C8 Collabor8™

EDITION 2 · REVISED AND EXPANDED

THOUGHT LEADERSHIP | TELECOM FINANCIAL ECOSYSTEMS

When Marketplace Strategy Fails

Why mobile operators need a trust architecture, not a product catalogue, as financial services scale. With a diagnostic, a partner scorecard and a transition roadmap.

PREPARED BY
Collabor8™

PREPARED FOR
Mobile operators and MFS leaders

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Thought leadership

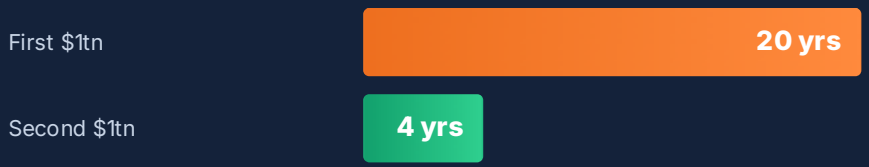
EXECUTIVE SUMMARY · THE FUNDAMENTAL SHIFT

Marketplace logic built operator ecosystems. Applied unchanged to financial services, it builds risk the operator cannot see and blame it cannot avoid.

Credit, overdrafts, savings and insurance are ongoing relationships that run through repayment, collections, claims and complaints, and every one of those moments carries the operator's brand. Regulators in Kenya, Nigeria and India have moved to pull digital lending partners, and the platforms that distribute them, inside a formal accountability perimeter.

MOBILE MONEY VALUE IS COMPOUNDING

Years taken to add each $1tn of annual mobile money transaction value



SOURCE: GSMA, STATE OF THE INDUSTRY REPORT ON MOBILE MONEY 2026

THE 60-SECOND READ

$2tn+
Transacted through mobile money in 2025, up 23% on 2024
GSMA SOTIR 2026

2.3bn
Registered mobile money accounts in 2025, up 268 million
GSMA SOTIR 2026

KES 1.47tn
Disbursed through Fuliza, M-PESA's overdraft, in FY26
SAFARICOM FY26

252
Digital credit providers licensed in Kenya by July 2026
CENTRAL BANK OF KENYA

14%
Kenyan digital borrowers repaying more than one lender at once
CGAP, 2017 SURVEY

₦100m
Corporate fine for abusive digital lending, or 1% of turnover if higher
FCCPC, NIGERIA

THREE DEFINING CHANGES

1. **Financial services are relationships, not products**
   They persist through repayment, collections and claims, long after launch.
2. **Accountability is moving to the distributor**
   Rules in Kenya, Nigeria and India now reach the platforms that put loans in front of customers.
3. **Advantage shifts from breadth to governance**
   Coherent partners, shared data and consistent conduct compound over time.

CORE THESIS In financial services, ecosystem quality beats catalogue breadth. Governance is the competitive advantage, not the compliance cost.

01

FROM CONNECTIVITY TO FINANCIAL INFRASTRUCTURE

The strategic shift

17.7m Distinct Fuliza users in FY26, more than double the 7.9m a year earlier

SAFARICOM FY26 RESULTS

Financial services are not another marketplace category

Over the past decade, operators expanded from connectivity into devices, content, commerce and payments. The operating model was the marketplace: onboard partners quickly, broaden the catalogue, and let competition between vendors do the quality control.

Mobile money has now become the core of that ecosystem, and credit is where it is growing fastest. Fuliza alone shows the scale: an overdraft embedded in everyday M-PESA payments, funded by partner banks, experienced by 17.7 million people as part of their mobile wallet.[2]

That is the shift. Once lending, savings and protection sit inside the operator's wallet, they stop being products on a shelf. They become part of how households and merchants manage cashflow, absorb shocks and keep trading.

OLD MARKETPLACE MODEL › FINANCIAL ECOSYSTEM ARCHITECTURE

Breadth

More categories, faster launch cycles, broader vendor choice, lower dependency on any single provider.

