Klarna. The AI business case wasn't wrong. It was incomplete.

What two and a half years of Klarna's own filings and statements say about the numbers an AI business case has to carry, and the ones it usually leaves out.

−40%

Cost per customer service transaction, Q1 2023 to Q1 2025. Klarna reported.

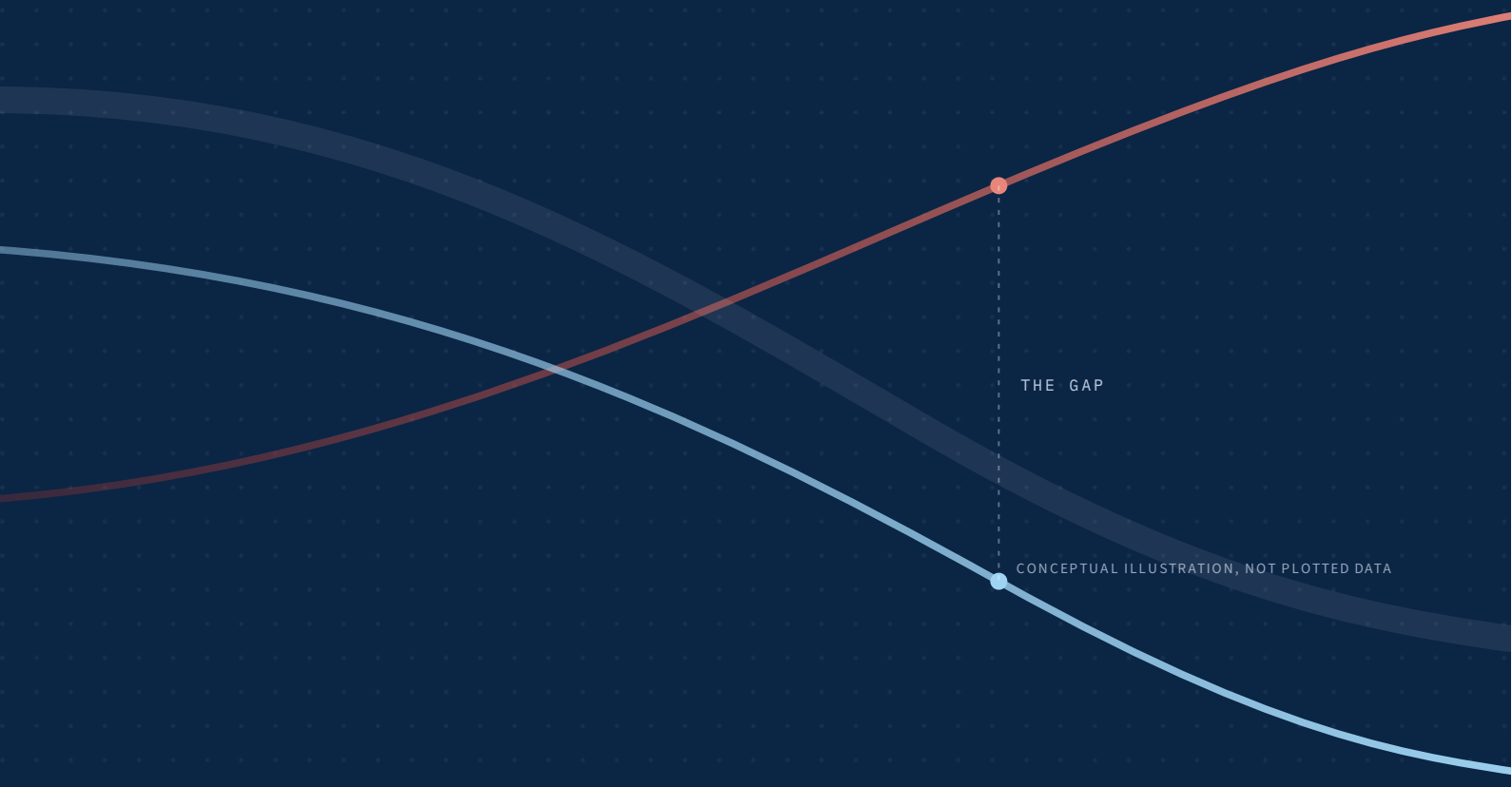
+14%

Customer service and operations cost, Q2 2026 against Q2 2025. Klarna filed.

