

Illegal Fintech P2P Lending in Indonesia: Addressing the Problem of Over-Indebtedness During the COVID-19 Pandemic

Nur Hadiyati

Faculty of Law, Universitas Internasional Batam, Indonesia

Author's email hadiyati@uib.ac.id

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Submission Track:	ABSTRACT
Received:	Objective: <i>This study aims to examine and analyze the problem of over-indebtedness in illegal Fintech P2P Lending during the COVID-19 pandemic.</i>
17 April 2021	Methodology: <i>This research uses doctrinal law research. This doctrinal research is descriptive analytical which aims to examine and explain the problems studied. The data used is secondary data and then analyzed using qualitative analysis techniques to get the correct conclusion.</i>
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7 Desember 2021	Finding: <i>In the economic sector, the challenges of the COVID-19 pandemic require various groups, especially Fintech P2P Lending providers, to respond to changes in an integrated and comprehensive manner, so that these challenges can be managed into opportunities. This research shows the rampant risk of "over-indebtedness" due to people's economic conditions, lack of financial literacy, unexpected events during the COVID-19 pandemic, and the presence of illegal Fintech P2P Lending as predatory lending. There needs to be preventive efforts to reduce the risk of "over-indebtedness" through financial literacy to the public, especially "borrowers." To support this literacy, Fintech P2P Lending organizers are required to carry out financial socialization and education activities based on Financial Services Authority Regulation (POJK) No. 77/POJK.01/2016 as well as optimizing the implementation of the basic principles of Fintech P2P Lending, such as transparency of products and offering methods, prevention of excessive borrowing, and the application of the principle of good faith.</i>
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Corresponding Author: Nur Hadiyati hadiyati@uib.ac.id	
	Application of this study: <i>This research is expected to support literacy to the community in choosing a good financing institution. To support this literacy, Fintech P2P Lending organizers are required to carry out financial socialization and education activities.</i>

Novelty/Original: *In contrast to previous research, this research focuses on the phenomenon of over-indebtedness in illegal Fintech P2P Lending during the COVID-19 pandemic, which until now has not been specifically studied.*

Keywords: *Problematics; Over-Indebtedness; Fintech P2P Lending; COVID-19; Indonesia*

INTRODUCTION

At the beginning of 2020, all countries in the world, including the State of Indonesia, were shocked by the presence of a new type of disease whose transmission was considered massive in infecting humans throughout the world (Abd El-Aziz & Stockand, 2020). The disease which is currently better known as “COVID-19 or Coronavirus Disease 2019”. COVID-19 was first discovered in Wuhan, China (Ortiz-Prado & et.al., 2020; Ichsan, Suparmin, Yusuf, Ismal, & Sitompul, 2021). The disease COVID-19 is currently declared a pandemic disease by the World Health Organization (WHO) due to the level of spread, severity, and slowness in dealing with it. COVID-19 is a mutation of the SARS-CoV-2 virus or “severe acute respiratory syndrome coronavirus-2” of non-human origin which is then transmitted to humans (Lupia & et.al., 2020).

It can be said that the COVID-19 pandemic is a fundamental concern for countries in all parts of the world, including Indonesia, if the country is unable to cope with the impact of this COVID-19 pandemic (Hidayaturrehman & Purwanto, 2020). The COVID-19 pandemic is considered to have a very comprehensive impact and can affect and disrupt several fundamental aspects of the country, such as aspects of health, economy, politics, law, education, defense, and other fundamental aspects (Masnun, Sulistyowati & Ronaboyd, 2021).

In response to the above problems, the Indonesian Government adopted the Large-Scale Social Restriction policy (PSBB) as a preventive effort in accelerating the response to COVID-19 (Nasruddin & Haq, 2020). Referring to the Large-Scale Social Restrictions policy as stated in Government Regulation Number 21 of 2020, the government recommends the public to implement “work from home, social distancing, and physical distancing” (Masnun, Sulistyowati & Ronaboyd, 2021). This policy can be said to be like a “double-edged sword” which on the one hand can save the community through preventive appeals so as not to

contract the COVID-19 disease, but on the other hand this policy is able to cause recent problems in the national economy (Ikhsan, Disemadi, Kurniawan, & Pujiyono, 2020).