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Coherence

Aligned partners, consistent risk standards, shared customer intelligence, stronger governance and long-term trust.

In transactional categories, fragmentation increases choice. In financial services, it weakens trust, accountability and resilience.

Why the marketplace model worked, and where it stops working

Category	What the customer buys	What changes in financial services
Devices and promotions	A discrete purchase	Little ongoing relationship after sale
Content and lifestyle	Access, cancellable at will	A poor vendor is simply replaced
Credit and liquidity	A continuing obligation	Pricing, limits, repayment and collections persist for months
Insurance and protection	A promise tested at a moment of stress	Trust is judged at claim, not at sale
Savings and wealth	Custody of the customer's money	Any failure is read as the operator's failure

BOARD-LEVEL IMPLICATION

The question is no longer how many financial products the operator can launch. It is whether the ecosystem behind them is coherent enough to carry the operator's brand through repayment, collections and claims.

The issue is not adding financial products. It is changing the operating model of the marketplace.

02

FAILURE PATTERNS

Where marketplace strategy fails: four patterns

1 in 2

Around half of Kenyan digital borrowers had repaid a digital loan late

CGAP, 2017 SURVEY

None of these failures shows up at launch. Each builds quietly in the operating data, then surfaces as a regulatory action, a complaints spike or a credit loss. The patterns are composites drawn from market practice; the evidence beneath each shows why they matter now.

PATTERN 1

The fragmented credit stack

Several lenders are onboarded to the same subscriber base, each with its own scoring, limits and pricing. No one sees total customer exposure. Borrowers take one loan to repay another, and the operator has no view of the stacking until repayment rates turn.

Evidence: CGAP's national survey in Kenya found 14% of digital borrowers repaying loans from more than one provider at once, and 20% had cut food spending to repay.[3]

PATTERN 2

Borrowed licence, owned blame

The partner holds the lending licence, so the risk is treated as the partner's. But the customer reached the loan through the operator's wallet, under the operator's brand, and complains to the operator. Accountability and exposure sit in different places.

Evidence: Nigeria's DEON Regulations 2025 explicitly bring telco airtime credit into scope. India's 2025 Directions hold the regulated lender fully liable for its lending service providers.[6,7]

PATTERN 3

Collections contagion

One partner's recovery tactics, such as messaging a borrower's contacts or aggressive calling, damage trust in every product on the platform. The operator carries the reputational cost of conduct it never designed or approved.

Evidence: The Central Bank of Kenya cited unethical debt collection and abuse of personal information as reasons for licensing digital lenders. Nigeria now prohibits defamatory messages to borrowers' contacts.[5,6]

PATTERN 4

Data that never compounds

Each partner builds its own view of the customer and keeps it. Repayment behaviour from one product never informs limits on another. The operator holds the richest behavioural data in the market and extracts almost none of its credit value.

Evidence: CGAP found around 1 in 5 Kenyan digital borrowers did not fully understand the costs of their loans, and poor transparency correlated with higher late repayment and default.[3]

WHY THIS MATTERS

These costs arrive after the partnership decision has been made and counted as a success. Catalogue size is a misleading measure of progress in financial services.

03 OPERATING MODELS

Three marketplace models, and when each is right

14.1% Fall in revenue from M-Shwari, a standalone loan product, in FY26, while wallet-embedded Fuliza grew

BUSINESS TODAY, MAY 2026

Operators tend to sit in one of three models. None is wrong in every context. The error is staying in the catalogue model after financial services have become material to revenue and brand.

1 THE CATALOGUE MARKETPLACE

The operator aggregates many financial partners with light integration. Onboarding is commercial; governance sits with each partner.

Strengths: fast launch, broad choice, low upfront investment, low dependency on any one provider.

Weaknesses: inconsistent credit policy, duplicated exposure, fragmented data, conflicting collections practices.

Right when: financial services are early stage, small in revenue terms, and the operator is testing demand.

LOW COHERENCE, HIGH BREADTH

›

2 THE STRATEGIC MARKETPLACE

Fewer partners, selected for depth rather than breadth, operating to common conduct, data and servicing standards set by the operator.