Both

true at the same time. The gap between them is the subject of this note.

01 FIRST IN A SERIES ON THE ECONOMICS OF AI IN PRODUCTION



An outside-in analysis built from public filings, investor materials and reported statements. No access to Klarna and no inside information. Current to Klarna's Q2 2026 results of 18 August 2026.

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SUMMARY

Klarna's AI business case wasn't wrong. It was incomplete, and the public record shows what it didn't have to explain.

I've sat in enough AI steering meetings to know which number wins the budget. It's the one that goes down. Klarna is the clearest public example I know of what happens next, and almost everyone tells it wrong. This note is the version you can repeat in a board meeting, built from what Klarna filed and said, with the gaps marked.

FOUR FACTS, ALL KLARNA'S

01 **The annualised savings estimate rose, and the realised figure matched the projection.** About $40m projected at launch in February 2024. About $39m delivered in 2024, per Klarna's SEC correspondence, a realised figure rather than a projection. $58m annualised in the Q3 2025 investor presentation, $60m on the call. Satisfaction on par with human agents throughout.

02 **Cost per service transaction fell 40% in two years,** from $0.32 in Q1 2023 to $0.19 in Q1 2025. The unit got cheaper.

03 **The service bill rose year on year in every filed quarter this note compares.** Customer service and operations cost $53m in Q3 2025 against $44m, $54m in Q1 2026 against $51m, and $58m in Q2 2026 against $51m. By mid-2026 it was growing slower than revenue, 14% against 27%, but it was growing.

04 **Klarna added a premium human tier, and told its regulator why.** In May 2025 the CEO said cost had become too dominant a factor. Coverage read it as a retreat from AI. In July 2025 Klarna told the SEC the remarks concerned a pilot of highly skilled freelance consultants to raise the quality of human service, did not relate to AI quality, and were misreported. It calls the model dual-track.

WHAT I TAKE FROM IT

Klarna's internal business case isn't public, so this note judges the case as Klarna presented it. That public case priced the average contact, and the average got cheaper, exactly as promised. What it didn't have to show was the quality Klarna would stand behind for the customers who aren't average, the human path to deliver it, and the fact that a bill can shrink per unit and grow in total at the same time, with growth alone enough to produce that combination. None of that invalidates the saving. It changes what a complete AI business case has to carry. The unit has to be the cost of resolving the customer's problem to the quality the business will stand behind, and cost per contact doesn't measure that.

WHAT YOU CAN DO WITH THIS NOTE

Page 8 is a one-page template for the complete case. Open your own AI business case beside it. Find the number it counts. Then find the number it doesn't, and decide who in your organisation is going to carry it when it arrives.

WHAT THIS NOTE IS, AND ISN'T

An outside-in analysis of public filings, investor materials and reported statements, current to Klarna's Q2 2026 results of 18 August 2026. No access to Klarna, no inside information, and no estimates of figures Klarna hasn't disclosed. Page 10 lists every source and every gap.

Written October 2026. Klarna, the Klarna logo and all company figures are Klarna's. The analysis and template are the author's.

Klarna's annualised savings estimate rose. So did the service bill.

Eight dated points from Klarna's own statements, February 2024 to August 2026. Nothing on this page is interpretation.

27 Feb 2024

AI assistant launches, built with OpenAI

2.3 million conversations in the first month, two-thirds of all chats. Resolution under two minutes against eleven. Repeat inquiries down 25%. Work equivalent to 700 full-time agents. Projected profit improvement of about $40 million in 2024.

