C8 Collabor8™

THOUGHT LEADERSHIP | MOBILE LENDING

Mobile Operators & the New Control Point in Unsecured Lending

Capital enables lending. Whoever controls the credit decision controls the ecosystem.

PREPARED BY
Collabor8™

PREPARED FOR
Mobile operators

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CLASSIFICATION
Thought leadership

THE FUNDAMENTAL SHIFT

Mobile operators are not becoming banks. They are becoming the control point for how credit is originated, delivered and experienced.

7.9m Fuliza users in FY2025

17.7m in FY2026, one year later

Without control of decisioning, operators do not control margin, risk or the customer.

Unsecured lending in emerging markets is undergoing a structural shift. The centre of gravity is moving away from institutions that hold capital alone towards those that control customer context, behavioural data and distribution. Mobile operators sit at the centre of this shift.

Distinct Fuliza users, Safaricom FY2026 results (years to March 2025 and March 2026). Fuliza users rose from 22% to 43% of monthly active M-PESA customers (Safaricom). Safaricom does not break out the drivers; Kenyan press links part of the rise to wider opt-in.

THE 60-SECOND READ

2.3bn
Registered mobile money accounts in 2025
GSMA, 2026

$2tn+
Flowed through mobile money wallets in 2025
GSMA, 2026

593m
Monthly active mobile money accounts in 2025, up 15%
GSMA, 2026

Ksh1.47tn
Fuliza disbursements in the year to March 2026, up 49%
SAFARICOM

$3.5bn
Loan value facilitated by MTN in 2025, up 80%
MTN GROUP

252
Digital lenders now licensed in Kenya as regulation catches up with growth
CENTRAL BANK OF KENYA

THREE DEFINING CHANGES

1. Lending is no longer applied for. It is triggered.
2. Risk is no longer assessed periodically. It is continuously recalibrated.
3. Value is no longer driven by capital alone. It is driven by context.

THE CORE PRINCIPLE **Credit is moving from a standalone product to an embedded capability.** What begins as liquidity evolves into embedded financial infrastructure.

EXECUTIVE SUMMARY

01 The centre of gravity in unsecured lending is moving to whoever controls context

2.3bn
Registered mobile money accounts in 2025 (GSMA)

A STRUCTURAL SHIFT

According to the GSMA State of the Industry Report on Mobile Money 2026, registered accounts reached **2.3 billion** in 2025, and **more than $2 trillion** flowed through mobile money wallets during the year. Credit is now the most widely offered financial service beyond payments.

This gives operators an unparalleled foundation of behavioural and transactional data on which to build credit models.

THE IMMEDIATE IMPLICATION

Without control of decisioning, operators do not control margin, risk or the customer.

Industry research reinforces this direction

- **Embedded finance is growing faster than direct lending.** McKinsey research shows financial products are increasingly delivered by non-financial platforms at the point of need, as customers come to expect financial services when and where they need them.
- **Alternative data is widening access.** IFC research (2026) shows that alternative data, including mobile money transactions, is expanding credit access for borrowers outside traditional credit systems.

MARKET EVIDENCE: KENYA AND MTN MARKETS

Safaricom Fuliza overdraft disbursements, Ksh



Disbursements rose 49%. Repayments rose in line.

17.7m
Distinct Fuliza users, up from 7.9 million, now 43% of active M-PESA customers

$3.5bn
Loan value facilitated by MTN in 2025, up 80%, led by Uganda and Ghana

THE POINT

Safaricom sets Fuliza limits through automated scoring with partner banks KCB and NCBA. MTN facilitates lending through a partner marketplace and its MoMo advance programme. In both, the operator owns the customer and partners contribute scoring and capital.

Sources: Safaricom results booklet, year ended March 2026; MTN Group results, year ended December 2025 (growth in constant currency).

HOW TRIGGERED CREDIT WORKS

Customer is short of funds at the point of payment → Credit is offered in the moment → Limit is set by automated, real-time scoring → Repayment is recovered from the next inflow

THE SHIFT IN LENDING MODELS

02 Context replaces collateral. Frequency replaces loan size.

Ksh218

Average Fuliza loan in the year to March 2026, across Ksh1.47tn lent (Safaricom)

A FUNDAMENTALLY DIFFERENT ADVANTAGE

Traditional lending models are built on formal financial data, collateral and episodic interaction. These models are not optimised for thin-file customers or high-frequency, low-value transactions. Mobile operators operate with a fundamentally different advantage:

- **Persistent customer relationships** through SIM ownership.
- **High-frequency behavioural data** from usage, top-ups and mobile money.
- **Control of last-mile distribution** across USSD, apps and network-triggered events.