Strengths: consistent customer experience, portfolio risk visibility, shared behavioural data, retained flexibility.

Trade-off: slower expansion, stronger governance capability required, tougher partner negotiations.

Right when: credit and protection are material to revenue or brand, and regulators are formalising the market.

RECOMMENDED: BALANCED CONTROL

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3 THE INTEGRATED FINANCIAL ECOSYSTEM

Partners function inside one coordinated architecture: unified decisioning, shared risk frameworks, single servicing and complaints journey.

Strengths: compounding credit intelligence, strongest trust position, highest lifetime value per customer.

Trade-off: integration complexity, concentration risk, higher capital and governance load.

Right when: the operator has scale, regulatory standing and appetite to own more of the value chain.

HIGH COHERENCE, HIGH GOVERNANCE LOAD

SIGNALS AN OPERATOR HAS OUTGROWN THE CATALOGUE

Revenue: financial services are a board-reported line, not a pilot.

Overlap: two or more lenders serve the same customers.

Complaints: care centres handle partner disputes they cannot resolve.

Regulation: the market has licensed, or is licensing, digital lenders.

FRAMEWORK TAKEAWAY

Vertical integration is not the goal in itself. Ecosystem coherence is. For most operators with a growing credit book, the strategic marketplace is the right destination, with integration pursued selectively where scale justifies it.

04 DIAGNOSTIC

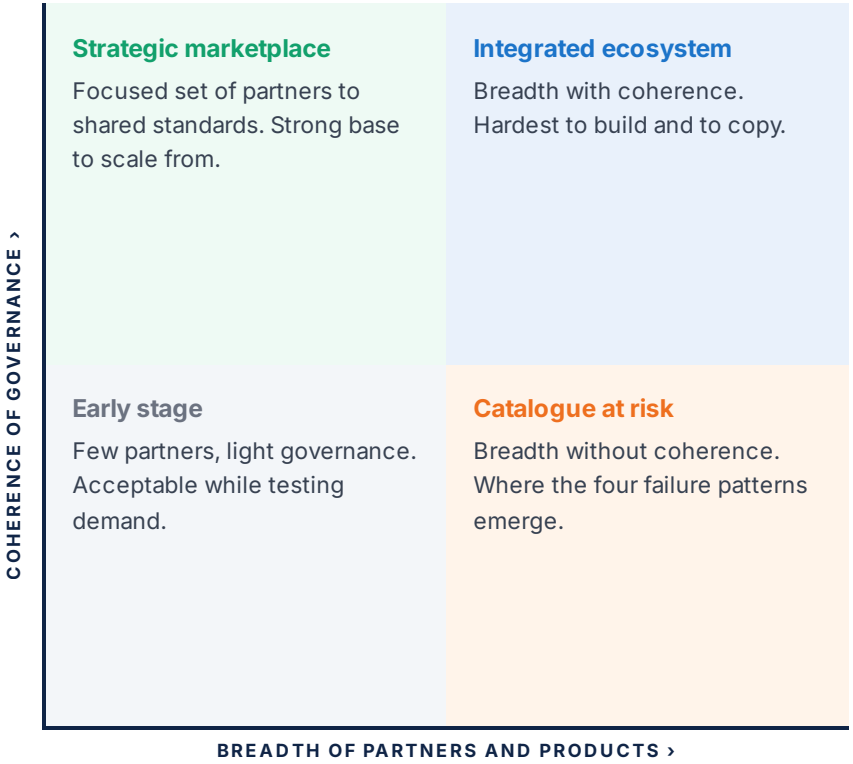
Where are you now? A self-assessment

19% Kenyan digital borrowers who did not fully understand the costs of their loans

CGAP, 2017 SURVEY

Breadth against coherence

Plot the financial ecosystem on two axes: how many financial partners and products it carries, and how coherently they are governed.



Ten diagnostic questions

Score each: 0 = no, 1 = partly, 2 = yes.

