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FACTORS AFFECTING WILLINGNESS TO LENDFINTECH BASED ON PEER TO PEER LENDING WITH THE LEVEL OF PLATFORM TRUST AS AN INTERVENING VARIABLE

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ABSTRACT

Fintech P2P Lending was introduced in Indonesia in 2015 and along with technological advances, the P2P Lending industry experienced rapid development. This P2P Lending service connects lenders with borrowers to agree on lending and borrowing transactions. The aim of this research is to analyze the factors that influence the willingness to lend to fintech based on peer to peer lending with the level of trust in the platform as an intervening variable.The population from data collected from the Financial Services Authority Statistics is 158,366 bank accounts. Determining the sample using the Slovin technique, from the calculation results it was obtained that there were 99 rounded up to 100 samples who had been lenders from P2P lending platforms. The research results show that regulatory protection has a positive (0.265) and significant (0.001 < 0.05) effect on trust in the platform. Security guarantees have a positive (0.584) and significant (0.000 < 0.05) effect on trust in the platform. Regulatory protection has a positive (0.203) and significant (0.030 < 0.05) effect on willingness to lend. Security guarantees have a positive (0.256) and significant (0.039< 0.05) effect on willingness to lend. Trust in the platform has a positive (0.388) and significant (0.004< 0.05) effect on willingness to lend. Regulatory protection has a significant effect (0.040< 0.05) on willingness to lend mediated by trust in the platform. Security guarantees have a significant effect (0.008< 0.05) on willingness to lend mediated by trust in the platform.

Keywords: Regulatory Protection, Security Guarantee, Platform Trust, Willingness To Lend

INTRODUCTION

Intense business competition in recent years has driven very rapid changes in various sectors of life. This change is marked by the rapid development of digital technology called Industry 4.0. The digital revolution and the era of technological disruption are other names for industry 4.0. Industry 4.0 is referred to as the era of technological disruption because automation and connectivity in a field will cause major changes by making job competition and the industrial world non-linear. The unique characteristics of industry 4.0 include the application of artificial intelligence which is also called artificial intelligence(Yahya, 2021).

The emergence of the Fintech Industry in Indonesia fills the gap for unbankable and undeserved people to have better financial access than before, one of which is access to credit. One of the rapid developments in Fintech is represented by third party payments such as Peer to Peer Lending (P2P Lending) and other online financial institution platforms, which have differences compared to traditional financial institution systems..

Financing, in this case fintech P2P Lending, was present in Indonesia starting in 2015. Along with the growth and development of technology, the growth of P2P Lending is also increasingly rapid. P2P Lending services bring together parties providing loans (lenders) with parties receiving loans (borrowers) to agree on borrowing and borrowing in currency in an electronic system via the internet network directly without any face-to-face stage.

P2P Lending business activities include providing, managing and operating Information Technology-Based Joint Funding Services from lenders whose funds are sourced from the lender. In the implementation process, organizers can collaborate with information technology-based financial service providers that have been regulated by law. The Financial Services Authority (OJK) as the party appointed by the Government through law to supervise activities in the financial sector has issued a regulation, namely Number 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services. P2P lending refers to loans that arise between borrowers and investors through network lending

platforms, and not traditional financial institution systems.

P2P Lending provides a number of added values through its service products to its customers, by providing convenience and speed for borrowers as well as for those who do not have collateral or those who have collateral but have a need to get a loan. With the convenience offered, P2P Lending is able to grow rapidly as an investment and financing alternative in Indonesia.

The government as a regulator provides contributions in the form of regulations and an increase in the amount of loan funds disbursed as well as the significant growth of the Fintech P2P Lending platform, showing that the P2P Lending service is reliable and trustworthy and provides convenience and benefits for its users.

The significant growth in the number of Fintech P2P Lending providers is proof that the convenience and benefits provided are seen by the public as a trustworthy and reliable service. For this reason, the government as a regulator needs to contribute in the form of regulations so that there are no violations and fraud.