The new model of credit

- **Triggered at the point of need,** such as a low balance or a failed transaction.
- **Underwritten using behavioural and transactional data** rather than static histories.
- **Delivered through automated, real-time decisioning** at scale.

COMPARING THE MODELS

Dimension	Traditional	Telco-enabled
Data source	Formal financial history	**Behavioural and transactional**
Decisioning	At application, reviewed periodically	**Real-time, automated**
Trigger	Customer application	**Context-driven event**
Customer fit	Banked, documented	**Thin-file, underserved**
Loan profile	Larger, less frequent	**Smaller, high-frequency**

THE PARADIGM SHIFT

The unit of lending is no longer the loan. It is the moment of need, decided in real time.

THE EVOLUTION OF TELCO-ENABLED CREDIT: EACH STAGE INCREASES ECONOMIC VALUE AND DATA DEPTH

1 Airtime advances

Short-term liquidity to maintain network connectivity.

WHY IT MATTERS

The entry point for operator credit.

2 Mobile money loans

Immediate cash access for everyday financial needs.

WHY IT MATTERS

Deepens data and customer engagement.

3 Device financing

Access to smartphones and digital ecosystems.

WHY IT MATTERS

Strengthens the operator's position in the customer's financial life.

4 Embedded financial infrastructure

Credit embedded across all customer journeys.

WHY IT MATTERS

The operator becomes the financial operating layer.

THE DESTINATION

Each stage deepens data, strengthens the customer relationship and raises the value of controlling the credit decision.

VALUE CHAIN AND TECHNOLOGY PARTNERS

03 Control does not require building everything in-house

69.5m

MTN MoMo monthly active users in 2025: the distribution operators bring to the value chain (MTN Group)

A REDEFINED VALUE CHAIN

The lending value chain is fragmenting into distinct roles, creating a new control point: **the credit decisioning layer**. Control of this layer determines who captures long-term value.



Whoever governs the decisioning layer decides who captures margin, carries risk and owns the customer.

THE CRITICAL DISTINCTION

Control does not require building everything in-house. It requires ownership of outcomes, governance and visibility.

The role of technology partners

Real-time, embedded lending at scale requires integrated data pipelines, machine learning credit models, real-time orchestration and continuous risk monitoring. Few operators can build this alone at speed. **Partnership is not optional. Misaligned partnership is the risk.**

Three operating models are emerging: operator-led, shared and partner-led. The next page sets out where control sits under each.

THE STRATEGIC RISK

The risk is not partnering. The risk is partnering without retaining control.

WHERE CONTROL SITS

03 The operating model decides who holds the customer, data and value

$3bn

Loans delivered across 16 markets, per Airvantage company data

Commercial terms vary from deal to deal. The structure does not. Each model allocates the customer, the data, the decision and the risk differently, and long-term value follows that allocation.

	Operator-led	Shared	Partner-led
Customer relationship	**Owned by the operator**	Owned by the operator	Held by the partner in practice
Data	**Owned by the operator. Partners use it on the operator's terms**	Jointly governed	Controlled by the partner
Credit decisioning	**Governed by the operator. Can be run by a partner**	Jointly governed	Set by the partner
Capital and credit risk	**Operator, bank or technology partner**	Shared by agreement	Partner
Visibility	**Full, through live reporting**	Agreed reporting	Limited
Long-term value	**Accrues to the operator**	Shared	**Accrues to the partner**
Outcome	**Maximum control. Strongest long-term value capture**	Balanced speed and control. Requires strong governance	**Rapid deployment, but high long-term risk of disintermediation**

PROOF POINT: AIRVANTAGE

Airvantage illustrates the operator-led model. According to Airvantage company data, it has delivered **$3 billion in loans across 16 markets**, through hundreds of millions of transactions, with **bad debt below 1%**. The operator owns the customer and retains full visibility through live reporting tailored to its needs. Airvantage provides the technology, credit decisioning, capital and risk, and turns lending activity into customer insight the operator can use across its business.

WHY IT MATTERS

An operator can hand over technology, capital and risk without handing over the customer. That is the difference between an aligned partner and an extractive one.