#	Can the operator...
1	see total credit exposure per customer across all lending partners?
2	enforce one collections conduct standard across every partner?
3	show a single, comparable cost disclosure for every credit product?
4	track complaints about partner products in its own systems?
5	use repayment behaviour from one product to inform another?
6	audit partners against its own conduct and data standards?
7	exit a partner without losing customer data or continuity?
8	demonstrate regulatory readiness for every product it distributes?
9	point to a board-level owner for financial ecosystem risk?
10	measure partners on customer outcomes, not only volume?

0 TO 7

Catalogue. Start with the partner audit in Phase 1.

8 TO 14

Transitional. Prioritise conduct standards and data sharing.

15 TO 20

Strategic. Target selective integration.

05 PARTNER SELECTION

The partner selection scorecard

20% Kenyan digital borrowers who had cut food purchases to repay a loan

CGAP, 2017 SURVEY

Marketplace selection rewards onboarding speed, commercial terms and launch momentum. Those still matter, but they are not sufficient. The scorecard below weights what determines long-term ecosystem quality. Score each criterion 1 to 5 and multiply by the weight.

Criterion	What good looks like	Weight	Red flags
Conduct and collections	Documented recovery policy aligned to the strictest market rule; no contact-list access; complaints resolved within regulatory timelines	25%	Recovery outsourced without oversight; past regulatory action
Risk and credit discipline	Affordability checks before lending; willingness to share exposure data and adopt operator limits	20%	Growth targets without loss targets; refuses exposure sharing
Regulatory standing	Licensed in every market served; readiness for tightening rules; clean supervisory record	15%	Licence pending or single-market only
Data and intelligence	Contributes behavioural and repayment data to a shared layer under clear data protection terms	15%	Data treated as proprietary moat; weak privacy controls
Scalability and resilience	Funding depth to grow with the ecosystem; tested continuity and exit arrangements	15%	Single funding line; no exit plan
Strategic alignment	Fits the operator's five-year financial services vision, not only the current launch plan	10%	Opportunistic product with no roadmap

4.0 AND ABOVE

Strategic partner. Candidate for deeper integration and shared data.

3.0 TO 3.9

Conditional. Onboard with a remediation plan and review at six months.

BELOW 3.0

Decline, or exit on renewal. The catalogue gains less than the ecosystem loses.

SELECTION PRINCIPLE

In financial services, operators are not selecting vendors. They are selecting co-owners of customer trust.

06 ECONOMICS

Who holds the risk?

KES 6bn Fuliza revenue to Safaricom in FY26, up 46%, on a book funded by partner banks
SAFARICOM FY26 RESULTS

Most operator financial services partnerships are built on revenue share. The partner funds the book and holds the licence; the operator provides distribution, data and brand. On paper, the operator carries no credit risk. In practice, it carries several risks that never appear in the revenue share model.

Risk	Formal owner	Who feels it	Catalogue gap
Credit loss	Lending partner	Partner, then operator via tighter limits and churn	No portfolio view across lenders
Pricing and disclosure	Lending partner	Customer and regulator	Inconsistent cost presentation in one wallet
Collections conduct	Partner or agent	Operator brand	No common standard or audit right
Customer data	Shared, often unclear	Operator as data controller	Data leaves; intelligence does not return
Complaints	Partner	Operator care centre	Operator absorbs cost without data
Regulatory exposure	Licence holder	Increasingly both	Rules now reach distributors

Costs that never appear in the revenue share

Care and disputes

Operator agents handling partner complaints without the data or authority to resolve them.

Customer attrition

Wallet users lost after collections disputes or credit bureau listings they blame on the operator.

Remediation

Contract rework, product withdrawal and regulatory engagement when rules tighten.

The licence and trust gap

Fuliza is the clearest illustration of where value concentrates. It is funded by partner banks, NCBA, KCB and Sidian Bank, but customers experience it as part of M-PESA, and Safaricom earns the revenue shown above.[2]

The lesson is not that every operator should replicate that structure. It is that the operator's position in the customer relationship is the asset, and it must be governed as one.