A new problem related to economic aspects that haunts and has even occurred during society today is the decline in the rate of financing (credit) in banks due to restrictions on the space for business actors to move (Disemadi, & Shaleh, 2020). The existence of community difficulties in finding income has resulted in the weakening of the ability to pay customer debts (non-performing loans/NPLs) which are considered to have the potential to disrupt banking performance in credit management. On the other hand, the economic problems and challenges during the COVID-19 pandemic are used as opportunities by the organizers of “Financial Technology Peer to Peer Lending (Fintech P2P Lending)” to grow and develop their business.

In Indonesia, Fintech P2P Lending is present because of the Industrial Revolution 4.0 where Fintech P2P Lending is an alternative financing (credit) for the community by utilizing technology and information (Pratama, 2021). Fintech P2P Lending is “the practice or method of lending money to individuals or businesses and vice versa, applying for loans to lenders (investors), who are connected by online intermediaries” (Disemadi, Yusro & Balqis, 2020). Fintech P2P Lending allows everyone to provide loans or apply for loans from one another for various purposes without using the services of conventional financial institutions as intermediaries (Atikah, 2020).

The existence of the COVID-19 pandemic and supported by the Industrial Revolution 4.0 is considered an opportunity for Fintech P2P Lending to “spread its wings”. Why not, the characteristic of Fintech P2P Lending that is different from banks in providing loan services (credit) to the community is that it is done online (without meeting in person), this is a mainstay “weapon” for Fintech P2P Lending to “attract” more consumers and make a profit. However, this does not escape recent problems, reflecting on the opportunity for Fintech P2P Lending to be used by irresponsible parties in establishing illegal or unregistered Fintech P2P Lending and/or licensed from the Financial Services Authority (OJK) as a regulator and financial sector supervisor in Indonesia (Sugangga & Sentoso, 2020).

The rise of the implementation of illegal Fintech P2P Lending certainly provides an “opportunity” for the community to make loans or apply for credit continuously at several different P2P Lending Fintechs, both legal and illegal. This of course raises the risk of over-indebtedness, which is a risk regarding excessive consumer debt of Fintech P2P Lending

(Kasumaningrum, 2020). Reflecting on the rampant phenomenon of over-indebtedness or excessive debt on Fintech P2P Lending providers, it is an urgency to have an assessment of these problems given the lack of literacy and the weak position of society as consumers compared to Fintech P2P Lending business actors.

Many previous studies regarding the implementation of Fintech P2P Lending have been carried out, such as by: 1). Kornelius Benuf, Siti Maheasy, and Ery Agus Priyono in 2019 who reviewed the security of Fintech customer data in the perspective of consumer protection in Indonesia (Benuf, Mahmudah & Priyono, 2019); 2). Raden Ani Eko Wahyuni and Bambang Eko Turisno in 2019 who studied illegal Fintech P2P Lending practices in the perspective of business ethics in Indonesia (Wahyuni & Turisno, 2019); dan 3). Ahmad Ridha Jafar in 2019 who focused on the supervisory function of the Financial Services Authority (OJK) on Fintech P2P Lending as an effort to protect consumers (Jafar, 2019). However, in contrast to some of the previous studies, this research is more inclined to examine the widespread phenomenon of over-indebtedness as a risk in the implementation of Fintech P2P Lending in Indonesia. The current research is intended to contribute to financial literacy for the community, especially consumers of Fintech P2P Lending and can also contribute to financial sector literature, especially regarding Fintech P2P Lending in Indonesia.

RESEARCH METHODS

This legal research is research that is categorized as a type of doctrinal research. This doctrinal research is descriptive analytical which aims to examine and explain the problems studied, namely the “over-indebtedness phenomenon in the implementation of Fintech P2P Lending during the COVID-19 pandemic in Indonesia”. This doctrinal research uses secondary data obtained through literature study which is then broken down into 3 types of legal materials (primary, secondary, and tertiary legal materials). The legal materials are then analyzed using qualitative analysis techniques to get the right conclusions.

RESULTS AND DISCUSSION

Legal Fintech P2P Lending Vs Illegal Fintech P2P Lending in Indonesia

The presence of Fintech P2P Lending is a consequence of the Industrial Revolution 4.0 which is marked using technology and information in services in the financial sector. The integration between information technology and services in the financial sector has resulted in

the increasing variety of services and products offered to the public. The presence of various cyber-based activities or “cyber-scape” such as Fintech P2P Lending is a new “trend” that is in great demand by people in all parts of the world, including people in Indonesia (Apriliana & Hartono, 2020).