Table 1. Fintech P2P Lending Statistics in Indonesia

Information	TW I 2022	TW II 2022	TW III 2022	TW IV 2022	TW I 2023	TW II 2023
Number of Registered Organizers	102	102	102	102	102	102
Assets (Rp billion)	4,433	4,752	4,991	5,512	6,388	6,825
Number of Lenders	143,820	146,780	151,247	148,005	142,713	158,366
Amount of Funds Provided (Rp billion)	36,164	55,988	48,664	51,037	50,767	41,885
Number of Borrowers	12,841,635	15,233,384	17,673,289	19,717,096	17,599,467	18,168,355
Amount of Loans Disbursed (Rp billion)	36,622	44,340	48,738	51.122	51,019	52,701
Success Rate (TKB90)	97.68%	97.47%	96.93%	97.22%	97.19%	96.71%
Default Rate (TWP90)	2.32%	2.53%	3.07%	2.78%	2.81%	3.29%

Source: Financial Services Authority Data and Statistics (OJK, 2022)

In accordance with table 1 above, it can be seen that the number of platforms has decreased along with the obligation for P2P lending platforms to operate after obtaining permission from the OJK. Accumulated assets from the platform increased to IDR 6,825 billion in the second quarter of 2023. The number of lenders and the amount of funds provided fluctuates with data as of June 2023 recorded at 158,366 accounts and IDR 41,885 billion, respectively. This is directly proportional to the number of borrowers and the number of loans disbursed, which have also increased so that in June 2023 they were recorded at Rp. 18,168,355 and Rp. 52,701 billion, respectively. However, there are things that need to be paid attention to, especially by lenders, where the success rate in the last quarter decreased to 96.71% and the default rate increased to 3.29%. As of June 30 2023, the number of providers of information technology-based joint funding services that have permission from the OJK is recorded at 102 platforms consisting of 95 conventional funding platforms and 7 platforms based on sharia principles.

*Platforms*P2P lending is still considered to not have effective supervision. In previous research(Li et al., 2021)stated, Peer-to-peer (P2P) lending platforms play an important role in a modern financial system. However, with inappropriate handling and supervision, credit risk becomes unavoidable. Due to the lack of risk control that is considered effective from the P2P lending platform, credit risk can increase sharply, resulting in large-scale default risk that can affect the entire financial market, which of course will be detrimental to the Lender.

*Lenders*In P2P, you need to understand the risks that will be faced in providing loans to borrowers through P2P providers, with higher interest rates compared to funding in other institutions such as banks or other financial institutions, but you need to remember that the risk of funds invested by lenders is fully borne by the owner. funds are not guaranteed by the Deposit Insurance Corporation (LPS). The decision to provide funding is carried out systemically, namely by utilizing artificial intelligence so that it is processed more quickly and supporting documents that are classified as minimal and less informative so that there is a relatively high risk of non-performing funding. Lenders need to be careful in

selecting parties who will be given loans based on their risk appetite. .

Therefore, it is necessary to identify good credit risks in P2P Lending in managing and preventing risks for lenders in P2P lending which is a concern and crucial in problems in the online financial market. Factors that influence lenders' intentions to lend on P2P lending platforms are identified from three aspects consisting of: (1) regulatory protection, (2) service quality and (3) security guarantees(Wang et al., 2015).

Due to the phenomenon of increasing lending, fintech organizers need to pay attention to various risks and plan appropriate, measurable and comprehensive business strategies to maintain the performance of their credit distribution.

Formulation of the problem

Based on the discussion of the background of the problem, the problem of this research is the phenomenon regarding lenders' willingness to invest in P2P lending platforms. Based on the research problem, the following research questions can be formulated:

1. How does regulatory protection affect trust in P2P lending platforms??
2. How do security guarantees affect trust in P2P lending platforms??
3. How do regulatory protections affect willingness to lend??
4. How does security guarantee affect the willingness to lend??
5. How does trust in P2P lending platforms mediate the relationship between regulatory protection and willingness to lend??
6. How does trust in the P2P lending platform mediate the relationship between security guarantees and willingness to lend?
7. How does trust in P2P lending platforms influence willingness to lend?

