# Klarna reverses AI-only customer service strategy to reintroduce gig economy human agents



Klarna, the Swedish payments company renowned for its buy-now-pay-later services, is significantly recalibrating its approach to customer service after reportedly replacing hundreds of employees with artificial intelligence. This shift, seen as a move to enhance efficiency, has now led the company to reconsider the role of human agents in its operations.

Initially, Klarna's CEO Sebastian Siemiatkowski was keen on integrating AI into nearly every facet of the company. He had touted the firm's AI capabilities as superior, claiming they effectively matched the work conducted by 700 support agents. This bold strategy generated considerable savings—around $10 million—and was introduced as part of an effort to streamline operations after the company's valuation plummeted from approximately $45.6 billion to $6.7 billion over the past year. However, more recent evaluations reveal a critical reconsideration of this data-driven strategy.

The tide seems to have turned as Siemiatkowski openly acknowledged the shortcomings of a fully automated customer service model. Speaking to Bloomberg, he remarked, “From a brand perspective, a company perspective, I just think it's so critical that you are clear to your customer that there will be always a human if you want,” recognising the undeniable importance of empathy and understanding in customer interactions.

Klarna now plans to reintegrate customer service agents, but with a twist: these workers will operate in a gig-style framework, akin to how Uber drivers manage their schedules. The intention is to recruit remote workers, particularly focusing on students and rural populations, suggesting that many existing users of the service might relish the opportunity to engage with the company further, as Siemiatkowski stated.

This pivot reflects broader industry trends where companies are grappling with the limitations of AI, especially in service roles that require nuanced human judgement. On this front, the CEO admitted that cost considerations led Klarna to overlook quality. As a result, reintegrating human staff appears to be a strategic move to balance technological efficiency with the essential quality of service that consumers expect.

The implications of these changes are noteworthy. Investor Chamath Palihapitiya described Klarna's decision as a potential bellwether for the tech sector, warning that many startups might be forced to limit AI to specific applications, abandoning the all-encompassing automation approach. He noted that relying solely on AI is “fraught with edge cases,” hinting at the challenges of replacing human intuition with probabilistic algorithms.

Interestingly, Klarna's re-evaluation of its business model comes amid a landscape where many companies, including instigators of major economic upheavals such as Teleperformance, are facing similar scrutiny regarding the role of AI. As AI continues to demonstrate significant efficiency gains—Klarna’s AI has reportedly decreased average query resolution time from 11 minutes to just two and has drastically cut down on repeat inquiries—it becomes increasingly evident that a purely AI-driven model may not suffice in nurturing consumer loyalty and trust.

Klarna now aims for a hybrid operational model that finds common ground between technological advancements and essential human interaction. As Clare Nordstrom, a spokesperson for Klarna, articulated, “AI gives us speed. Talent gives us empathy. Together, we can deliver service that’s fast when it should be, and empathetic and personal when it needs to be.”

While Klarna’s commitment to a mixed workforce signals a willingness to adapt to the realities of customer service needs, the company anticipates a gradual reduction in overall workforce numbers. Though returning to a prior employee count of around 3,000 may not be feasible, Klarna’s focus on integrating human agents within a flexible working framework suggests a nuanced understanding of the evolving demands of both the market and consumers.

The ongoing shifts in Klarna’s strategy emphasise a broader truth in the tech landscape: while AI can significantly bolster efficiency, the human touch remains irreplaceable, particularly in environments demanding personal connection and understanding.

### Reference Map

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5. Paragraph 6
6. Paragraph 3
7. Paragraph 4