In general, the term Fintech which stands for “financial technology,” when translated into Indonesian means “financial technology” or “fintech.” Article 1 number 1 of Bank Indonesia Regulation Number 19/12/PBI/2017 concerning the Implementation of Financial Technology (PBI No. 19/12/PBI/2017), states “fintech is the use of information technology in the financial industry in which to produce model new businesses (products and services) so as to provide convenience to the public (consumers) and can also have an impact on the stability of the financial system in Indonesia”. Thus, the Fintech concept that adapts technological developments is expected to provide and facilitate more practical, safe, and modern financial transaction processes, including digital-based financial services that are currently developing in parts of the world (Nugraheni & Aziza, 2020).

Referring to Article 3 of Contribution Assistance Recipient (PBI) No. 19/12/PBI/2017, Fintech P2P Lending or information technology-based lending and borrowing services is one of the basic forms of Fintech implementation. In Indonesia Fintech P2P Lending has been regulated in Financial Services Authority Regulation No. 77/POJK.01/2016. Reflecting on Article 1 paragraph 3 of the 1945 Constitution of the Republic of Indonesia which states that Indonesia is a state of law, then Article 1 paragraph 3 is the Article that became the basis for the presence of Contribution Assistance Recipient No. 19/12/PBI/2017 and Financial Services Authority Regulation No. 77/POJK.01/2016 as a legal basis to protect human interests which are increasingly dynamic. Laws which are not in a vacuum and are not abstract things want to co-exist with the interests of society such as race, gender, politics, and even the economy (Silalahi, 2021). Similarly, the law governing Fintech P2P Lending above is a law that was formed due to economic factors regarding online lending and borrowing services that were formed relying on the interaction and negotiation of various community groups with various interests (Benuf, Njatrijani, Priyono, & Adhim, 2020).

Reflecting on Article 1 point 2 of Financial Services Authority Regulation No. 77/POJK.01/2016 as legitimacy for the implementation of Fintech P2P Lending, it is stated that Fintech P2P Lending is a “financial business model in which the provision of financial services utilizes an electronic system using the internet network (interconnection-networking)

which aims to bring together lenders (lenders/investors)) with the recipient of the financing (borrower) in order to enter into a credit agreement (financing) directly through an intermediary (provider)". Reflecting on the description, there are 3 (three) legal subjects in Fintech P2P Lending financing services, namely lenders (investors), borrowers, and organizers.

Furthermore, referring to Article 1 point 9 Financial Services Authority Regulation No. 77/POJK.01/2016, states that lenders (investors) and borrowers are categorized as users or consumers of Fintech P2P Lending services. Borrowers are parties who have debts due to an electronic agreement for Fintech P2P Lending services, while lenders (investors) are parties who have receivables due to electronic agreements for Fintech P2P Lending services. Then, financial service providers through Fintech P2P Lending are Indonesian legal entities that provide, operate, and manage Fintech P2P Lending itself. Referring to Article 2 of Financial Services Authority Regulation No. 77/POJK.01/2016, the legal entity in question can be in the form of a Limited Liability Company or Cooperative.

In Indonesia, the existence or presence of registered and/or licensed (legal) Fintech P2P Lending providers until April 30, 2020 is 161 providers (Financial Services Authority, 2020), which is divided into 149 Fintech P2P Lending with conventional implementation and 12 Fintech P2P Lending with implementation based on Islamic law (sharia principles) (Otoritas Jasa Keuangan, 2020). However, there are not only legal Fintech P2P Lending providers, in Indonesia there are also illegal Fintech P2P Lending providers. Illegal P2P Lending Fintech is a type of P2P Lending Fintech that is not registered and/or licensed by the Financial Services Authority based on Article 7 of the Financial Services Authority Regulation Number 77/POJK.01/2016 concerning Information Technology-Based Lending and Borrowing Services (Financial Services Authority Regulation No. 77/POJK.01/2016) which certifies that the implementation of Fintech P2P Lending is required to apply for registration and licensing to the Financial Services Authority.

Empirical facts say, on January 30, 2020 the Financial Services Authority has found several unregistered and/or licensed Fintech P2P Lending, a total of 120 Fintech P2P Lending (Otoritas Jasa Keuangan, 2020). Then on May 22, 2020, the Financial Services Authority found 50 applications that offered online loans illegally under the guise of Savings and Loan Cooperatives (KSP) (Otoritas Jasa Keuangan, 2020). It can be said that the existence of Fintech P2P Lending is increasingly "proliferating" because the level of public need for

financing can be obtained easily. This empirical fact proves that the Fintech P2P Lending business model has exciting potential and has good growth prospects in the future.