Hypothesis Development

The Effect of Regulatory Protection on Trust in Platforms

Previous studies have revealed factors that influence lenders' trust in platforms, such as Perceived Regulatory Protection, Service Quality, and Security Protection(Gefen & Pavlou, 2004). In P2P lending, to increase user understanding, privacy of user data and consumer protection, minimize fraud, increase supervision of P2P lending including strengthening regulations and the role of associations as well as eradicating illegal P2P as stated by(Ardelia et al., 2020).The hypotheses tested are:

H1:Regulatory Protection will have a positive impact on Trust in the Platform

The Effect of Security Guarantees on Trust in the Platform

Research by(D. Chen et al., 2014)also shows that in the context of online peer-to-peer lending, the security protection provided by the platform shows the platform's efforts in mitigating lender risks so that it will increase the lender's confidence in being willing to lend,(Ardelia et al., 2020)Moreover, all transactions are carried out online so that in general the lending party and the borrower do not know each other and meet face to face in the transaction, of course this can cause lenders to worry.. The hypotheses tested are:

H2:Security Guarantees will have a positive impact on Trust in the Platform

The Effect of Regulatory Protection on Willingness to Lend

(Ardelia et al., 2020)revealed that the three constructs - perceived regulatory protection, service quality, and security protection will significantly influence lenders' trust in the platform positively considering that if it is protected by regulations that clearly and firmly regulate P2P lending transactions, they will receive legal certainty.. The hypotheses tested are:

H3:Regulatory protection will have a positive impact on Willingness to Lend

The Effect of Security Guarantees on Willingness to Lend

The importance of the components of confidentiality, integrity and availability by identifying threats, classifying organizational assets and assessing threats (vulnerabilities) so that effective security controls can be implemented(Benuf et al., 2019).(Fahmi, 2018)In his research, there is a significant positive relationship between security and intention.. The hypotheses tested are:

H4:Security Guarantee will have a positive impact on Willingness to Lend

The Effect of Platform Trust Mediates the Relationship of Regulatory Protection on Lenders' Willingness to Lend

Platforms are obliged to implement the rules and regulations set by stakeholders so that the public has confidence in investing as lenders in P2P lending. InConventional financial intermediaries such as in banking, compliance with regulators is one of the considerations in determining the placement of funds in the form of savings, deposits or current accounts in the banking industry. If trust in the bank decreases, it does not rule out the possibility of withdrawal of savings funds at the bank(Putera, 2020). The hypotheses tested are:

H5:Trust in the Platform Mediates the Relationship between Regulatory Protection and Lenders' Willingness to Lend

The Influence of Platform Trust Mediates the Relationship between Security Guarantees and Lenders' Willingness to Lend

The platform is obliged to provide security guarantees and mitigate future risks so that lenders get the expected investment results. On research(Neysa et al., 2014)in the banking sector, it was concluded that the relationship between security guarantees and interest in saving is positive, this proves that the security guarantees provided increase confidence in saving. So it can be hypothesized that the trust obtained by P2P lending platforms in the form of security guarantees will increase lenders' willingness to lend funds. The hypotheses tested are:

H6:Trust in the Platform Mediates the Relationship between Security Guarantees and Lenders' Willingness to Lend

The Effect of Platform Trust on Willingness to Lend

A company's reputation can represent public opinion and form the first impression for potential users(X. Chen et al., 2021). Reputation is stated to have a positive and significant influence on trust(Wang et al., 2015). The Financial Services Authority views financial inclusion as an important point in providing access to various products and services from financial service institutions in accordance with their capabilities and needs in their efforts to improve welfare, including making loans, savings and utilizing digital transaction products.. The hypotheses tested are:

H7:Trust in the Platform will have a positive impact on Willingness to Lend

Research Conceptual Framework

Research framework for developing hypotheses in research.