Klarna press release, 27 February 2024. Core figures restated in Klarna's SEC correspondence of 16 July 2025; the $40 million projection appears in the release only.

30 May 2024

First results quarter after launch

Operating expenses down 11% year on year. Nine in ten employees using AI in daily work. The assistant credited with lower operating costs.

Klarna Q1 2024 results release, 30 May 2024.

May 2025

Cost per service transaction down 40% in two years

From $0.32 to $0.19 per transaction, Q1 2023 to Q1 2025. Satisfaction reported steady after the rollout. The assistant handling two-thirds of inquiries.

Klarna Q1 2025 results; Klarna spokesperson to CX Dive, May 2025.

8 to 9 May 2025

The CEO's remarks, and the coverage

To Bloomberg, Sebastian Siemiatkowski says cost had become too predominant a factor and quality suffered, and describes recruiting skilled remote agents on flexible terms. Forbes and others report it as a retreat from AI in customer service.

Bloomberg interview, 8 May 2025; Forbes, 9 May 2025.

16 Jul 2025

Klarna sets the record straight with its regulator

In correspondence on its IPO filing, Klarna tells the SEC the assistant handled 66% of chats in the year to March 2025, equivalent to over 700 agents, and delivered about $39 million in savings in 2024, with satisfaction on par with humans. It states the CEO's remarks concerned a pilot of skilled freelance consultants to raise the quality of human service, did not relate to AI quality, and were misreported. It describes a dual-track model of scalable AI plus high-quality human support.

Klarna Group plc, response to SEC staff comments, 16 July 2025, Form CORRESP.

10 Sep 2025

Klarna lists on the New York Stock Exchange

From this point every quarter's customer service and operations cost is a filed number.

Klarna Group plc, NYSE: KLAR.

18 Nov 2025

853 agents, $58 million a year, and a bigger bill

On the Q3 call the CEO says the assistant now does about 853 full-time jobs, up from 700, with a saving of $60 million, and that it still handles two-thirds of inquiries. The investor presentation puts the annualised estimated saving at $58 million. The same quarter's filing shows customer service and operations cost of $53 million, up from $44 million a year earlier, with active consumers up 32% to 114 million.

Klarna Q3 2025 results, Form 6-K and investor presentation, 18 November 2025; Q3 2025 earnings call transcript.

18 Aug 2026

The bill still rising, now slower than the business

Customer service and operations cost $58 million in Q2 2026, up from $51 million, a 14% rise against revenue growth of 27%. Active consumers 120 million, up 8%. The results release carries no new figure for the assistant's share of chats.

Klarna Q2 2026 results, Form 6-K, 18 August 2026.

Every figure Klarna has put on the record, where it said it, and what it says now.

The 2024 claims have held or improved on Klarna's own telling. The gaps are in what was never disclosed.

