

Insights



What We Have Learnt From Tala's Recent Layoffs Amidst The Increasing Adoption Of AI



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Amidst The Increasing Adoption Of AI

Employment | Fintech | Data Protection

Introduction

On 25 June 2026, the United States digital lender Tala confirmed it will cut up to 10 percent of its roughly 950 Kenyan staff, about 90 to 100 jobs, in a global reorganization that moves functions to its headquarters and shifts the business toward embedded lending. According to media publications, the lender's credit will be bundled into partner platforms such as device financing, insurance and motorcycle loans. Tala calls this a choice made from strength, not distress, pointing to more than US\$ 6 billion in loans originated and a US\$ 300 million revenue run rate. The cuts follow about 1,108 job losses at the Nairobi data firm Samasource after a Meta contract ended.

The Signal Behind The Headcount

- This is less about jobs than about where Kenya sits in the fintech value chain: as the place where lending models are designed, or as an execution node for decisions made elsewhere. Capital and jobs are decoupling. Money is returning to African fintech, but it funds leaner, centralised, embedded operations.
- Embedded finance turns lending into partnerships. A lender's credit rides inside another company's product, which brings a new class of commercial contracts, white-label agreements and shared-liability questions.
- The market is deep but crowded. The Central Bank of Kenya has regulated digital credit providers since 2022 and had licensed 227 of them by April 2026; licensed lenders had issued 6.6 million loans worth about 800 million US dollar by November 2025.

- While AI is currently not regulated in Kenya and most East African markets, the Senate's AI Bill 2026 does restrict the replacement of human functions with AI. In future, strategic decisions such as layoffs may need to adhere to regulatory restrictions on the subject.

Who This Touches

- Lenders and banks moving to embedded models, the platforms that host them, and the staff being let go all face fresh legal questions at once: redundancy, licensing, contracts and data protection.

Your Move

- Redundancy runs on section 40 of the Employment Act, 2007. Recurements such as notice to the employee and the labour officer, fair selection and severance pay come to the fore. This are strict requirements in labour law. An unfair-termination claim costs more than the process ever will.
- In an embedded-lending partnership, the contract is everything. Set out who lends, who holds the licence, who carries default risk and who owns the customer. A deal that blurs these invites disputes and regulatory trouble.
- No digital lender, and no platform hosting one, should launch without confirming its position under the Central Bank's digital credit provider regime. Operating outside it is not an option.
- The moment customer data moves to a partner, the Data Protection Act, 2019 and potentially the EU's GDPR governs the transfer. Get the data-processing terms and consents right before anything moves.

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