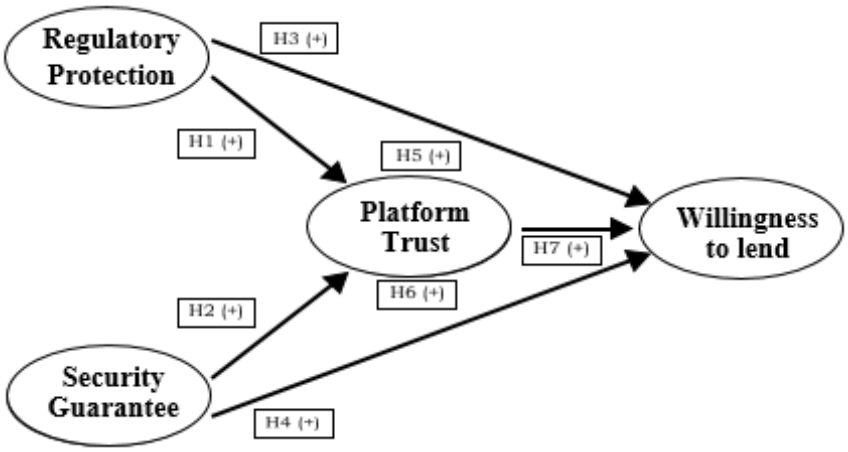

Figure 1.
Research Framework

RESEARCH METHODS

Data Types and Sources

SThe data sources used in this research are secondary data and primary data. Secondary data was collected from the Non-Bank Financial Industry Department of the Financial Services Authority to determine developments in the number and performance of peer to peer lending platforms in the last 3 years. Meanwhile, primary data was obtained directly in the field with a questionnaire containing structured questions to lenders who had invested in online peer to peer lending platforms.

Population and Sample

The population of the research is P2P lending platform lenders in Indonesia which are spread from 101 P2P lending platforms that have obtained permission from the Financial Services Authority as of September 2023. In this research, the total population from data collected from the Financial Services Authority Statistics is 158,366 lender accounts.

Pesample determination using the Slovin technique according to(Sugiyono, 2017)as follows:

$n=N/(1+(N x e^2))$

Where :

n = sample size

N = population size

e = percentage of allowance for inaccuracy due to sampling error that can be tolerated, then squared.

Based on the Slovin Formula, the size of the research sample size is:

n= N / (1+(158,366 x 0.1))

n= 158,366 / (1+(158,366X 0.01)

n= 158,366 / (1+1,583.66)
n= 158,366 / 1,584.66
n= 99.93 rounded to 99

So the sample size in this study is 99 lenders from P2P lending platforms who will be used as respondents. Based on this, the research sample was rounded up to 100 with the condition that respondents who are currently or have previously been lenders on P2P lending platforms were considered relevant because they had met the requirements. This number is quite relevant and meets the requirements to be analyzed with Partial Least Square (PLS) software. Regarding the research method that uses the Structural Equation Model (SEM), (Hair et al., 1995) recommends using a sample of 100 to 200 respondents.

Method of collecting data

The data collection method used in this research uses two methods. The first is document review to collect secondary data. Meanwhile, the second way is to use the questionnaire method by distributing questionnaires containing structured questions to respondents. The respondents of this research are lenders from P2P lending platforms who have obtained permission from the Financial Services Authority. The scale that will be used in collecting data is using a 1-5 Likert scale from strongly agree to strongly disagree(Sugiyono, 2017).

Analysis Techniques

Structural Equation Modeling (SEM) is a statistical method used to test and evaluate the relationship between variables in a model. One SEM approach is Partial Least Squares (PLS). In Structural Equation Modeling (SEM) analysis using the Partial Least Squares (PLS) method, there are two main parts, namely:

1. Outer Model
   This section is concerned with the relationship between latent variables and manifest variables. At this stage, the validity and reliability of variables is measured by testing constructs, such as factor analysis, construct validity and internal reliability.
2. Inner Model:
   Inter-Variable Relationships: The focus of this section is on the relationships between latent variables in the model. This process involves estimating and testing the paths connecting latent variables to see how strong the relationship is and its significance. Relationship Test: This stage involves testing the significance of path coefficients between variables in the model. A path is considered significant if the coefficient is significantly different <0.05, indicating that there is an influence between these variables.