METRIC	KLARNA'S FIRST STATEMENT	LATEST KLARNA FIGURE	WHERE	STATUS
Share of chats handled by AI	Two-thirds, first month after launch	66% for the twelve months to March 2025 (SEC). Two-thirds, repeated on the Q3 2025 call. No figure since.	Press release Feb 2024; SEC letter Jul 2025; Q3 2025 call transcript	HELD
Agent-equivalent workload	700 full-time agents	Over 700 (SEC, Jul 2025). About 853 (Q3 2025 call and investor presentation).	Press release Feb 2024; SEC letter; Q3 2025 call transcript and presentation	ROSE
Annual cost saving	About $40m projected profit improvement for 2024	About $39m delivered in 2024 (SEC). $58m annualised estimate (Q3 2025 investor presentation); $60m stated by the CEO on the call.	Press release Feb 2024; SEC letter; Q3 2025 presentation and call	ROSE
Resolution time	Under 2 minutes, from 11	2 minutes for AI chats against 12 for human agents in 2024	Press release Feb 2024; SEC letter Jul 2025	HELD
Repeat inquiries	Down 25%	Down 25%, December 2023 to January 2024 (SEC). Repeated by a Klarna spokesperson in May 2025.	Press release Feb 2024; SEC letter; CX Dive May 2025	HELD
Customer satisfaction	On par with human agents	On par, with higher accuracy in resolution, per chat logs and surveys. No segment-level figure published.	Press release Feb 2024; SEC letter Jul 2025	HELD
Cost per service transaction	Not stated at launch	$0.32 to $0.19, Q1 2023 to Q1 2025, down 40%	Q1 2025 results, via CX Dive	REPORTED
Customer service and operations cost, quarterly	Not part of the public 2024 claims	$44m Q3 2024, $53m Q3 2025. $51m Q2 2025, $58m Q2 2026. $51m Q1 2025, $54m Q1 2026 (from six-month figures).	Form 6-K, Nov 2025 and Aug 2026	FILED
The human tier	Not part of the public 2024 claims	Pilot of highly skilled freelance customer experience consultants to raise human service quality. Described by Klarna as unrelated to AI quality.	Bloomberg May 2025; SEC letter Jul 2025	ON RECORD
Cost of the human tier	Not stated	Not disclosed in any filing or statement	None	GAP
Share of chats, 2026	Not stated	Not disclosed since the Q3 2025 call	None	GAP
Satisfaction on complex cases	Not stated	Only aggregate satisfaction has been published	None	GAP

How to read this table. Rows one to six track Klarna's original launch claims, and every one has held or improved in Klarna's later statements. Row seven adds a later reported unit-cost measure. Rows eight and nine are costs that were not part of the public 2024 claims. Rows ten to twelve are what nobody outside Klarna can know, and this note does not estimate them.

Sources: Klarna press release 27 Feb 2024; Klarna Form CORRESP 16 Jul 2025; Klarna Forms 6-K 18 Nov 2025 and 18 Aug 2026; Klarna Q1 2025 results; CX Dive, May and Nov 2025.

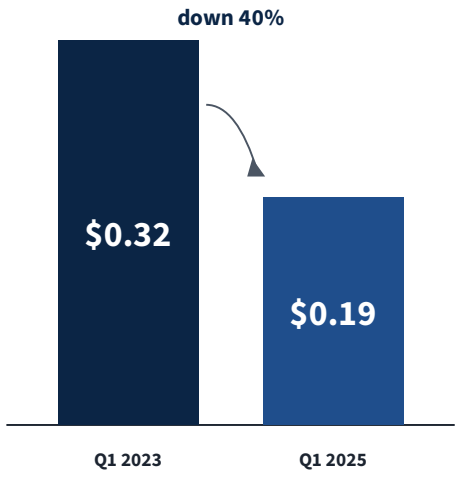
The unit got cheaper and the bill went up. Both numbers are Klarna's, and they measure different things.

Cost per customer service transaction, as Klarna defines it, against the broader customer service and operations expense line, over different windows. They are not two measures of one cost base. Each answers a different question, which is the point.

