



**Mburu v Standard Chartered Bank Kenya Limited (Cause E082 of 2021) [2025] KEELRC 2199 (KLR) (24 July 2025) (Judgment)**

Neutral citation: [2025] KEELRC 2199 (KLR)

**REPUBLIC OF KENYA  
IN THE EMPLOYMENT AND LABOUR RELATIONS COURT AT NAIROBI  
CAUSE E082 OF 2021**

**L NDOLO, J  
JULY 24, 2025**

**BETWEEN**

**GRACE MBURU ..... CLAIMANT**

**AND**

**STANDARD CHARTERED BANK KENYA LIMITED ..... RESPONDENT**

**JUDGMENT**

**Introduction**

1. Grace Mburu, the Claimant in this dispute was an employee of Standard Chartered Bank Kenya Limited, having been employed in the position of Manager, Financial Crime Compliance from 1<sup>st</sup> August 2015 until 23<sup>rd</sup> October 2019, when her employment was terminated on the ground of redundancy.
2. The Claimant's claim is documented by a Statement of Claim dated 21<sup>st</sup> January 2021. The Respondent filed a Statement of Response dated 25<sup>th</sup> October 2021.
3. At the trial, the Claimant testified on her own behalf and the Respondent called its Employee Relations Manager, Lorraine Oyombe.

**The Claimant's Case**

4. By a contract of employment dated 18<sup>th</sup> June 2015, the Claimant was employed by the Respondent in the position of Manager, Financial Crime Compliance, effective 1<sup>st</sup> August 2015. The Claimant's position was in Grade 6, with a direct reporting line to the Head, Financial Crime Compliance, Kenya.
5. The Claimant was placed on probation and upon satisfactory completion of the probation period, she was confirmed on permanent and pensionable terms, effective 1<sup>st</sup> February 2016.



6. The Claimant states that she performed her duties diligently without breach of the terms and conditions of her employment. She was promoted to the role of Principal Financial Crime Compliance, Grade 5 effective 1<sup>st</sup> December 2016.
7. The Claimant continued to work for the Respondent until 23<sup>rd</sup> September 2019, when she received a letter referenced 'Notice of at Risk of Redundancy'. This letter notified the Claimant that the Respondent Bank was reorganising and transforming the Compliance and Financial Crime Compliance, whose effect was to bring the two teams together under one umbrella being, Conduct, Financial Crime and Compliance.
8. Shortly thereafter, the Claimant's role was declared redundant and her employment terminated by the Respondent's letter dated 23<sup>rd</sup> October 2019.
9. The Claimant avers that on 23<sup>rd</sup> December 2019, barely two months after termination of her employment on account of redundancy, she learnt that the Respondent had advertised the position of Senior Manager, CFCC, Grade 5.
10. The Claimant states that a review of the job advertisement dated 23<sup>rd</sup> December 2019 reveals that the job description was similar to the role occupied by her before the redundancy was effected.
11. She points out that according to the job advertisement, the successful candidate was to report to the Head of FCC, similar to the description issued to her in Clause 3.1 of her contract of employment.
12. The Claimant's case is that the redundancy leading to the termination of her employment was discriminatory and solely intended to target her and unfairly terminate her employment, without a justifiable cause. She concludes that the redundancy was a calculated move to get rid of her.
13. The Claimant therefore terms the termination of her employment unlawful and unfair.
14. Consequently, the Claimant seeks compensation in the sum of Kshs. 6,997,908 being the equivalent of twelve (12) months' salary. She further asks for costs of the case.

### **The Respondent's Case**

15. In its Statement of Response dated 25<sup>th</sup> October 2021, the Respondent admits that the Claimant was its employee, having been employed on 1<sup>st</sup> August 2015 in the position of Manager, Financial Crime Control (Grade 6).  
The Respondent further admits that at the time of leaving its employment, the Claimant held the position of Principal, Financial Crime Control (Grade 5).
16. The Respondent defends the termination of the Claimant's employment on account of redundancy and states that the Claimant was aware of the restructuring of the Conduct, Financial Crime and Compliance Department in June 2018, initiated by the launch of the Improving Compliance Effectiveness and Efficiency (ICEE) project. In this regard, the Respondent points to an email dated 25<sup>th</sup> June 2018 from the Group Head CFCC, addressed to all staff.
17. The Respondent avers that the key change in the restructuring was the integration of Compliance and Conduct with Financial Crime Compliance (FCC) with the following outcomes:
  - a. FCC Advisory would be integrated with main compliance to become Compliance, Conduct and Financial Crime (CFCC) to form CFCC Advisory;



