C8 Collabor8™

MOBILE MONEY & CREDIT STRATEGY

The Control Layer

Why Alignment, Not Ownership, Defines the Future of Embedded Lending

AUDIENCE
Mobile Operators

DATE
May 2026

AUTHOR
Lee Purcell

INDUSTRY PERSPECTIVE

01 The Structural Shift in Emerging Markets

The Centre of Gravity is Moving

Unsecured lending in emerging markets is undergoing a structural shift. The centre of gravity is moving away from institutions that hold capital towards those that control customer context, distribution, and real-time decisioning. Mobile operators, through their ownership of customer relationships and behavioural data, are positioned at the centre of this shift.

This is not a marginal trend. Mobile money has scaled to over 2.3 billion registered accounts globally, with transaction volumes exceeding $2.1 trillion — doubling from the first trillion in just four years — creating an unprecedented foundation for embedded financial services.[GSMA]

Credit is Triggered, Not Applied For

Credit is no longer a standalone product. It is becoming an embedded capability within the customer journey, triggered at moments of need such as low balance events or failed transactions, and continuously recalibrated based on behavioural signals.

At scale, this model is already operational. Across multiple emerging market deployments, platforms are processing hundreds of millions of transactions per month, issuing hundreds of millions of advances annually, and enabling repeat borrowing behaviour that can exceed nine advances per user per month in mature environments, while maintaining bad debt below one percent.

THE ILLUSION OF CONTROL

The prevailing conclusion is that operators who control the credit decision will control the ecosystem. This is directionally correct. It is also incomplete. Control, in isolation, does not determine outcomes. In many current deployments, it creates the illusion of control.

The Fundamental Asymmetry

The structural reality is that most operators do not deploy capital or carry credit risk. These responsibilities sit with specialised partners who fund loans, manage exposure, and operate decisioning models. This creates a fundamental asymmetry.

Operators control distribution, customer engagement, and the triggers that drive credit usage. Partners control capital allocation, pricing, and risk thresholds. The customer experience is shaped upstream, while financial accountability sits downstream.

GROWTH CAN MASK DEPENDENCY

In practice, multiple operating models can deliver early success. Operator-led, shared, and partner-led structures can all achieve initial scale depending on market conditions and execution. However, over time, the underlying structure begins to assert itself. Growth can mask dependency.

02 The Defining Dynamic: Structural Alignment

The Divide in the Industry

When control and economics are separated, value does not accumulate where activity occurs. It accumulates where decisioning, capital, and incentives are aligned.

Industry research reinforces this dynamic. Platforms that control customer journeys capture disproportionate economic value, particularly where financial services are embedded at the point of interaction.[McKinsey & Company]

The industry is not dividing between operators who lend and those who do not. It is dividing between models that are structurally aligned and those that are not.

The Anatomy of Misaligned Models

In misaligned models, the signals are consistent. Decisioning logic is often opaque. Incentives tend to be tied to volume rather than long-term portfolio performance. One party absorbs disproportionate risk without corresponding participation in value creation. The operator drives growth, but has limited influence over how credit evolves.

These models scale quickly. They also degrade predictably. As portfolios mature, partners adjust their exposure. Credit tightens, pricing shifts, or investment in optimisation slows. The operator, despite controlling the customer interface, cannot fully influence these changes. Growth continues, but control weakens. Dependency increases.

Symbiotic Lending Architecture

In contrast, a different model is emerging. Symbiotic lending architecture is defined by alignment across capital, data, and decisioning. It is not a partnership in the conventional sense. It is an integrated system where both operator and partner are structurally invested in the same outcomes.

1. **Shared Visibility**
   Decisioning is not a black box. It is governed with shared visibility. Data flows continuously between operator and partner, enabling real-time optimisation.

2. **Balanced Incentives**
   Incentives are balanced across growth, risk, and customer lifetime value.

3. **Long-term Capital Deployment**
   Capital is deployed with a long-term view of portfolio performance, not short-term volume targets.

PRODUCT DESIGN AS TANGIBLE ALIGNMENT

Product design becomes the point at which this alignment is made tangible. It determines how often credit is triggered, how limits evolve, how repayment is structured, and how customer behaviour is shaped over time.

03 The Strategic Role of the Operator

Outcomes of Alignment

In misaligned models, products tend to optimise for frequency and short-term uptake. In aligned models, product design evolves continuously with the customer, reinforcing sustainable usage, predictable repayment, and increasing lifetime value.

The result is fundamentally different. Growth is sustained rather than episodic. Credit expands without compromising portfolio quality. Customer behaviour improves over time. Both parties reinvest in the system because both participate in the value it creates.

Evidence from scaled deployments supports this. High-frequency, automated lending, when combined with aligned incentives and transparent decisioning, can achieve strong penetration, repeat usage, and low bad debt simultaneously. These outcomes are not simply the product of better models. They are the product of better alignment.

Reframing the Operator's Role

This reframes the strategic role of the operator. The objective is not to become a lender in the traditional sense. Nor is it to outsource lending entirely. It is to ensure that the decisioning layer, the mechanism through which credit is originated, delivered, and optimised, is structurally aligned with the operator’s long-term interests.

Achieving Alignment Through Design

This is not achieved through capability alone. It is achieved through design. Operators must define:

GOVERNANCE
Who governs decisioning logic and how it evolves over time.