STRATEGIC IMPLICATIONS AND RISKS

04 Lending is becoming a core commercial engine. Responsible lending is what lets it scale.

Ksh6bn

Fuliza revenue in the year to March 2026, up 46% (Safaricom)

Revenue growth

High-frequency lending drives incremental ARPU through continuous engagement.

Retention

Embedded credit reduces churn by maintaining service continuity at moments of need.

Customer insight

Lending activity becomes a direct source of customer understanding and financial value, not a byproduct.

Strategic position

Control of decisioning defines long-term competitiveness in the ecosystem.

WHY THIS MATTERS **Responsible lending is not a constraint. It is a requirement for scale. Operators that embed governance early will outperform those that retrofit it.**

Risk	Level	How it arises	How to manage it
Over-indebtedness	HIGH	Frictionless, high-frequency credit can lead to unsustainable borrowing. In Kenya, Fuliza users more than doubled in a year to 43% of active M-PESA customers, while the average loan fell to Ksh218 from Ksh241. Analysts link the pattern to household cash-flow pressure.	Affordability-based limits, continuous portfolio monitoring and tracking of repeat-borrowing patterns, not repayment alone.
Pricing transparency	HIGH	Short-term digital credit products can obscure true cost. Lack of clarity undermines trust and increases regulatory scrutiny.	All-in cost disclosed in plain language before the customer accepts.
Data privacy and consent	MED	Behavioural underwriting depends on responsible use of sensitive data. Weak governance creates legal and reputational exposure.	Explicit, recorded consent, with clear data governance between operator and partner.
Regulatory evolution	MED	Digital lending frameworks are evolving unevenly across markets. Models must be adaptable and compliant by design.	Compliance designed into the product and the partnership from launch.

REGULATION IN PRACTICE

Kenya: the Digital Credit Providers Regulations 2022 brought digital lenders under central bank licensing, targeting high cost, unethical debt collection and misuse of personal data. 252 providers were licensed by July 2026. **Uganda:** interest charged by money lenders was capped at 2.8% a month in November 2024.

THE OPERATOR CHOICE

Those that invest in decisioning capability and structure aligned partnerships will control the ecosystem. Those that do not will operate within it on someone else's terms.

CONCLUSION AND OPERATOR READINESS

05 The decisive factor is who controls the credit decision

Capital alone → Capital plus context	Products → Experiences	Institutions → Ecosystems

Capital remains essential, but capital alone is no longer decisive. Operators that retain control of the credit decision, while working with aligned partners to deliver and scale, will define the next phase of growth. Those that do not will participate in the market, but not lead it.

#	Question to ask	What a strong position looks like
	DATA AND DECISIONING	
1	**Do you own your customer and lending data?**	The operator owns the customer and the data. Partners use it on the operator's terms.
2	**Is credit scored in real time at the point of need?**	Automated decisioning triggered by context, such as a low balance or a failed transaction.
3	**Do you have live visibility of portfolio performance?**	Live reporting tailored to the operator, covering performance, risk and customer behaviour.
	DISTRIBUTION AND REACH	
4	**Is credit available across USSD, app and network-triggered events?**	Credit reaches customers on the channels they already use.
5	**Is the experience delivered under your brand?**	The customer sees the operator, not the partner.
	RESPONSIBLE LENDING	
6	**Is the all-in cost disclosed before acceptance?**	Full cost shown in plain language before the customer accepts.
7	**Is consent explicit and recorded?**	Consent captured and stored for every use of customer data.
8	**Is compliance designed in from launch?**	Product and partnership built to current and emerging regulation from day one.

HOW TO USE THESE QUESTIONS Each "no" marks a point where control sits with someone else. Raise it with your partner before it becomes a constraint on growth.

THE STRATEGIC IMPERATIVE

Who controls the credit decision in your ecosystem?

And how are your partnerships structured to ensure that control is retained?

The question is immediate and unavoidable. The answer determines who captures margin, who carries risk and who owns the customer relationship as lending becomes embedded in every mobile money journey.

PART OF AN ONGOING SERIES

This briefing is part of a Collabor8™ series on mobile operators and financial services. We welcome the views of leaders responsible for fintech, lending and partnerships, and will share future editions ahead of publication.

TO DISCUSS THIS BRIEFING

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METHODOLOGY

06 Sources

This briefing draws on published industry research, regulatory sources, company results and Airvantage company data. Figures are attributed to their original publisher and date.

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