

The complaint

Mr W, trading as N, has complained about changes Santander UK Plc has made to his business banking account.

What happened

Mr W opened a business bank account with a bank that is now part of the Santander group in 2006. (For ease I will refer to Santander throughout this decision.) The account was fee free and Mr W says the bank promised that he would have “*free business banking for life*”.

In July 2025 Santander told Mr W that it planned to migrate his account, with effect from October 2025, to one which incurs a monthly fee of £9.99 and the fee free account will no longer be available. Mr W complained but as Santander did not change its position, Mr W brought his complaint about this to us.

Mr W has told us:

- The account was sold to him with the explicit promise of “*free business banking for life*”. This was a core contractual term, not a promotion, and was the reason he chose the account.
- He has not agreed to this change and a generic account term that says Santander can change terms cannot override a specific promise of lifetime free banking.
- Financial Conduct Authority rules require variations to be fair, clear and not misleading. And imposing fees almost 20 years later is unfair and disproportionate.
- He is being forced to either accept the change or face the disruption of moving banks, which will cause significant stress.
- His reasonable expectation that the account would remain free was reinforced when a previous attempt by Santander to introduce charges was reversed.

Santander has told us:

- Whilst it accepts that the account taken out by Mr W 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 W’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 W’s account was opened – almost 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 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 W adequate notice of the intended change. Mr W'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 W didn't accept the investigator's findings so the complaint has been passed to me for a decision.

Mr W has emphasised his previous points and has also said that Santander has not provided a copy of the original 2006 account terms, or any explicit notice withdrawing the free for life feature. He says he was not made aware that the migration of the account in 2015 would undermine this benefit. Mr W also says that fairness requires that his reasonable expectations be considered and his situation is not the same as a customer who knowingly opens a fee-paying account. Santander previously tried to impose fees in 2012 but reversed this decision, which suggests Santander itself realised this was unfair.

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.

Having done so, I do not intend to uphold the complaint. I will explain why.

There's no dispute that the marketing information for Mr W's account when it was opened 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. Santander isn't disputing this either. So, I accept what Mr W 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 has acted unfairly in migrating Mr W to the new account now, taking into account the terms and conditions applicable to Mr W's account.

Santander has not provided the terms from 2006 but I have seen the March 2005 version. I have also seen some other earlier versions and some later versions. I think that is reasonable to consider the relevant terms issued to Mr W in 2006 would have likely been the same as the 2006 version. I say this because every version I have seen (from both before and after 2006) contains a similar term regarding changes Santander can make to the account and in addition, none of them refer to free banking or provide a contractual guarantee of free banking for life.

The terms and conditions, which would likely have been applicable to the account when Mr W opened it say:

"5.1.1 We may change these Conditions (which includes adding or removing conditions) by notifying you of the change."

As mentioned, I've also reviewed the subsequent versions of the applicable terms and conditions available throughout the years, from 2005 until the most recent version. I can see they all contain the same, or similar, wording that allowed changes to be made. So, for around 20 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, Mr W 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 W'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 W'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 W slightly more than this, so it's provided the notice required.

I do not accept that there was anything in that migration in 2015 that undermined any previous terms, given that the earlier account terms and conditions also did not mention free banking for life and also contained a clause allowing changes to the account.

I acknowledge that Mr W feels strongly that a promise was made to him and this should be given more consideration. However, it is the terms and conditions that set out the contractual obligations between Santander and its customer. Even if the promise made in promotional literature did form part of the contractual agreement Mr W 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 likely been given to Mr W 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. 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 W, have benefitted from fee free banking for a number of years, others have been paying fees. Santander has said it's taking this step to ensure all its customers are being treated fairly and given the changes to banking regulation over the years as mentioned above.

Taking everything into account, I do not consider that it is unfair or unreasonable for Santander to ask Mr W to pay a fee in this case.

Mr W 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 Mr W's account now, and for the reasons given, I think it is. I do not think any decision Santander made in 2012 impacts the outcome of this complaint.

In addition to everything I have already said, 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 Mr W 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 do not consider I could reasonably have concluded it would be fair that Santander should be obligated to provide this product to Mr W indefinitely if it believed it was uneconomic to do so. I cannot require a bank to continue to offer an account that it does not consider it viable.

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

Santander has offered Mr W a reasonable alternative account, albeit with a fee, and it has given Mr W enough notice of the changes so it can find alternative options should he wish to. I understand Mr W 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 Mr W 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 Mr W to accept or reject my decision before 13 March 2026.

Harriet McCarthy
Ombudsman