

## Exploring the Critical Factors Affecting Lender Trust to Invest in Online Peer-to-Peer Lending in Indonesia\*

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### Abstract

This study aims to evaluate critical factors that drive lender trust in the platform to provide lend through a Peer-to-Peer (P2P) Lending Platform. P2P lending is a financial technology that facilitates lending mechanisms between lenders and borrowers through the Internet without collateral and financial institutions' involvement. Thus, lenders should trust the platform to willingly making a transaction using the online lending systems. We hypothesize that perceived regulatory protection, service quality, and security protection build the lender's trust in the P2P lending platform and investor willingness to invest. We test the model using empirical data from 180 participants experienced in Indonesia P2P lending using the structural equation (SEM) method. The results show that Willingness to Lend is significantly affected by Trust in Platform, while Perceived Regulatory Protection, Service Quality, and Security Protection are significant factors influencing lenders' Trust in Platform.

**Keywords:** Peer-to-Peer Lending, Trust in Platform, Willingness to Lend, Indonesia