COMMERCIAL QUESTION FOR BOARDS

Does the revenue share reflect the brand, data and conduct risk the operator actually carries? In most catalogue arrangements, it does not.

Contract terms worth re-opening

- Operator audit rights over conduct and collections
- Exposure and repayment data returned to the operator
- Complaints cost recovery and service levels
- Exit, portability and continuity provisions

07

REGULATION

Regulation is closing the accountability gap

60%+ Mobile money providers saying interoperability, KYC and consumer protection rules supported their operations

GSMA SOTIR 2026

Across major digital credit markets, regulators are converging on the same principle: whoever puts a loan in front of a customer shares responsibility for how it is priced, disclosed and collected. Three markets show the direction of travel.

KENYA

Digital Credit Providers Regulations, 2022

- Non-deposit-taking digital lenders must be licensed by the Central Bank
- 252 licensed by July 2026, from over 800 applications
- Licensing driven by public concern over high costs, unethical debt collection and misuse of personal data
- Licensed providers had granted over 8.3 million loans worth KES 150.6bn by May 2026

NIGERIA

FCCPC DEON Regulations, 2025

- In force from 21 July 2025; registration deadline 5 January 2026, enforcement under way since
- Scope includes telco airtime credit and partner service providers
- Bans harassment and messages to borrowers' contacts; affordability checks required
- Corporate fines up to ₦100m or 1% of turnover, whichever is higher; director disqualification up to five years

INDIA

RBI Digital Lending Directions, 2025

- In force from 8 May 2025, replacing earlier circulars
- Regulated lender fully responsible for its lending service providers
- Enhanced due diligence and periodic review of every partner
- Multi-lender platforms must present offers neutrally, with ranking only on disclosed, unbiased metrics (from 1 November 2025)

READINESS CHECK FOR OPERATORS DISTRIBUTING CREDIT

Every lending partner licensed in each market where its product appears in the wallet

Contract terms that give the operator audit rights over conduct and collections

Standard cost disclosure presented before acceptance, for every credit product

A complaints route that is tracked end to end, with regulatory timelines monitored

IMPLICATION FOR OPERATORS

Regulation is doing, by rule, what a strategic marketplace does by design: reducing the number of partners, raising conduct standards and making the distributor accountable. Operators that move first set the standard. Those that wait have it set for them.

THE UPSIDE

Providers themselves report that well-designed regulation has supported their operations.[1] Clear rules reward well-governed ecosystems and penalise fragmented ones.

08

TRANSITION ROADMAP

From catalogue to strategic marketplace in 18 months

6 months Runway the RBI gave lenders to restructure multi-lender arrangements, May to November 2025

RBI DIGITAL LENDING DIRECTIONS 2025

The transition does not require stopping growth. It requires sequencing: understand the estate, reset the standards, then integrate where the economics justify it. Timings are indicative and depend on the size of the partner estate.

PHASE 1 · MONTHS 0 TO 3

Audit

- Map every financial partner, product, licence and contract
- Build the risk allocation map (section 06)
- Run the diagnostic and scorecard across the estate
- Pull complaints and collections data into one view
- Name a board-level owner for ecosystem risk

MEASURES

Partner estate fully mapped; baseline scores; complaints per 1,000 loans by partner

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PHASE 2 · MONTHS 3 TO 9

Rationalise

- Tier partners: strategic, conditional, exit
- Issue a common conduct and collections standard
- Standardise cost disclosure across every credit product
- Re-open contracts for audit, data and exit rights
- Stand up a shared exposure view across lenders

MEASURES

Share of book with strategic partners; multi-lender exposure visible; conduct breaches trending down

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PHASE 3 · MONTHS 9 TO 18

Integrate

- Shared behavioural data layer feeding partner decisioning
- Single servicing and complaints journey in the wallet
- Joint governance forum with strategic partners
- Portfolio-level risk and customer outcome dashboard
- Deeper integration where scale justifies it

MEASURES

Repayment and approval rates improving together; complaint resolution time; revenue per active financial customer

Common pitfalls

Rationalising before auditing

Cutting partners on commercial terms alone removes the wrong ones and keeps the risk.

