



# ISSUE BRIEF

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## AI-Induced Job Displacement in the Nigerian Banking Sector: A Case for a National Re-Skilling Fund

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### Executive Summary

Artificial Intelligence (AI) is rapidly transforming Nigeria's banking sector. Over the last few years, major Nigerian banks have increasingly deployed AI-powered chatbots, digital assistants, and automated service platforms to improve efficiency and reduce operational costs. Evidence shows that at least 13 Nigerian Deposit Money Banks (DMBs) have already integrated AI chatbots into customer service systems to handle routine inquiries, transfers, and financial transactions.

While these technologies improve service delivery and enable 24-hour digital banking, they also pose significant risks to employment, particularly for entry-level customer service representatives, call-center agents, and data entry staff whose roles are increasingly automated. The banking sector has historically been one of the largest employers of skilled white-collar workers in Nigeria. However, as banks adopt digital-first models and automated support systems, thousands of low- and mid-level positions face gradual displacement.

Without a coordinated policy response, AI-driven automation could worsen unemployment and widen the digital skills gap in the financial sector. The National Assembly may consider the following recommendations:

- ✓ Establish a national AI workforce transition fund with a legal backing.
- ✓ Legislate that Commercial banks benefiting from automation could contribute a small percentage of annual profits toward workforce transition programs.
- ✓ Organise a policy dialogue to facilitate collaborations with and among fintech companies, universities, technical training institutes and international development organizations to ensure re-skilling initiative is achieved.
- ✓ Initiate legislative debate on the need to develop a national strategy addressing AI's impact on employment across sectors.
- ✓ The Senate Committee on Banking, Insurance and Other Financial Institutions, the House Committee on Banking Regulation and the Senate Committee on ICT and Cybersecurity, through its oversight function may wish to oversee AI policy implementation.

### 1. Introduction

The global financial sector is undergoing a profound transformation driven by artificial intelligence, automation, and financial technology innovation. AI is now widely used in banking operations including fraud detection, credit scoring, customer service automation, risk management, and



predictive analytics<sup>1</sup>. These technologies significantly reduce operational costs while improving speed and efficiency of service delivery.

Nigeria's banking industry, one of the most technologically advanced sectors in the country—has embraced digital transformation as part of the shift toward a cashless economy and mobile financial services. Banks increasingly rely on AI-powered systems such as chatbots, virtual banking assistants, automated transaction platforms, and algorithmic fraud detection tools<sup>2</sup>.

Several Nigerian banks have introduced AI-based digital assistants including: Leo (United Bank for Africa)<sup>3</sup>; Ziva (Zenith Bank)<sup>4</sup>; Tamada (Access Bank)<sup>5</sup>; Ivy (Fidelity Bank)<sup>6</sup>; Temi (First City Monument Bank)<sup>7</sup>. These chatbots can respond to customer inquiries, check account balances, process transfers, and provide financial advice through messaging platforms such as WhatsApp, Facebook Messenger, and mobile banking applications. While AI improves service efficiency, it simultaneously raises concerns about the future of employment in Nigeria's banking industry, particularly for entry-level

staff traditionally employed in customer support and branch operations.

This issue brief argues that Nigeria must proactively manage the transition by establishing a National AI Re-Skilling Fund aimed at retraining affected banking workers and preparing the workforce for emerging roles in digital finance, AI oversight, cybersecurity, and data analytics. Consequently, this brief examines the likely challenges of AI-driven automation, which could worsen unemployment and widen the digital skills gap in the financial sector, and offers key areas for Legislative intervention.

## 2. Content Analysis: AI adoption in Nigeria's banking sector

Digital transformation has accelerated in Nigeria's financial system due to competition from fintech companies, rising smartphone penetration, and the Central Bank of Nigeria's push toward a cashless economy<sup>8</sup>. Recent studies indicate that 13 Deposit Money Banks<sup>9</sup> in Nigeria have already adopted AI chatbots to support customer service operations.

These AI systems perform several functions which includes: responding to frequently asked customer questions; performing

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<sup>1</sup> Glassbox. (2026). Artificial Intelligence in Banking: How AI is Transforming Operations, Customer Experience and Security. Glassbox. <https://www.glassbox.com/blog/ai-in-banking/>

<sup>2</sup> Hgs. (2024). Revolutionizing Fraud Detection: The Impact of AI in Banking. Hgs. <https://hgs.com/blog/revolutionizing-fraud-detection-the-impact-of-ai-in-banking/#:~>

<sup>3</sup> Okangba, J. (2025). UBA unveils AI-powered cross-border payment platform. Punch NG. <https://punchng.com/uba-unveils-ai-powered-cross-border-payment-platform/>

<sup>4</sup> Arise News NG. (26 August 2021). Zenith Bank Launches Artificial Intelligence Chatbot ZIVA. *Arise*. <https://www.arise.tv/zenith-bank-launches-artificial-intelligence-chatbot-ziva/>

<sup>5</sup> BusinessDay NG. (2024). Unlocking the potential of artificial intelligence in Nigeria's banking sector. *BusinessDay* NG.