UNIT ECONOMICS

Cost per customer service transaction

US dollars, Klarna reported

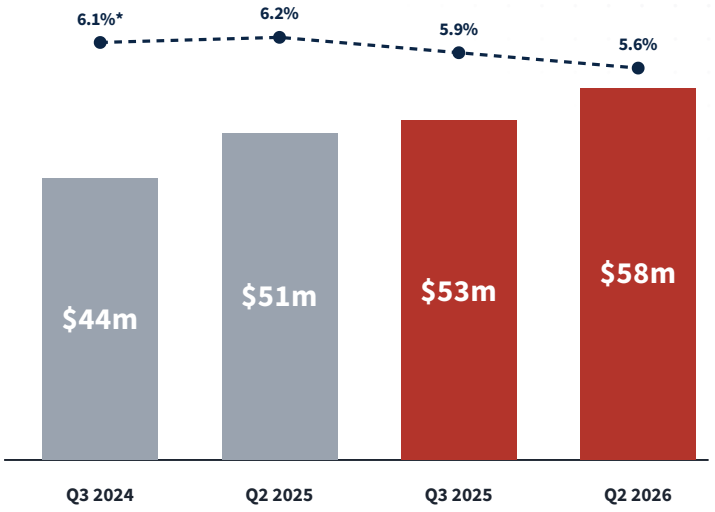


Reported in Klarna's Q1 2025 results and quoted by CX Dive, May 2025. Klarna attributes the fall to the AI assistant handling two-thirds of inquiries while satisfaction held.

TOTAL ECONOMICS

Customer service and operations cost, by quarter

US dollars, millions, Klarna Forms 6-K. Line shows the same cost as a share of quarterly revenue.



Q3 2025 against Q3 2024, up 20%. Q2 2026 against Q2 2025, up 14%, while revenue rose 27%. Q1 2026, not charted, was $54m against $51m, derived from Klarna's six-month figures. The dashed line is cost as a share of revenue, falling from 6.2% to 5.6% over the latest year. *Q3 2024 revenue derived from Klarna's reported 26% growth to $903m in Q3 2025. The filings do not break out the cost of the human tier.

Both are true at once. The cost of handling one contact fell by two-fifths. The amount Klarna spends serving customers rose year on year in every filed quarter compared here. A business case that reports only the first will look like a success in month one and a mystery by month nine.

Why the total keeps rising. Growth alone can produce this combination, with active consumers up 32% in the year to Q3 2025, and the human tier may add to it. Klarna has not separated the two, so this note doesn't either. By mid-2026 the total is growing slower than revenue, which is what a working unit economics eventually produces.

Sources: Klarna Q1 2025 results via CX Dive, May 2025; Klarna Forms 6-K, 18 November 2025 and 18 August 2026; Klarna Q2 2025 earnings release for Q2 2025 revenue of $823m. Bars drawn to scale within each panel.

The CEO said quality had suffered. Two months later Klarna told its regulator what he meant.

Three accounts of the same remarks, in the order they appeared. Most retellings of Klarna use the first two and stop.

WHAT THE CEO SAID

8 May 2025 · Bloomberg

Cost had been weighted too heavily, and quality suffered

In an interview with Bloomberg, Sebastian Siemiatkowski said that because cost had been too dominant a factor in how customer service was organised, the result was lower quality. He described a recruitment drive for remote agents on flexible terms, including students and people in rural areas, and said the company wanted customers to know a human would always be available.

> *"a too predominant evaluation factor"*
>
> Sebastian Siemiatkowski, on how customer service had been organised, Bloomberg, 8 May 2025

Twelve days later, on the Big Technology podcast, he said investing in the quality of human support was the future for Klarna, that simple tasks would go to AI and complex ones to skilled people, and that the distinction in satisfaction lay in the type of task.

WHAT THE COVERAGE SAID

9 May 2025 onward · Forbes and others

Klarna reverses on AI and rehires the humans

Forbes reported the remarks under the framing that Klarna's AI had produced lower quality than human representatives and that the company was now hiring people back. The story travelled as a reversal. Analysts quoted in later coverage described Klarna as having over-pivoted to cost containment, and the account that the AI had failed on complex, nuanced cases became the standard version.

By the time Klarna's Q3 2025 results arrived, with the assistant credited with more work and larger savings than at launch, most reports carried both facts in the same article without reconciling them.

> Reversal. Retreat. Rehire.
>
> The three words the May 2025 coverage settled on. None of them appears in Klarna's own statements.

