

## The complaint

Mr Y has complained that Santander UK Plc gave notice in July 2025 that it planned to migrate his business account, which is free from fees, to an account with a monthly fee in October 2025. Mr Y initially took the account out with another bank that became part of the Santander bank group. For ease, I will refer to Santander throughout this decision.

Mr Y says this is unfair as, when he opened the account, Santander promised it would be “*free forever*”.

## What happened

Mr Y complained to Santander and it told him that if he did not want to transition to the new account, he could close the account. Mr Y therefore referred his complaint to the Financial Ombudsman Service.

Mr Y has told us:

- When he opened the account in 2010, it was explicitly promoted and agreed to be free forever. This promise formed a fundamental part of the agreement between him and his bank, and Santander agreed this promise would remain in place when his previous bank became fully integrated into the Santander group.
- The account terms relied on by Santander to make this change cannot override the core contractual promise made when the account was opened.
- He was not consulted about this change and did not agree to it.
- In 2012 Santander tried to introduce a fee but later reversed this decision, which has set a precedent.
- As a small business with relatively small turnover, any extra charges will have an impact.
- Quite a few other banks provide business banking without a monthly fee and so this is out of step with the market.
- Under Financial Conduct Authority (“FCA”) Principles, changes that unfairly alter a longstanding agreement without consent are unacceptable. This change amounts to an unfair contract variation and breaches Santander’s duty to treat customers fairly.

Santander has told us:

- Mr Y’s account was opened in 2010. 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, 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 Y’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 Y's account was opened – around 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 Mr Y adequate notice of the intended change. Mr Y'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 Y didn't accept their 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 have not seen any documentation about the account from when Mr Y opened it that state the account provided offered free banking forever. And, as I've outlined above, Santander has said none of the documentation or marketing information about the account referred to fee free banking after 2010.

It is not clear therefore whether Mr Y received marketing or any other information stating its account would be fee free forever. But I am going to proceed on the basis that he was told this would be the case, and it is clear Mr Y 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 Mr Y is used to using its account.

The issue for me to decide here is whether I think Santander has acted unfairly in migrating Mr Y to the new account now, taking into account the terms and conditions applicable to Mr Y's account. The terms and conditions applicable to the account when Mr Y opened it in 2010 say:

*“13.7 The charges You must pay for the operation of Your Account, or for other services, are set out in the Interest Rates & Charges Leaflet. We reserve the right to discount or waive any charges.*

*13.8 Any charges may be changed by Us in accordance with Condition 28...*

*28.1 We may change the terms of this Agreement by writing to You...*

*28.2 If We change the Conditions, We will give You:*

- (i) at least two months' notice of any change to a Condition that relates to any withdrawal or payment service that We provide on Your Account; or*
- (ii) at least 30 days' notice of a change to any other Condition that is to Your disadvantage.”*

The other relevant terms and conditions to consider, as Santander is making these changes now are the most recent. In 2015, Santander migrated Mr Y'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)..."*

I've also reviewed all the 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 the entire time Mr Y's account has been open, Santander has been clear in all the applicable terms and conditions that changes can be made to the account, and none of the versions of the terms and conditions provided a guarantee of free banking forever.

Despite this, Mr Y benefitted from free business banking for around 15 years.

Given all this, I'm satisfied the terms and conditions currently applicable to Mr Y's account allow Santander to make changes, subject to it 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 do not state that it needs to obtain the customer's consent or agreement to any such change. I can see Santander gave Mr Y slightly more notice than this, so it's provided the notice required.

I also do not consider that the terms allowing changes to be made are inherently unfair, such that Santander should not be entitled to rely on them. Overall therefore, I think it's fair and reasonable for Santander to rely on the account terms and conditions and make these changes.

Mr Y says that the terms and conditions should not override the explicit promise made by Santander to provide free banking forever. As I've said, I haven't seen any evidence to show Mr Y did receive any literature referring to free banking forever. But even if he was, as I've explained, it's the terms and conditions that set out Santander's contractual obligations, not any marketing or other literature. And the account terms and conditions did not include any guarantee of free banking forever.

I'd add that much of the marketing that Santander did issue which referenced free banking forever, also explained this was 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.

When considering a complaint I'm required to take into account not just the terms and conditions but what I consider to be reasonable in all the circumstances including good industry practice. Mr Y has said that many banks still offer free business banking but it 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 Y, have benefitted from fee free banking for around 15 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 taking everything into account, I haven't found it's acting unfairly or unreasonably in asking Mr Y 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 type of account Mr Y 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 concluded it would be fair that Santander should be obligated to provide this product to Mr Y 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.

Mr Y has also commented that Santander told its customers it would be applying a fee to the account back in 2012 and reversed this decision. What I'm considering here is whether Santander is entitled to make the changes to Mr Y's account now, and for the reasons given I think it is. I haven't found this is different because it decided to reverse its decision to do so in 2012.

I accept the situation may have come as a surprise to Mr Y and I can understand that for a small business it will have an impact. However, as I've said, Santander has provided the notice required by the terms and conditions, a notice period which is in line with that I would typically expect to see when any bank is making changes to an account.

Santander has offered Mr Y a reasonable alternative account, albeit with a fee, and it has given Mr Y enough notice of the changes so he can find alternative options should he wish to. I understand Mr Y 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 do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 12 March 2026.

Harriet McCarthy  
**Ombudsman**