The growth and development of Fintech P2P Lending, both legal and illegal in Indonesia, is more “trend” among the “unbankable society”. An unbankable society is a society that has difficulty in obtaining loans or financing from banks due to banking policies regarding “creditworthiness” which requires the existence of “guarantees” in financing (Disemadi, 2020). Fintech P2P Lending can provide fast financing distribution, most of which are without collateral, and the terms/processes are easier because it can be done online using a smartphone (Fisabilillah & Hanifa, 2021). This is an opportunity for financial services business actors in the Fintech P2P Lending sector to offer and attract the unbankable society to become consumers, especially illegal Fintech P2P Lending.

A very prominent difference between legal Fintech P2P Lending and illegal Fintech P2P Lending is related to the provision of financing. Legal P2P Lending Fintech in providing financing is carried out strictly selected while illegal P2P Lending Fintech in providing financing is carried out very easily so that many people are more “captivated” by illegal Fintech P2P Lending. The lack of wisdom of some people in choosing Fintech P2P Lending services is detrimental to the community itself, such as the phenomenon of over-indebtedness or excessive debt that is not in accordance with their ability to pay. So, the presence of illegal Fintech P2P Lending in Indonesia is considered to have played a role in the presence of the problem of over-indebtedness in society.

Over-Indebtedness Problems in the Implementation of Fintech P2P Lending During the COVID-19 Pandemic in Indonesia

The turmoil in Indonesian people’s lives due to the COVID-19 pandemic has made people “uncertainty” or live in uncertainty both nationally and globally (Fransisco, 2020). Therefore, it takes the ability to innovate by creating business opportunities that are in accordance with current conditions (Fitrasari & Handini, 2021). Today, due to COVID-19, every country in the world is required to respond to technological changes and competition in an integrated and comprehensive manner, so that the challenges of the COVID-19 pandemic in the Industrial Revolution 4.0 era can be managed as opportunities for Fintech P2P Lending players in growing their business.

This opportunity was also used by several elements of Fintech P2P Lending organizers in carrying out illegally. The convenience offered by illegal Fintech P2P Lending in providing

financing is carried out very easily so that many people are more “enticing” and without thinking about using these financial services. No wonder the proliferation of illegal Fintech P2P Lending presents the phenomenon of over-indebtedness or excessive debt from borrowers as consumers of Fintech P2P Lending.

Over-indebtedness is a risk that can be experienced by financial institutions including Fintech P2P Lending. Over-indebtedness is a problem phenomenon with a broad scope and has a different definition in each country. In UK (United Kingdom), over-indebtedness is a condition where a customer is in arrears continuously or is in a situation of being threatened with being in arrears continuously. In Italy, over-indebtedness is a situation where customers constantly experience irregularities or imbalances between performance (paying debt obligations) and income (Aidha, et.al., 2019). So, it can be said that over-indebtedness is a situation of imbalance between debt obligations that must be paid either temporarily or permanently and the customer’s lack of income.

The risk of over-indebtedness is considered a risk caused by the economic conditions of the community, especially customers, so this factor is a crucial factor that can affect the dynamics of debt. The risk of over-indebtedness can be caused by unemployment or the customer being less productive in earning income (Du Caju, Rycx & Ilan, 2016). Then, predatory lending does not measure consumers’ ability to pay and takes advantage of consumer ignorance of loan terms and the burden of costs that must be borne due to low financial literacy. The characteristic is that lenders are not transparent about fees, interest rates, and overdue payment penalties including the calculation mechanism. In addition, unexpected events such as job loss or salary cuts during the COVID-19 pandemic are considered to reduce income and increase expenses (Juaningsih, 2020). Reflecting on these unexpected events, this can pose a risk of over-indebtedness because it affects the ability of the community, especially customers, to pay debts which triggers a larger buildup of debt and makes it difficult to fulfill their debt obligations.