<https://businessday.ng/technology/article/unlocking-the-potential-of-artificial-intelligence-in-nigerias-banking-sector/>

<sup>6</sup> Fidelity Bank PLC. (2019). Meet Fidelity Bank's new virtual assistant. *Fidelity Bank*. [https://www.fidelitybank.ng/wp-content/uploads/2019/06/Fidelity-TrueServer\\_5th-Edition\\_26\\_June\\_2019-web.pdf](https://www.fidelitybank.ng/wp-content/uploads/2019/06/Fidelity-TrueServer_5th-Edition_26_June_2019-web.pdf)

<sup>7</sup> First City Monument Bank. (2023). FCMB TEMI. FCMB. <https://asktemi.fcmb.com/>

<sup>8</sup> Central Bank of Nigeria. (2022). Digital technology and the transformation of the Nigerian banking system: the operators' perspective. CBN. <https://dc.cbn.gov.ng/cgi/viewcontent.cgi?article=2090&context=efr>

<sup>9</sup> BusinessDay NG. (2024). Unlocking the potential of artificial intelligence in Nigeria's banking sector. *BusinessDay* NG. <https://businessday.ng/technology/article/unlocking-the-potential-of-artificial-intelligence-in-nigerias-banking-sector/>



balance inquiries; processing fund transfers; handling card-related complaints; providing transaction history; and delivering automated financial assistance. For instance, UBA's AI chatbot Leo reportedly serves millions of users across multiple digital platforms and performs a wide range of financial transactions without human intervention<sup>10</sup>.

AI adoption provides several advantages to banks. It reduces operational costs and provides 24-hour customer service availability. It also aids in faster response time for routine inquiries and reduced need for physical branch infrastructure. However, these advantages are achieved partly by reducing reliance on human labour in repetitive service roles.

### 3. AI-induced job displacement risks

Although there is currently limited publicly available data quantifying job losses directly linked to AI adoption in Nigerian banks, emerging trends suggest that automation is gradually reducing the demand for entry-level service roles. AI-powered systems now perform many tasks traditionally handled by human staff, including: Customer service call center operations; basic account inquiries; complaint logging; transaction confirmations; routine administrative tasks. Industry analysts note that call-center agents and customer service representatives are among the first roles being replaced by AI-powered chatbots<sup>11</sup> and voice assistants because these systems can instantly respond to routine queries without human intervention. Similarly, automated digital banking platforms reduce the need for bank

tellers; branch customer service officers; data entry clerks; and administrative assistants.

Globally, the World Economic Forum estimates that automation could displace millions of service-sector jobs while creating new digital roles requiring advanced technical skills<sup>12</sup>. For developing countries like Nigeria, where unemployment is already high the transition may be particularly disruptive.

### 4. Socioeconomic Implications

If unmanaged, AI-driven automation in the banking sector could produce several negative consequences, which includes the following:

- i. Rising white-collar unemployment: Banking jobs have historically been considered stable middle-class employment. Automation may shrink these opportunities.
- ii. Skills mismatch: Workers displaced from routine service roles may lack the technical skills required in emerging digital financial services.
- iii. Income inequality: Automation tends to benefit highly skilled workers while displacing low- and mid-skill employees.
- iv. Financial sector inequality: AI adoption may concentrate opportunities among technologically advanced financial institutions while leaving traditional workforce structures obsolete.
- v. The case for a national re-skilling fund: To address these risks, Nigeria requires a proactive policy framework to support workforce

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<sup>10</sup> Ashike, H., M. (2021). UBA's artificial intelligence chatbot hits 3m user mark. *Business News NG*. <https://businessday.ng/news/article/ubas-artificial-intelligence-chatbot-hits-3m-user-mark/>

<sup>11</sup> Oke, O., M. (2026). AI for customer support in Nigeria: Chatbots vs human agents. *AIBase NG*. <https://aibase.ng/ai-press-release/ai-for-customer-support/>

<sup>12</sup> World Economic Forum. (2025). Future of Jobs Report 2025: The jobs of the future – and the skills you need to get them. *WEF*. <https://www.weforum.org/stories/2025/01/future-of-jobs-report-2025-jobs-of-the-future-and-the-skills-you-need-to-get-them/>



transition in the digital economy. One critical intervention is to legalise the establishment of a National AI Re-Skilling Fund. The fund would serve as a structured mechanism to retrain workers displaced by automation in the banking and financial services sectors.

- v. The Senate Committee on Banking, Insurance and Other Financial Institutions, the House Committee on Banking Regulation and the Senate Committee on ICT and Cybersecurity, through its oversight function may wish to oversee AI policy implementation.

## 5. Key Areas for Legislative Intervention

Mitigating the negative impact AI-driven automation, and averting unemployment and the digital skills gap in the financial sector, the National Assembly may consider the following reforms:

- i. Establish a national AI workforce transition fund with a legal backing.
- ii. Legislate that Commercial banks benefiting from automation could contribute a small percentage of annual profits toward workforce transition programs.
- iii. Organise a policy dialogue to facilitate collaborations with and among fintech companies, universities, technical training institutes and international development organizations to ensure re-skilling initiative is achieved.
- iv. Initiate legislative debate on the need to develop a national strategy addressing AI's impact on employment across sectors.

## 6. Conclusion

Artificial intelligence is reshaping Nigeria's banking industry at an unprecedented pace. While AI-powered chatbots and automation systems enhance efficiency and customer service delivery, they also threaten thousands of entry-level banking jobs that have historically served as pathways into the financial sector. Without proactive intervention, AI-driven automation could deepen unemployment, widen the digital skills gap, and intensify socioeconomic inequality.

Having a legal framework for the National AI Re-Skilling Fund represents a strategic response that would enable Nigeria to manage the transition toward an AI-driven financial system while protecting workers and strengthening the country's digital economy. By investing in workforce reskilling today, Nigeria can ensure that technological progress becomes a driver of inclusive economic transformation rather than a source of structural unemployment.

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