WHAT KLARNA TOLD THE SEC

16 July 2025 · Form CORRESP

The remarks were about human service quality, and were misreported

Responding to the SEC's question about the Forbes article during its IPO review, Klarna stated that the excerpts came from an interview with another outlet, that the CEO was discussing a pilot of highly skilled freelance customer experience consultants to raise the quality of the company's human customer service, and that the comments

> *"did not relate to AI-driven customer service quality issues and were misreported by Forbes"*
>
> Klarna Group plc, response to SEC staff comments, 16 July 2025

In the same letter Klarna restated the assistant's figures, 66% of chats, over 700 agents, about $39 million saved in 2024, satisfaction on par with humans, and described its model as a dual-track approach combining scalable AI with high-quality human support.

What this settles, and what it doesn't. It settles that Klarna's own position, stated to a regulator in a filing, is that the human tier was a decision about the quality of human service rather than a response to AI failure. That is the version a board should repeat, because it is the one Klarna is accountable for. It does not settle whether customers experienced the AI as lower quality on complex cases. Klarna has published only aggregate satisfaction, and this note does not fill that gap with a guess.

Why it matters for the business case. The 2024 case and the 2025 decision are not in conflict. One priced the average contact and delivered. The other added a tier for the customers the average doesn't describe. A complete case would have carried both from the start, and the next two pages set out what that looks like.

Four things the public 2024 case didn't have to show. All four matter now.

The record stops here and my reading starts. Klarna's internal business case isn't public and Klarna hasn't explained its 2025 decision beyond what it told the SEC, so what follows is what I've seen happen in AI programs I've worked on, applied to the facts on the previous four pages. Treat it as the argument of a practitioner, not a finding about Klarna.

01

The quality the business would stand behind

Klarna's case said satisfaction on par with human agents, and the SEC letter says it still does. On par on average. Every program I've seen that was measured on the average eventually met the customer the average doesn't describe, and discovered nobody had written down what the business owed that customer. If the standard isn't set before automation, cost sets it afterwards. That's the most charitable reading of what the CEO meant in May 2025, and it's also the one Klarna gave its regulator.

In the record: satisfaction reported in aggregate only. No segment-level figure has been published.

02

The human path as a designed tier, not a fallback

In 2024 the human path was the thing being reduced. By mid-2025 it was a pilot of skilled freelance consultants with its own staffing model. A fallback is a sentence in a policy that says customers can still reach a person. A tier has a staffing model, a quality target, and a cost line that someone owns. Adding it later can be more expensive than designing it in, particularly if the people who knew the complex cases have already left and have to be hired back at a premium.

In the record: the pilot described to Bloomberg and the SEC. Its cost has not been disclosed.

03

The tail, and what it does to the humans left holding it

When the AI takes the easy two-thirds, the remaining third is likely to be harder. Average handling time for the humans can rise, the error rate on what's left can rise, and the people doing it may need more skill than the ones who did the full mix. If so, cost per contact falls across the whole base while rising inside the human tier. None of that is inevitable, and all of it should be tested before go-live. A case that prices human minutes at the old blended rate is betting that it won't happen.

In the record: Klarna's move to "highly skilled" consultants is consistent with this. Klarna has not said so.

04

The growth effect, and the two numbers it forces apart

A unit cost can fall by two-fifths while the total bill rises year on year, if the business grows fast enough. Klarna's did, 32% in active consumers in the year to Q3 2025. Nothing about that is a failure. It's arithmetic, and growth on its own is enough to produce it. But a business case that reports only the unit will look like a success in month one and a mystery by month nine, when the CFO asks why the line went up. Report both, side by side, from the first quarter.

In the record: $0.32 to $0.19 per transaction. $44m to $53m, $51m to $54m, $51m to $58m, year on year by quarter. Both Klarna's.

None of these four needs a new kind of data. They need a place in the case. The next page is what that looks like.

The complete AI business case, on one page.

Everything Klarna's 2024 case had, plus the four things it didn't have to carry. Fill it in for one program. If a box stays empty, that's the number you'll be asked about in month nine.

1 · THE UNIT OF VALUE

What one unit of outcome is, and what it costs today

Not cost per contact, call or ticket. The cost of resolving the customer's problem to the quality the business will stand behind.