Standards without audit rights

A conduct code that cannot be inspected or enforced changes nothing in collections practice.

Integrating too early

Deep integration with a partner that has not proved its conduct concentrates risk rather than reducing it.

SUCCESS TEST The ecosystem is working when approval and repayment rates rise together, and that needs shared data and consistent conduct.

09 CONCLUSION

Governance becomes the competitive advantage

5 years Maximum director disqualification for non-compliant digital lenders in Nigeria

FCCPC DEON REGULATIONS 2025

The advantage shifts from breadth to governance

As financial ecosystems mature, the strongest operators will not be those with the largest catalogue. They will be those with the clearest architecture, the most disciplined partners, the most coherent governance and the most trusted customer experience.

That advantage is hard to copy. A competitor can match a product launch in months. It cannot quickly replicate years of shared repayment data, consistent conduct and a customer base that trusts the wallet with its money.

Marketplace question	Financial ecosystem question
How quickly can we launch?	Can the model scale responsibly?
How many partners can we onboard?	Which partners improve ecosystem intelligence?
How broad is the catalogue?	How coherent is the governance architecture?
How much revenue does each product add?	Does the product strengthen trust and resilience?

Conclusion

Marketplace strategy helped operators scale digital ecosystems rapidly. Financial services change those requirements. Credit, liquidity, insurance and savings are persistent trust relationships inside the daily economic lives of consumers, merchants and agents.

Regulators in Kenya, Nigeria and India have already concluded that distribution carries responsibility. Operators should reach the same conclusion on their own terms, and turn it into an advantage.

Three commitments for the board

1. Own financial ecosystem risk at board level, with one accountable executive
2. Measure partners on customer outcomes and conduct, alongside volume and revenue
3. Treat governance capability as an investment in advantage, not a compliance overhead

For mobile operators, the next strategic choice is clear: keep adding products to a catalogue, or build a trusted financial ecosystem that compounds intelligence, resilience and confidence over time.

CLOSING VIEW **The future of operator-led financial services will be decided by ecosystem coherence, not catalogue size.**

THE STRATEGIC QUESTION

Is your financial ecosystem a catalogue of products, or a trust architecture that compounds intelligence over time?

This paper is part of the Collabor8™ thought leadership series on telecom financial ecosystems. We welcome operator, lender and regulator perspectives for the next edition.

HOW COLLABOR8™ CAN HELP

Ecosystem diagnostic

The diagnostic, scorecard and risk allocation map in this paper, applied to your partner estate.

Partner architecture workshop

A leadership session to set the target model, partner tiers and governance standards.

Transition support

Contract renegotiation, conduct standards and partner onboarding through the roadmap.

START THE CONVERSATION

Lee Purcell

Founder and Managing Director, Collabor8™

lee.purcell@collabor8.solutions

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ABOUT COLLABOR8™

Collabor8 Management Consultancy works with mobile operators, fintechs and financial institutions to design, structure and govern financial services partnerships across emerging markets. Its work spans partner selection and deal structuring, mobile financial services strategy and market entry, drawing on senior experience across insurance, employee benefits, financial services and telecom-led fintech.

ABOUT THIS EDITION

Edition 2 revises and expands the original paper. It adds market and regulatory evidence from Kenya, Nigeria and India, four failure patterns, a self-assessment diagnostic, a weighted partner scorecard, a risk allocation map and an 18-month transition roadmap.

Failure patterns in section 02 are composites drawn from market practice and do not describe any single operator or partner. CGAP survey data is from 2017 fieldwork and is used to illustrate structural risks; current rates vary by market and product. Safaricom figures are taken from press reporting of the company's FY26 results. This paper is for general information and does not constitute legal, regulatory or financial advice.

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