DATA
How data is shared, accessed, and utilised between partners.

INCENTIVES
How incentives are structured across growth and risk metrics.

TRANSPARENCY
How transparency is maintained as the lending system scales.

THE FALSE SIGNAL OF SCALE

Without this design, scale creates a false signal. Lending volumes increase, engagement deepens, and performance appears strong, but the underlying economics and control shift elsewhere.

04 Operator Diagnostic & Partner Selection

The Strategic Diagnostic

Once embedded, these systems become deeply integrated into the customer journey, the network, and the operator's commercial model. They are not easily replaced or restructured without disruption. The cost of misalignment compounds over time.

This makes partner selection one of the most consequential strategic decisions an operator will make in this space. Operators should be able to answer a small number of critical questions:

A **Decisioning Visibility**
Do you have visibility into how credit decisions are made and adjusted over time?

B **Incentive Alignment**
Are incentives aligned across growth, portfolio performance, and customer outcomes?

C **Capital Predictability**
Can your partner scale capital predictably without constraining access as portfolios mature?

D **Product Evolution**
Is product design evolving based on real customer behaviour, or fixed at launch?

E **Strategic Influence**
Do you retain influence over how decisioning logic develops as the system scales?

Conclusion: Partner Selection as Strategic Design

If these questions cannot be answered clearly, alignment is likely incomplete.

The distinction is subtle, but decisive. Operators that prioritise speed of deployment and short-term commercial terms will scale quickly, but within structures that gradually erode control.

Operators that treat partner selection as a strategic design decision will build systems where control is real, value is retained, and growth is sustainable.

DEFINING A CREDIBLE PARTNER

A credible long-term partner is not defined by speed of deployment or access to capital alone. It is defined by structural alignment, transparency, and the ability to sustain performance at scale.

Embedded lending is becoming the control layer of the telecom ecosystem. But control is not defined by customer ownership or distribution reach alone. Control is defined by alignment.

The strategic question is no longer who controls the credit decision. It is whether that control is structurally real, or whether it is an illusion created by growth without alignment.

Few partnerships meet this bar in practice. Those that do will define the next phase of growth in embedded lending. Those that do not will continue to scale, but within models where control is partial, value is diluted, and dependency increases over time.

A References & Source Notes

Primary Sources

01 GSMA — State of the Industry Report on Mobile Money 2026
Cited for: Global mobile money scale — 2.3 billion registered accounts and transaction volumes exceeding $2.1 trillion in 2025, representing a doubling of transaction value in just four years. The GSMA State of the Industry Report is the definitive annual benchmark for mobile money metrics globally, independently verified and widely cited by the World Bank, IMF, and major consulting firms as the authoritative source on mobile financial services penetration in emerging markets. Based on data collected from the Global Adoption Survey 2025 and the GSMA Consumer Survey 2025.

GSMA Mobile for Development. gsma.com/sotir — 2026.

02 McKinsey & Company — Embedded Finance: Who Will Lead the Next Payments Revolution?
Cited for: The finding that platforms controlling customer journeys capture disproportionate economic value, particularly where financial services are embedded at the point of interaction. This report established the foundational framework for understanding value distribution in embedded finance ecosystems and the strategic role of the distributor versus the capital provider.

McKinsey & Company, Financial Services Practice — October 2022.

03 McKinsey & Company — Remember the Future: The Next Frontier for African Telcos
Contextual reference: This 2025 McKinsey report directly addresses the strategic choices facing African mobile operators, identifying embedded financial services as a defining growth vector and noting that operators face a structural fork — those who build aligned digital financial service models will capture the next growth phase, while those who do not will cede long-term value.

McKinsey & Company, Technology, Media & Telecommunications Practice — May 2025.

04 Airvantage — Operational Deployment Data, Emerging Markets
Cited for: Performance metrics across live deployments — including transaction volumes processed monthly, advance issuance rates, repeat borrowing frequency (up to nine advances per user per month in mature environments), and bad debt maintained below one percent. Data is drawn from aggregated operational performance across Airvantage platform deployments in emerging markets.

Airvantage proprietary operational data — aggregated across emerging market deployments, 2024–2025.

Contextual Background Note

AFI / AFPI — DIGITAL TRANSFORMATION OF MICROFINANCE IN AFRICA (2018)

The structural risks of mobile network operator and digital finance provider partnerships — specifically around data governance, credit risk management, and misaligned incentives — were formally identified as early as 2018 by the Alliance for Financial Inclusion (AFI) and the African Financial Inclusion Policy Initiative (AfPI). This report, prepared under the supervision of the AfPI Expert Group, noted that inclusive digital finance requires clear disaggregation of responsibilities across the financial services value chain and robust frameworks for data sharing and consumer protection.

The persistence of these structural challenges from 2018 to the present day underscores that misalignment is not a new problem — it is a compounding one. The cost of inaction has grown proportionally with the scale of the ecosystem.

Alliance for Financial Inclusion / African Financial Inclusion Policy Initiative — AFI Special Report, August 2018. Prepared by PHB Development.

A NOTE ON SOURCES

This article draws on a combination of independent industry research, published consulting analysis, and proprietary operational data. Where operational data is cited, it reflects aggregated performance across live Airvantage deployments and does not identify individual operator partners. All external sources are publicly