RESULTS AND DISCUSSION

Respondent Description

The respondents of this research are 104 P2P lending platform lenders in Indonesia spread across 101 P2P lending platforms that have obtained permission from the Financial Services Authority for September 2023. The description of the respondents based on their latest education, income and duration as a peer to peer leading leader, is shown in table below:

Table 2. Education,Last Respondent's Income and Duration as a Peer to Peer Leading Leader

Education	Amount	Percentage (%)
SMA/SMK	19	18.3%
Diploma	21	20.2%
S1	62	59.6%
S2/S3	2	1.9%
Total	**104**	**100%**
	Income	
Income	**Amount**	**Percentage (%)**
Less than IDR 5,000,000	36	34.6%
IDR 5,000,001 – IDR 10,000,000	44	42.3%
IDR 10,000,001 – IDR 30,000,000	19	18.3%
Above IDR 30,000,000	5	4.8%
Total	**104**	**100%**
	Leader Peer To Peer Leading	
Duration	**Amount**	**Percentage (%)**
< 6 months	29	27.9%
> 6 months – 12 months	39	37.5%
> 12 months – 24 months	29	27.9%
> 24 months	7	6.7%
Total	**104**	**100%**

Source: Processed Primary Data, 2023.

Outer Model Testing

The outer model testing aims to evaluate the indicators for each research variable. Outer model testing is also often referred to as research instrument testing, as follows.

Convergent Validity Test

The condition for fulfilling convergent validity is that the outer loading value of each indicator on the latent/construct variable is ≥ 0.7 (Ghozali & Latan, 2015). The results of the outer loading test are below.

Table 3. Convergent Validity Test Results: Outer Loading

Indicator	*Outer Loading*	Parameter	Results
Regulatory Protection			
X1.1	0.707	≥ 0.7	Valid
X1.2	0.754	≥ 0.7	Valid
X1.3	0.771	≥ 0.7	Valid
X1.4	0.838	≥ 0.7	Valid
X1.5	0.785	≥ 0.7	Valid
X1.6	0.770	≥ 0.7	Valid
X1.7	0.780	≥ 0.7	Valid
X1.8	0.738	≥ 0.7	Valid
X1.9	0.799	≥ 0.7	Valid
Security Guarantee			
X2.1	0.769	≥ 0.7	Valid
X2.2	0.733	≥ 0.7	Valid
X2.3	0.800	≥ 0.7	Valid
X2.4	0.725	≥ 0.7	Valid
X2.5	0.753	≥ 0.7	Valid
X2.6	0.793	≥ 0.7	Valid
X2.7	0.751	≥ 0.7	Valid
X2.8	0.715	≥ 0.7	Valid
X2.9	0.772	≥ 0.7	Valid
X2.10	0.791	≥ 0.7	Valid
X2.11	0.744	≥ 0.7	Valid
X2.12	0.765	≥ 0.7	Valid
X2.13	0.864	≥ 0.7	Valid
X2.14	0.853	≥ 0.7	Valid
X2.15	0.762	≥ 0.7	Valid
Trust in the Platform			
X3.1	0.729	≥ 0.7	Valid
X3.2	0.757	≥ 0.7	Valid
X3.3	0.814	≥ 0.7	Valid
X3.4	0.866	≥ 0.7	Valid
X3.5	0.756	≥ 0.7	Valid
X3.6	0.815	≥ 0.7	Valid
Willingness to Lend			
Y.1	0.894	≥ 0.7	Valid
Y.2	0.882	≥ 0.7	Valid
Y.3	0.740	≥ 0.7	Valid

Source: Processed Primary Data, 2023.

