

The complaint

A company which I'll call L complains that Santander UK Plc gave notice in July 2025 that it planned to migrate L's account, which is 'free' from fees to an account which incurs a monthly fee in October 2025. L says this is unfair as, when it opened the account, it was promised it would be entitled to 'free banking forever'.

The complaint is brought on L's behalf by its director, Mr B.

What happened

L held a business current account which was taken out with Santander in June 2011.

Mr B told us:

- L's account was opened with Santander because the bank offered free business banking forever. The bank marketed and contractually represented the account as 'free forever' this wasn't presented as a promotional period or a benefit which was subject to review.
- He chose L's account on the basis it offered free banking forever. He relied on Santander's promise when deciding to move L's account to the bank. By removing this promise and introducing charges, L will incur charges he'd never agreed to.
- Santander's promise of free day-to-day banking 'forever' was explicit, and it was reasonable for L to rely on that promise. The bank had unfairly changed its position after its customers had organised their business around the original commitment.
- Although Santander has argued it has the legal ability to change its terms, its marketing was misleading. The bank has acted unfairly in removing what was advertised as a permanent feature.
- Santander should reinstate the free day-to-day banking for customers who relied upon this and award appropriate redress.

Santander has told us:

- L's account was opened in 2011. 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, L'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 L's account was opened – around 14 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 the 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 twenty plus years, and most of the products it's migrating have a monthly fee of more than £9.99 per month.
- It is satisfied that the implementation of a monthly fee is supported by the terms and conditions and it has given L adequate notice of the intended change. L'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 didn't recommend the complaint be upheld. He said the terms and conditions of L's account which it had opened in 2011 allowed Santander to vary the contract with L and the fees it charged. He said the terms and conditions allowed Santander to make the changes it had proposed in certain circumstances, which included changes in costs and regulations. He accepted L said it had received promotional material when it opened its account which said it would get fee-free banking forever, but he said this material did contain caveats to the 'promise'. The investigator also said Santander was entitled to close the account should it wish to do so, as it has discretion on who it offers accounts to and at what cost. So, he didn't think Santander had acted unfairly

Mr B didn't agree and asked for an ombudsman to review L's complaint. He maintained it was unfair for Santander to break the promise of 'fee-free forever' banking for those that had previously signed the account agreement and Santander had known about this obligation when it had taken on the bank who'd offered this account originally.

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'm sorry to disappoint Mr B as I know he feels strongly about L's complaint, but I'm not persuaded Santander has behaved unreasonably here. I'll explain why.

Firstly, I want to assure Mr B that I have considered all of the correspondence and points he's made but 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 L's individual complaint. In particular, Mr B has raised several points around how he believes Santander's actions will impact L and has impacted other account holders, but I'll only be considering, and answering, the specific circumstances of L's complaint here.

I also acknowledge Mr B says he's been impacted by the stress of this change and the time taken to seek evidence to bring the complaint to our service. However, whilst I recognise the frustration this situation will likely have caused Mr B personally as L's director, when considering a complaint, our service can only look at the impact to the eligible complainant. In this case, that's L as the account holder. Furthermore, we are an evidence-based organisation and can only consider the information provided to us by the parties to the

complaint. We don't generally award compensation for the time taken by complainants to obtain the information they want our service to consider.

Mr B has provided copies of a large amount of marketing information, as well as other documents, that state the account provided by Santander offers free banking forever. Much of this documentation appears to date from before L's account was opened, and before L was incorporated as a limited company in May 2011. I haven't seen any documentation which states it was sent to L in relation to its account. And, as I've outlined above, Santander has said none of the documentation or marketing information contained a reference to fee free banking after 2010 – the year before L opened its account.

So, it doesn't appear L did receive marketing or any other information stating its account would be fee free forever. But it's clear it has benefitted from free business banking for around 14 years - from the time the account opened in 2011 until October 2025. So, the requirement now to pay a monthly fee is a change to the way L is used to using its account.

The issue for me to decide here is whether I think Santander is acting unfairly in migrating L to the new account now, taking into account the terms and conditions applicable to L's account. The terms and conditions applicable to the account when L opened it in 2011 (that had been in place since 2010) 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 the entire time L's account has been open, 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, L has benefitted from free business banking for around fourteen years. Overall, I think it's fair and reasonable 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 L'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 acknowledge Mr B will likely disagree with me on this, but I'm satisfied the terms and conditions currently applicable to L'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 sixty days' notice of this change, and I can see it's given L slightly more than this, so it's provided the notice required.

Mr B believes earlier versions of the terms and conditions, along with the marketing material, did guarantee the account would be fee free forever and he's provided evidence of archived versions of related information from the bank. However, the only terms and conditions applicable to L's account were the ones in place from the time it opened the account. Any versions that existed before this aren't relevant. But in any event, I've seen the earliest

available terms and conditions, and every available version since and to date, and none offer any guarantee of fee free banking forever. They also all include a clause that allows Santander to make changes, which in my experience, is not unusual for any bank to include in its terms and conditions.

Mr B feels strongly the literature outside of the terms and conditions formed part of Santander's obligation to L. As I've said, I haven't seen any evidence to show L did receive any literature referring to free banking forever. But even if it had, as I've explained, it's the terms and conditions that set out Santander's contractual obligations, not the marketing and other literature.

I think it's also worth noting that much of the marketing that references free banking forever, also explains 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.

When considering a complaint, I'm required to take into account not just the terms and conditions, but what I consider to be good industry practice. 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 L, have benefitted from fee free banking for around 14 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 L 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 type of account L 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 L 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 recognise Mr B feels Santander has acted unfairly as 'forever' should mean just that. But as I've outlined, the provision to make these changes has always existed in the terms and conditions applicable to the account. The changes could've been made at any time over the last fourteen years that L has used the account. And whilst I accept the situation may have come as a surprise, 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.

I understand Mr B has said L will be caused inconvenience and cost to move to another account provider. And this is unfortunately unavoidable should L decide to change bank accounts due to the decision Santander has made here. Santander has offered L a reasonable alternative account, albeit with a fee, and it has given L enough notice of the changes so it can find alternative options should it wish to. I understand L 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

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 19 May 2026.

Jenny Lomax
Ombudsman