The unit, in one sentence (e.g. "a billing dispute resolved so the customer doesn't come back about it")

Baseline cost per unit today, and the data it comes from

The P&L line it moves

The person who owns that number

2 · THE QUALITY STANDARD

What the business owes the customer the average doesn't describe

Set before automation, or cost will set it after.

The standard, stated so it can be failed

How it's measured, by segment and not in aggregate

Who reviews the cases that fall below it

3 · THE HUMAN PATH

A tier with a cost line, not a fallback in a policy

Design it in. Adding it later can mean rebuilding skills at a premium.

Which cases go to a person, and how they get there

Staffing model and skill level, priced at the new mix not the old blend

Cost line and owner

4 · THE TWO NUMBERS, EVERY QUARTER

Report both, side by side, from the first quarter

Unit economics and total economics are different questions. Growth pushes the total up while the unit falls, and a case that shows only one of them looks like a mystery by month nine.

Cost per resolved unit, with volume

Total cost of the function, and as a share of revenue

Human minutes per resolved unit

Repeat-contact rate and escalation share

5 · TIMING AND RUN COST

Benefits by quarter against costs by quarter

They rarely land in the same quarter. The year-two bill counts. This page decides what goes into your investment model, not the rate you discount it at.

Quarter the first benefit lands, and the number it lands in

Run cost in year two: model, platform, review, human tier

6 · SENSITIVITY

What breaks the case

Four movements, and whether the case survives each.

Automation share 10 points lower than planned

Escalation rate 5 points higher

Volume 30% higher

Model price per task 30% higher

FINANCE PARTNER FOR THE P&L LINE

OWNER OF THE PROCESS

NAMED OWNER OF THE AGENT

Free to use and share with credit. A printable copy of this page is available at aideliverydiscipline.com. Sections 1 and 4 are the ones Klarna's 2024 case reported in part. Sections 2, 3, 5 and 6 are the ones it did not have to.

Five things I'd want in the room before the next AI business case gets approved.

These are mine, not Klarna's. They come from the pattern on the previous pages and from the steering meetings I've sat in where the first number won.

01

The number that goes down will win the budget. Make sure it isn't the only number in the room.

Klarna projected about $40 million, reported roughly $39 million delivered in 2024, and later raised its annualised estimate to $58 million. The saving was also the only figure most people heard. The cost per transaction, the quarterly bill and the quality standard were all available by 2025, and almost nobody put them next to each other. Insist on the second number at the first meeting, when it's cheap to ask for.

02

Decide the quality you'll stand behind before you decide what to automate.

Not the average. The standard for the customer the average doesn't describe, written so it can be failed and measured by segment. If it isn't written down before go-live, cost will write it afterwards, and the CEO will end up explaining the difference in an interview.

03

Price the human path on day one, at the skill level the tail needs.

The people left handling the hard third are likely to need more skill than the people who handled the whole mix, and to cost more per hour. A case that prices them at the old blended rate is betting that they won't. Klarna's "highly skilled freelance consultants" is what that correction looks like when it arrives late.

04

Report cost per unit and total cost side by side, every quarter, from the first.

They answer different questions and they can move in different directions as the business grows. Klarna's unit cost fell 40% while its service bill rose year on year in every filed quarter compared in this note. Both were true. A board that only sees one of them will think the other is a failure.

05

When the story turns, go to the filing, not the headline.

The version of Klarna most people repeat comes from one interview and one article. The version Klarna is accountable for is in a letter to the SEC two months later, and it says something different. Companies tell regulators things they don't tell journalists. Read what they told the regulator.

The Klarna story isn't a warning about AI. It's a warning about which number you let into the business case.

Every source this note relies on, and everything it doesn't know.

Primary documents first, with links to the filing or release. Secondary reporting is used only where it quotes Klarna directly, and is marked.