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## Bibliography

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2. <https://www.reuters.com/technology/artificial-intelligence/swedens-klarna-says-ai-chatbots-help-shrink-headcount-2024-08-27/> - In August 2024, Reuters reported that Swedish payments group Klarna reduced its workforce by leveraging AI technology to manage customer queries, decreasing the number of employees from 5,000 to 3,800 over the past year. The AI assistant now performs the work equivalent to 700 employees, decreasing average issue resolution time from 11 minutes to two. This implementation has increased the company's productivity, with revenue per employee rising 73% in the last 12 months. Klarna reported a first-half adjusted profit of 673 million Swedish crowns ($66 million), a substantial turnaround from the previous year's loss. The company's revenue for the first half grew by 27%, reaching 13.3 billion crowns, propelled by a 38% revenue increase in the U.S. Klarna, expected to seek a stock market listing next year, has not hired beyond engineers since September and might reduce its headcount further. An IPO, likely in the U.S., is under consideration, although no definitive decision has been made.
3. <https://www.huffingtonpost.es/virales/giro-radical-empresa-alardeaba-de-despedir-empleados-inteligencia-artificial-podia-trabajobr.html> - In May 2025, HuffPost España reported that Swedish fintech company Klarna, known for its 'buy now, pay later' service, made a significant shift in its strategy after heavily investing in artificial intelligence (AI). After claiming that 'AI does the work of 800 people' and replacing part of its staff with technology, the company decided to initiate a pilot project reintroducing human agents into customer service. CEO Sebastian Siemiatkowski, who previously collaborated with OpenAI to implement chatbots, now recognizes the importance of offering customers the option to speak with a real person. This change reflects a new awareness of AI's limitations, especially in tasks requiring empathy and human judgment. Klarna aims to balance technological efficiency with quality customer experience by adopting a hybrid approach that combines AI and personalized attention to maintain user trust and loyalty.
4. <https://www.cadenaser.com/nacional/hype/2025/05/14/la-empresa-despide-a-empleados-encarga-a-la-ia-las-tareas-de-700-trabajadores-y-acaba-volviendo-a-contratar-personal-cadena-ser/> - In May 2025, Cadena SER reported that Klarna Group, a Swedish payment services provider, surprised in 2023 by replacing 700 customer service employees with artificial intelligence (AI) as part of an ambitious automation strategy. However, CEO Sebastian Siemiatkowski recently admitted that the results did not meet expectations, particularly in terms of economic savings and service quality. Facing AI's insufficiency in handling complex tasks, Klarna began rehiring human staff, primarily under a new remote and flexible work scheme without fixed contracts, focusing on attracting students and people in remote areas. This initiative could eventually replace current outsourced services. Although the company continues to trust AI's transformative potential, it plans to gradually reduce its workforce, aiming for a 20% annual reduction, adjusting to the pace of technological evolution. Klarna now seeks a balance between technology and the added value of human capital.
5. <https://www.reuters.com/technology/teleperformance-shares-plunge-on-ai-disruption-concerns-2024-02-28/> - In February 2024, Reuters reported that Teleperformance shares plummeted to a 7-year low, falling as much as 29.3% to 94.28 euros before settling down 19% at 107.9 euros due to concerns about AI disrupting its business. This decline was linked to a statement by Klarna, a Swedish fintech company, highlighting significant benefits from its AI customer service assistant, powered by OpenAI. Klarna's AI assistant has managed two-thirds of customer service chats since its launch, improving accuracy and reducing repeat inquiries, projecting a $40 million profit boost in 2024. Teleperformance attempted to reassure investors, noting that AI is already integrated into their solutions and ongoing R&D, and is set to announce financial results on March 6. The company's 2023 focus on generative AI anticipated 20%-30% automation within three years, but client response was limited.
6. <https://www.americanbanker.com/payments/news/klarnas-ai-does-the-work-of-700-people-whats-that-really-mean> - In February 2024, American Banker reported that Klarna's AI assistant performed 2.3 million conversations, or 66% of Klarna's customer service engagements, in the month since its deployment. It is on par with human agents in terms of customer satisfaction scoring and has led to a 25% drop in repeat queries, making the chatbot more accurate in query resolution. The AI assistant is also faster, with consumers resolving their queries in an average of less than two minutes, compared to 11 minutes for human agents. Klarna also reports improvements in communication with immigrant and expat consumers due to language translation features in the AI chatbot. In a research note, Moody's Investors Service said Klarna's AI deployment allows the firm to serve a larger and more diverse customer base.
7. <https://www.cbsnews.com/news/klarna-ceo-ai-chatbot-replacing-workers-sebastian-siemiatkowski/> - In February 2024, CBS News reported that Klarna, a fintech company powering e-commerce transactions for brands like Expedia, Macy's, and Nike, is at the forefront of AI adoption. It has integrated artificial intelligence across the company, notably with an AI chatbot that it recently said does the equivalent work of 700 customer service agents. Klarna, which employs roughly 4,000 people, recently released statistics showing how efficient and effective the tool has been, wading into sensitive debates about the role of generative AI in business, how humans interact with it, and its implications for the future of work. CEO Sebastian Siemiatkowski explains why he is transparent about AI's capabilities and what concerns him most about the new technology.