

# **Legal Responsibilities of Peer-to-Peer Lending Company to Lender**

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## **Abstract**

Financial technology makes it easier for people to access financial products and services. One type of financial technology that is an alternative to meet the financing needs of the community is Peer to Peer Lending (P2P Lending). P2P Lending is a platform that brings together lenders and borrowers. Funds that lenders lend to borrowers through the P2P platform may face various risks, such as the borrower being unable to repay the loan. This study aims to analyze the mechanism of P2P lending companies in verifying the ability and eligibility of borrowers based on applicable regulations and how the legal responsibility of P2P lending companies to lenders if the borrower is unable to pay the loan. The research method used in this research is juridical-normative. An important finding in this study is that P2P lending companies carry out credit scoring and risk assessments when providing loans to borrowers. However, the legal responsibility of P2P lending companies to lenders is only limited to conducting credit analysis of borrowers to reduce the risk of default. However, to protect against the risk of default by borrowers, P2P lending companies protect them with insurance or protection funds. Therefore, Financial Services Authority (FSA) needs to educate P2P Lending, borrowers, and other users regarding the process and responsibility for funds provided by lenders.

## **Keywords**

Fintech, P2P Lending, Legal Responsibility, Lender, Borrower

## **Biography**

Fauzan Ahmad Rosjidi is a student majoring in business law at Bina Nusantara University.

Abdul Rasyid is a senior lecturer in the Business Law Department, Faculty of Humanities, Bina Nusantara University, Jakarta, Indonesia. Completed his undergraduate degree at the Sharia Faculty of UIN Imam Bonjol Padang majoring in Ahwal Syakhsyah in 2002, graduating in 3.5 years with a cum laude predicate. He then completed his master and doctoral studies at the Faculty of Law, International Islamic University Malaysia (IIUM) in 2005 and 2013 with a concentration in sharia business law. Lecturer at the 2014 Tazkia Islamic Institute, and since 2015 has worked as a permanent lecturer (faculty member) at the Department of Business Law, Bina Nusantara University, Jakarta and teaches several subjects including: Islamic law; sharia business law; banking and finance law; legal research methods and legal aspects in economics.