In the implementation of Fintech P2P Lending the risk of over-indebtedness can often occur, in addition to the economic conditions described above, this over-indebtedness is considered present due to the lack of irrationality of customers who encourage them to continue to owe and do not understand the risk of debt so that they overestimate their ability to pay debts. This of course results in the practice of “Digging a Hole and Covering a Hole” which is often carried out by Indonesian people who are less wise in borrowing at Fintech P2P

Lending. The practice of “Digging a Hole and Covering a Hole” in Fintech P2P Lending services is the result of the borrower’s error or borrower abusing the convenience of an online loan application that is faster than banking, so that the customer (borrower) borrows more than the required amount and the amount that can be paid (Taruna, 2020; Disemadi, 2021). The phenomenon of “Digging a Hole and Covering a Hole” in the implementation of Fintech P2P Lending often occurs in Indonesia, for example, women who work as factory workers who have debts on 20 online loan applications (Fintech P2P Lending). This happened because the worker was forced to apply for an online loan to other P2P Lending Fintech to pay off their debts (achievements) to several previous P2P Lending Fintech (Kasumaningrum, 2020).

On the other hand, the risk of over-indebtedness is also caused by the behavior of financial service institutions which influences public decisions, especially borrowers in borrowing/financing. The proliferation of illegal Fintech P2P Lending is a factor that presents this risk, why not, the marketing techniques of Fintech players who are illegal Fintech P2P Lending are carried out “aggressively” and offer products that are not in accordance with the borrower’s ability to pay, trapping the borrower himself. The lack of public financial literacy is an “easy target” for illegal Fintech P2P Lending actors in offering their products in a non-transparent manner. The behavior of illegal P2P Lending Fintech actors can be said to be a “predatory lending practice”.

The findings above show that illegal Fintech P2P Lending as predatory lending does not carry out a screening process for customers in providing loans based on the 5C criteria (Character, Capacity, Capital, Collateral, Condition). Providing loans without going through a verification process shows that illegal Fintech P2P Lending is not optimal and does not even apply the 5C criteria. An example is Character or approach to customers, Fintech P2P Lending does not conduct interviews directly or by telephone to assess the character, motive, background, and credit history of prospective customers. In addition, lending that exceeds the customer’s capacity shows that illegal Fintech P2P Lending does not apply the Capacity principle and the Collateral principle to see how the potential customer’s ability to repay his credit is based on indicators of income, assets, and total wealth. Some of these deficiencies or the lax screening process risks dragging consumers into excessive debt bondage.

During the COVID-19 pandemic, online loans (Fintech P2P Lending) tend to be the choice of people with low incomes because of easy access and requirements. Unlike banks, Fintech P2P Lending has not screened customers, especially borrowers based on the 5C

criteria or “character, capacity, capital, collateral, condition” (Damanik & Prananingtyas, 2020). The loosening of the screening process in lending is the main reason for people to switch from banking to Fintech P2P Lending. However, it was previously mentioned that this opportunity is also used as a space for profit by predatory lending actors, especially in the implementation of illegal Fintech P2P Lending.

Reflecting on the endless problems of citizens’ interests, especially those related to consumer protection. So, a law is needed to maintain these interests, the law in addition aims to provide solutions in the use of technology in financial services such as Fintech P2P Lending also aims to provide protection to consumers in Fintech P2P Lending services (Barus, Nasution & Soemitra, 2021; Benuf, Mahmudah, & Priyono, 2019). Efforts to protect Fintech P2P Lending consumers, especially borrowers, can be carried out by ensuring the limits and responsibilities of each party in carrying out Fintech P2P Lending activities. The organizers of the Fintech P2P Lending platform are deemed to be obligated to comply with the provisions of laws and regulations related to consumer protection, the organizers are considered obliged to provide reporting facilities, as well as provide complete and correct information on the terms and contracts of the products they sell, be notified to consumers clearly without anyone having to covered up like loan interest rates (Faturrohman, Rasyid, Rahadi, Darmansyah, & Afgani, 2021). Meanwhile, consumers are also obliged to provide true personal data for the convenience of data collection for the benefit of consumers themselves (Sakti & Santoso, 2020).

In the interest of consumers, the existence of the Financial Services Authority as a regulator and supervisory agency for the financial services sector is expected to provide optimal protection for Fintech P2P Lending consumers (Rahmayani, 2018). In view of Financial Services Authority Regulation No. 77/POJK.01/2016 only regulates provisions regarding legal Fintech P2P Lending providers and does not regulate illegal ones. In fact, it is the illegal Fintech P2P Lending organizers that have many problems to the detriment of consumers. Reflecting on Article 4 “Law no. 21 of 2011 concerning the Financial Services Authority (OJK Law)” which states the purpose of the establishment of the Financial Services Authority to protect the interests of consumers. It is not wrong to say that Financial Services Authority is obliged or must be able to protect the interests of consumers who use Fintech P2P Lending services to provide a sense of security for consumers themselves.

