

Case ID: [2026] KEELRC 49 (KLR) Copy

Title: Munyao v Transsnet Payments Limited [2026] KEELRC 49 (KLR) Copy

Court: Employment and Labour Relations Court

Judges: S Radido

Date: 22 January 2026

Parties: Munyao v Transsnet Payments Limited [2026] KEELRC 49 (KLR) Copy

Summary: REPUBLIC OF KENYA

legal_issues: []

decision: The Court finds that this was a case of redundancy.

legal_principles: []

---- JUDGMENT TEXT ----

REPUBLIC OF KENYA

IN THE EMPLOYMENT AND LABOUR RELATIONS COURT AT NAIROBI

CAUSE NO. E678 OF 2024

GIDEON KIOKO MUNYAO CLAIMANT

v

TRANSNET PAYMENTS LIMITED RESPONDENT

JUDGMENT

Gideon Kioko Munyao (the Claimant) sued Transnet Payments Ltd (the Respondent) on 27 August 2024, alleging unfair termination of employment.

The Respondent filed a Response on 27 October 2024, and on 4 March 2025, the Court fixed the Cause for hearing on 28 May 2025.

When the Cause was called for hearing on 28 May 2025, the Claimant proposed that the Cause be determined based on the record and submissions to be filed. The Respondent's advocate informed the Court that she had no instructions on the proposal.

The Court rescheduled the hearing to 10 November 2025. On this day, it was the Respondents' advocate who proposed that the Cause proceed by way of the record and submissions to be filed. The Claimant agreed.

The Court directed the parties to file and exchange affidavits of evidence and submissions.

The Claimant filed his affidavit and submissions on 19 November 2025. The Respondent filed its affidavit of evidence and submissions on 21 January 2026 (should have been filed and served before 10 January 2026).

The Court has considered the pleadings, evidence and submissions.

Unfair termination of employment

The Respondent wrote to the Claimant to notify him of the termination of his employment contract on

22 July 2024.

The reason given in the notice was a change in strategic business model (operational needs), namely that the regulator, the Central Bank of Kenya, had failed to grant certain required operational licenses for the business process the Claimant was to steer.

The termination was not on account of any misconduct, physical incapacity or poor performance on the part of the Claimant. It was for operational reasons within the context of sections 40 and 45(2)(b)(ii) of the Employment Act, 2007.

The Court finds that this was a case of redundancy.

By dint of section 40 of the Employment Act, 2007, the Respondent was supposed to give written notice of intended termination on the ground of operational requirements (redundancy) to the Claimant and the local Labour Office. The Respondent did not comply with these requirements.

The Court holds that the termination of the Claimant's contract was unfair.

Compensation

The Claimant was on a one-year fixed contract, which could be renewed. He had served only 6 months. The Respondent offered him one month's salary in lieu of notice and accrued leave days.

Considering these factors, the Court is of the view that the equivalent of 1 month's salary as compensation would be appropriate (gross monthly salary was Kshs 225,000/-).

Pay in lieu of notice

The Claimant was offered the equivalent of 1 month's pay in lieu of notice, and nothing turns on this head of the claim.

Breach of contract

One of the primary statutory remedies for unfair termination of employment is compensation, which the Court has awarded.

The Claimant did not lay any other basis for damages for breach of contract.

House allowance

The Claimant pleaded to be awarded Kshs 202,500/- as house allowance for the 6 months worked.

Clause 4 of the Claimant's contract provided that he would earn a gross consolidated salary, and in consideration of the clause as read with section 31 of the Employment Act, the Court finds that the remuneration was inclusive of house allowance.

Conclusion and Orders

The Court finds and declares that the termination of the Claimant's employment was unfair and he is awarded:

(i) Compensation Kshs 225,000/-

The award to interest at court rates from the date of judgment until payment in full.

The Claimant to have costs.

Delivered virtually, dated and signed in Nairobi on this 22nd day of January 2026.

Radido Stephen, MCIArb

Judge

Appearances

For Claimant Kwamboka Marie & Associates Advocates

For Respondent Wanam Sale & Oningo Advocates

Court Assistant Wangu