr D I have considered all of the correspondence and points he 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 Mr D's individual complaint.

There's no dispute here that when Mr D's account was opened, the marketing information 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 D 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 D to the new account now, taking into account the terms and conditions applicable to his account.

The terms and conditions applicable to the account when Mr D 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 that changes can be made to the account, and none provided a guarantee of free banking forever.

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

Mr D feels strongly that literature outside of the terms and conditions – the marketing materials and the welcome letter sent to him when he opened the account in 2005 – formed part of Santander’s obligation to him. 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 Mr D 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 is likely to have been given to Mr D when the account was opened. The tariff of charges provided to customers opening the account from August 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 connection 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 Mr D, 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 D 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 Mr D 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 Mr D 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.

When Mr D responded to our Investigator’s outcome, he said that the letter sent to customers in 2015 made no specific mention of the loss of the free forever promise. But regardless of what was said in the letter, the terms allow Santander to make changes such as levying a monthly account fee.

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

I do understand Mr D 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 Mr D to accept or reject my decision before 9 April 2026.

Martina Ryan  
**Ombudsman**