In addition, there is a need for financial literacy for the public regarding the legality of implementing Fintech P2P Lending as regulated in Article 7 of Financial Services Authority Regulation No. 77/POJK.01/2016. This financial literacy effort is intended so that the public as consumers can be wiser in applying for loans and prefer registered and/or licensed Fintech P2P Lending over illegal Fintech P2P Lending for the benefit of consumers themselves. The operation of Fintech P2P Lending in Indonesia must have legality because this is closely related to potential risks related to consumer protection and financial system stability.

Supporting financial literacy to the public, Financial Services Authority Regulation No. 77/POJK.01/2016 requires Fintech P2P Lending operators to be registered and/or licensed by the Financial Services Authority and carry out financial socialization and education activities. Reflecting on Article 29 of Financial Services Authority Regulation No. 77/POJK.01/2016, the article regulates the behavior of Fintech P2P Lending in providing protection to consumers by applying the principle of transparency; fair treatment; reliability; data confidentiality and security; and the principles of User dispute resolution in a simple, fast, and affordable cost. Even more deeply, the code of conduct for Fintech P2P Lending in providing protection to consumers has been regulated in the code of conduct issued by the Indonesian Joint Funding Fintech Association (AFPI) (Aidha, et.al., 2019). This guideline clearly supports aspects of transparency and protection against the risk of “over-indebtedness” in the implementation of Fintech P2P Lending. The three basic principles set out in this guide are product transparency and bidding methods; prevention of over-borrowing; and application of the principle of good faith.

The principle of transparency in the implementation of Fintech P2P Lending emphasizes transparency on the operator’s obligation to convey all information. The information referred to is related information, benefits, risks, rights and obligations, costs, profile of organizers, mechanisms to information related to dispute resolution accurately and precisely (Alwi, 2018; Winarso, Disemadi & Prananingtyas, 2020). Then the principle of preventing over-indebtedness is a principle that leads to preventive efforts in reducing the risk of “over-indebtedness” (Aidha, et.al., 2019). This principle directs Fintech P2P Lending operators to always weigh and assess the borrower’s capacity in fulfilling their loan obligations. Of course, this principle emphasizes the prohibition of predatory lending and the prohibition of data manipulation. Predatory online is explained by Indonesian Joint Funding Fintech Association as setting conditions, terms and fees that are not fair and do not see the

ability to pay of potential consumers, especially borrowers (Aidha, et.al., 2019). Furthermore, the third principle is the principle of good faith, which emphasizes Fintech P2P Lending providers to provide protection for personal data and procedures for debt collection to borrowers.

CONCLUSION

Based on the discussion in this research, it can be concluded that the implementation of Fintech P2P Lending in Indonesia already has legal guarantees based on Financial Services Authority Regulation Number 77/POJK.01/2016. Today, the COVID-19 pandemic requires various groups, especially Fintech P2P Lending organizers to respond to technological changes and competition in an integrated and comprehensive manner, so that the challenges of the COVID-19 pandemic in the Industrial Revolution 4.0 era can be managed into opportunities. However, the implementation of Fintech P2P Lending during the current COVID-19 pandemic cannot be separated from the phenomenon of the risk of “over-indebtedness” or the risk of excessive debt caused by an imbalance of income with the obligation to pay debts to Fintech P2P Lending.

The problem of the rampant risk of “over-indebtedness” is due to the economic condition of the community, lack of financial literacy, unexpected events (layoffs during the COVID-19 pandemic), and the presence of illegal predatory lending or Fintech P2P Lending. So, in addressing these problems, it is necessary to have the role of all parties and the need for preventive efforts to reduce the phenomenon of the widespread risk of “over-indebtedness” such as financial literacy to the public regarding the legality of implementing Fintech P2P Lending. To support this literacy, Fintech P2P Lending organizers are required to carry out socialization and financial education activities based on Financial Services Authority Regulation No. 77/POJK.01/2016 and supported by optimizing the implementation of the basic principles of Fintech P2P Lending as an effort to reduce the risk of “over-indebtedness”, namely product transparency and offering methods; prevention of over-borrowing; and application of the principle of good intention.

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