- b. FCC Governance would be integrated with Regulatory Compliance to form CFCC Governance framework;
  - c. FCC Controls which include transaction monitoring and screening activities would be left within FCC under the FCC Head.
18. The Respondent points out that pursuant to the restructuring, Kenya was categorised as a Medium Country, leading to the Claimant's role being downgraded from Grade 5 to Grade 6.
  19. The new structure is said to have been presented by the Regional Head of CFCC to the entire Kenya CFCC Team, at a meeting held on 28<sup>th</sup> May 2019, with the Claimant in attendance.
  20. Individual meetings are said to have been held with team members that were directly impacted, including the Claimant. In this respect, it is pleaded that on 23<sup>rd</sup> July 2019, the Claimant was informed that she could take the downgraded G6 role with no impact on salary but with possible impact on variable pay (bonus) and future salary increments.
  21. The Respondent maintains that the changes in the structure were adequately explained to the Claimant, who vide an email dated 22<sup>nd</sup> August 2019, confirmed that she had been properly guided and had considered her options and decided to take up the redundancy package.
  22. On 12<sup>th</sup> July 2019, a notice of redundancy was served on the Ministry of Labour, Social Protection and Services.
  23. The Respondent contends that the Claimant voluntarily opted for the redundancy package and vide an email dated 20<sup>th</sup> September 2019, she actively pursued the issuance of the notice of redundancy (at risk letter), claiming that it had taken longer than expected.
  24. On 23<sup>rd</sup> September 2019, the Claimant was issued with the letter of at risk of redundancy, informing her that her role would become redundant within 30 days, which period was to be used for continued consultations.
  25. On 24<sup>th</sup> October 2019, the Claimant was issued with a letter confirming that her role had become redundant and thus terminating her employment. The letter confirmed that the Claimant would be paid; one month's salary in lieu of notice, salary up to the last working day, pay for accrued leave days, severance pay at the rate of one and a half months' salary for every year worked, 25% discount on personal and mortgage loans, and staff bank loans to remain at staff rates for six (6) months after exit.
  26. Regarding the Claimant's complaint that her position was advertised soon after her exit, the Respondent states that the role of Senior Manager, CFCC Grade 5 was only advertised after the Kenyan team was later allowed to have a Grade 5 role in their structure. The Respondent adds that the advertised role was substantively different from the Head of FCC Controls role.
  27. The Respondent accuses the Claimant of approbating and reprobating, having declined to consider the available positions within the Respondent's establishment.
  28. The Respondent denies the Claimant's claim of discrimination, stating that the Claimant was well informed about the proposed changes and was given an opportunity to retain her role at Grade 6 with no salary change.
  29. The Respondent further states that the Claimant was verbally informed of the possibility of a future Grade 5 role in the team but still chose to leave the Bank through redundancy.
  30. The Respondent denies the Claimant's entire claim and asks the Court to dismiss it with costs.



## Findings and Determination

31. This dispute revolves around the question whether the redundancy by which the Claimant left the employment of the Respondent was bona fides and procedural.
32. The termination was formalised by letter dated 23<sup>rd</sup> October 2019, stating in part:

“Dear Grace,

### Redundancy

Further to the discussions with your line manager and HR we regret to inform you that your role will be made redundant and your employment with Standard Chartered Bank (the “Bank”) will therefore terminate on the terms set out in this letter.

#### 1. Termination

Your employment will terminate on 24 October 2019 (Last date of service). You will continue to receive your salary and contractual benefits in the normal way up to the Termination Date.

#### 2. Payments

a. The Bank shall pay you the following sums (together the “Payments”)

- i. Pay, One month’s salary in lieu of your contractual notice period (“PILON”)
- ii. Pay in lieu of any leave earned but not taken up to the Termination Date
- iii. One and Half (1.5) month’s salary for every completed year of service (the “Severance Payment”) by way of compensation for loss of employment, without admission of liability and in full and final settlement of all claims against the Group
- iv. 25% net discount on your outstanding loans
- v. Staff Bank accounts to remain on staff rate for 6 months from separation date

All payments due are also set out in Appendix 1

- b. The Payments are also subject to you complying with the terms of your contract of employment with the Bank and the Bank’s policies and procedures. You warrant that there are no facts or circumstances which would have entitled the Bank to terminate your employment for gross misconduct.
- c. You agree that except for the sums and benefits referred to in this Agreement, no other sums or benefits are due to you from the Bank or the Group.