DATE	SOURCE	WHAT IT SUPPORTS
27 Feb 2024	Klarna press release, "Klarna AI assistant handles two-thirds of customer service chats in its first month"	2.3m conversations, two-thirds of chats, 700 agent equivalents, 11 to under 2 minutes, 25% fewer repeat inquiries, $40m projected profit improvement for 2024. Primary.
30 May 2024	Klarna Q1 2024 results release	Operating expenses down 11%, 90% of employees using AI daily, the assistant credited with lower operating costs. Primary.
May 2025	Klarna Q1 2025 results; Klarna spokesperson to CX Dive	Cost per customer service transaction $0.32 to $0.19, down 40%, Q1 2023 to Q1 2025; satisfaction steady; two-thirds of inquiries; 82% faster; 25% fewer repeat issues. Primary figure, confirmed via CX Dive reporting of the release.
8 May 2025	Bloomberg interview with Sebastian Siemiatkowski	Remarks that cost had been too predominant a factor and quality suffered; recruitment of remote agents on flexible terms. Secondary, quoting the CEO.
9 May 2025	Forbes	The framing of the remarks as a retreat from AI. Secondary. Cited as the article Klarna's SEC letter addresses.
20 May 2025	Big Technology podcast, via CX Today	CEO on investing in human support quality; simple tasks to AI, complex to skilled people. Secondary, quoting the CEO.
16 Jul 2025	Klarna Group plc, Form CORRESP, response to SEC staff comments, SEC EDGAR	66% of chats in the twelve months to March 2025; over 700 agent equivalents; about $39m saved in 2024; satisfaction on par with higher accuracy; 25% fewer repeat inquiries Dec 2023 to Jan 2024; 2 minutes versus 12; the statement that the CEO's remarks did not relate to AI quality and were misreported; the freelance consultants pilot; "dual-track approach." Primary.
18 Nov 2025	Klarna Q3 2025 results, Form 6-K and investor presentation; Q3 2025 earnings call transcript	Customer service and operations $53m versus $44m; 114m active consumers, up 32%; revenue $903m, up 26%; 853 agent equivalents and $60m saving stated by the CEO on the call (transcript); $58m annualised in the presentation; two-thirds of inquiries. Primary.
18 Aug 2026	Klarna Q2 2026 results, Form 6-K	Customer service and operations $58m versus $51m; revenue $1,042m, up 27%; 120m active consumers, up 8%. Six-month figures of $112m versus $102m, from which Q1 2026 ($54m versus $51m) is derived (earnings release). Primary.
Aug 2025	Klarna Q2 2025 earnings release	Q2 2025 revenue of $823m, used for the share-of-revenue line in Exhibit 3. Primary.

What this note does not know

- The cost of the human tier. Not disclosed in any filing or statement. The note does not estimate it.
- The assistant's share of chats after the Q3 2025 call. No later figure has been published.
- Customer satisfaction by segment or by case complexity. Only aggregate satisfaction has been published.
- Whether Klarna's "853 agents" and "$58m to $60m" are measured on the same basis as the 2024 "700 agents" and "$40m." The SEC letter describes the 2024 method; the 2025 method is not described. The $40m was a projection and the $39m a realised figure; the note treats them as different measures.
- A figure of 81% of chats handled by AI has been attributed to the Q3 2025 investor presentation in some commentary. This note could not confirm it in the presentation or the call transcript and does not use it.
- How much of the quarterly cost increase is volume and how much is the human tier. Klarna has not separated them.

Two notes on method

CX Dive reported Q3 2025 customer service and operations cost as $50m against $42m. Klarna's Form 6-K table shows $53m against $44m on both an as-reported and an adjusted basis. This note uses the filed figures. Q3 2024 revenue, used for one point on the share-of-revenue line, is derived from Klarna's stated 26% growth to $903m and is marked as derived on the exhibit.

All figures are as stated by Klarna. The note makes no adjustment for currency, divestments or restatements beyond what Klarna's own tables show. Figures are current to 18 August 2026. Klarna reports again in November 2026.