- d. If you become re-employed as an employee or engaged as a non-employed worker by the Bank or the Group within 12 months of the Termination Date, you agree that you will repay some or all of the PILON and the Severance Payment in accordance with the terms of the Group Redundancy Policy.
3. ...
4. ...
5. Loans or Outstanding Sums
  - a. In the event that you have a credit card and/or a loan from the Bank, you will be required to agree on a repayment plan with the Collections Department before the Termination Date. You will be eligible for a 25% net discount on any outstanding staff mortgage, staff car and personal loans. In addition, the Bank will retain the outstanding staff loans at the prevailing staff rate for six months after the Termination Date. Thereafter, the loans will be converted to the prevailing commercial interest rate.
  - b. You agree that the Bank may deduct any monies or outstanding liabilities owed by you to the Bank up to 70% of your net payments (or any other amounts due to you from the Bank).
6. ...
7. ...
8. Release and Discharge
  - a. By appending your signature to this Agreement, you accept its terms in full and final settlement of, and agree to release and discharge the Bank from, any and all claims costs, expenses or rights of action of any kind, whether contractual (including any claim in respect of any profit-sharing, bonus or incentive or share option arrangements), statutory or otherwise, whether or not they are or could be in contemplation of the parties at the date of this Agreement and whether having already occurred or arising in the future in any other country in the world, which you have or may have against the Bank and/or the Group or any of its officers or employees from time to time arising out of or in connection with your contract of employment, your employment or any office or appointment held with the Bank and/or the Group and/or termination thereof. You further agree to waive all and any right to institute any action, both now and in the future, of any nature, in any administrative or judicial forum, in any jurisdiction against the Bank and/or the Group.
  - b. You agree that without prejudice to any other rights or remedies of the Bank and/or the Group arising from such action, if you institute any action or proceedings against the Bank and/or the Group, you shall repay to the Bank immediately upon



demand such amount of the Severance Payment as is equivalent to the total amount of the compensation or damages (including interest) awarded to you as a result of such proceedings, together with the full amount of any legal fees incurred by the Bank in defending such proceedings. You agree that such sum will be repayable as a debt. Any part of the Severance Payment which remains outstanding shall cease to be payable under this Agreement with effect from the date of commencement of such proceedings.

...

12) Whole and Binding Agreement

You agree and acknowledge that this letter contains the entire agreement terms between the parties and shall be in substitution for and shall supersede any prior agreement, arrangement or understanding (whether oral or written) relating to the subject matter of this Agreement. All other agreements for any service related compensation from the Bank or its subsidiaries or affiliates is null and void.

...

We thank you for your service to the Bank and wish you success in your future endeavors.

Yours sincerely

(signed)

Rebecca Kaggwa

Head, Compliance, Kenya and East Africa”

33. Section 40 of the *Employment Act*, sets out several conditions to be met by every employer declaring redundancy. These conditions range from redundancy and termination notices, selection criteria to payment of statutory dues. In my understanding, the requirements for notice and payment of statutory dues are not part of the issues in dispute.
34. The Claimant however takes issue with the selection criteria employed by the Respondent. She claims to have been targeted for removal through a disguised redundancy. The Claimant anchors her claim on the assertion that soon after she left the Bank, her role was restored and advertised.
35. In their written submissions, both parties relied on the Court of Appeal decision in *Kenya Airways Limited v Aviation & Allied Workers Union* [2014] eKLR where it was held that in cases of termination of employment as a result of reorganisation leading to redundancy, the employer must demonstrate a link between the termination and the redundancy.
36. In its decision in *Fredrick Mulwa Mutiso v Kenya Commercial Bank* [2017] KEELRC 1664 (KLR) this Court held that the conditions established under Section 40 of the *Employment Act*, serve as a control measure against unlawful termination of employment, clothed in redundancy language.
37. The Court was unable to understand why a Bank with global network, such as the Respondent, would abolish a position only to reinstate it two months later. The Respondent’s averment that it had no control over the decision to downgrade the Claimant’s position was unconvincing.



38. Moreover, the feeble attempt to create a distinction between the advertised position and the one previously held by the Claimant fell flat. An examination of the two job descriptions revealed striking similarities.
39. But the Respondent takes the moral high ground; stating that the Claimant was offered a lower position at Grade 6 without change in salary, an offer she rejected. Regarding this issue, I take the view that for the Claimant, who had risen through the ranks in a highly specialised area, career growth would rank *pari passu* or even higher than monetary reward. In fact, the offer to the Claimant to opt for a lower position, would have made the exit all the more painful.
40. Tracing the full journey leading to the termination of the Claimant's employment on account of redundancy, I have encountered a whiff of *mala fides* on the part of the Respondent. I must therefore agree with the Claimant that there was no genuine case of redundancy and the resultant termination was consequently unlawful and unfair.

### **Remedies**

41. Flowing from the foregoing findings, I award the Claimant six (6) months' salary in compensation. In making this award, I have considered the Claimant's length of service and the fact that she did not in any way contribute to the termination.
42. I have further considered the Respondent's sharp manoeuvre of easing the Claimant out of employment under the guise of redundancy, only to fill her position within a record two months. I have however moderated this with the fact that the Claimant was paid all her statutory and contractual dues.
43. Finally, I enter judgment in favour of the Claimant in the sum Kshs. 3,498,954 being six (6) months' salary in compensation for unlawful and unfair termination of employment.
44. This amount will attract interest at court rates from the date of judgment until payment in full.
45. The Claimant will have the costs of the case.
46. Orders accordingly.

**DELIVERED VIRTUALLY AT NAIROBI THIS 24<sup>TH</sup> DAY OF JULY 2025**

**LINNET NDOLO**

**JUDGE**

Appearance:

Mr. Adogo for the Claimant

Mr. Odera & Ms. Akoko for the Respondent