Based on the table above, it can be seen that the outer loading value for all questions is more than 0.7, which means that all questions can be declared valid (Ghozali & Latan, 2015). AVE Test Results can be seen in the table below:

Table 4. Convergent Validity Test Results: AVE

Variable	AVE	Parameter	Results
Regulatory Protection	0.596	0.5	Valid
Security Guarantee	0.598	0.5	Valid
Trust in the Platform	0.626	0.5	Valid
Willingness to Lend	0.708	0.5	Valid

Source: Processed Primary Data, 2023.

The table above shows the Average Variance Extracted (AVE) values for all variables > 0.5 which means that all variables are declared valid.

Discriminant Validity Test

The discriminant validity test in this study was also carried out twice, testing each question item and each variable. The condition for a valid question item is that the outer loading value must be greater than the cross loading value (Ghozali & Latan, 2015). The results of the validity test using cross loading can be seen in the table below:

Table 5. Discriminant Validity Test Results: Cross Loading

Items	JK	KM	ID card	PP
X1.1	0.493	0.548	0.477	**0.707**
X1.2	0.434	0.540	0.484	**0.754**
X1.3	0.637	0.516	0.507	**0.771**
X1.4	0.549	0.607	0.585	**0.838**
X1.5	0.591	0.491	0.526	**0.785**
X1.6	0.615	0.439	0.527	**0.770**
X1.7	0.499	0.420	0.478	**0.780**
X1.8	0.556	0.419	0.560	**0.738**
X1.9	0.514	0.477	0.541	**0.799**
X2.1	**0.769**	0.646	0.524	0.554
X2.2	**0.733**	0.478	0.528	0.499
X2.3	**0.800**	0.459	0.576	0.620
X2.4	**0.725**	0.545	0.555	0.500
X2.5	**0.753**	0.426	0.482	0.464
X2.6	**0.793**	0.506	0.579	0.563
X2.7	**0.751**	0.531	0.594	0.549
X2.8	**0.715**	0.401	0.576	0.504
X2.9	**0.772**	0.481	0.576	0.509
X2.10	**0.791**	0.511	0.594	0.523
X2.11	**0.744**	0.677	0.587	0.541
X2.12	**0.765**	0.628	0.704	0.660
X2.13	**0.864**	0.688	0.767	0.582
X2.14	**0.853**	0.587	0.680	0.578
X2.15	**0.762**	0.391	0.519	0.467
X3.1	0.482	0.469	**0.729**	0.426
X3.2	0.478	0.503	**0.757**	0.407
X3.3	0.633	0.550	**0.814**	0.522
X3.4	0.675	0.620	**0.866**	0.615
X3.5	0.674	0.604	**0.756**	0.653
X3.6	0.661	0.649	**0.815**	0.532
Y.1	0.596	**0.894**	0.631	0.525
Y.2	0.615	**0.882**	0.720	0.609
Y.3	0.553	**0.740**	0.441	0.488

Source: Processed Primary Data, 2023.

The table above shows that the outer loading value for all question items (numbers in bold) is greater than the cross loading value (correlation value on the right/left parallel to the

outer loading), which means that all question items are declared valid.

Reliability Test

In this research, the reliability test parameters are said to be reliable if the Cronbach's alpha and composite reliability values must be ≥ 0.7 (Ghozali & Latan, 2015). The results of reliability testing are shown in the table below:

Table 6. Discriminant Validity Test Results: Fornell-Larcker Criterion

Variable	Cronbach's Alpha	Composite Reliability	Parameter	Results
PP	0.915	0.917	0.7	Reliable
JK	0.952	0.957	0.7	Reliable
ID card	0.881	0.909	0.7	Reliable
KM	0.792	0.879	0.7	Reliable

Source: Processed Primary Data, 2023.

The table above shows the Cronbach's alpha and composite reliability values for all variables > 0.7 which means that all variables are declared reliable.

Inner Model Testing

*Inner model*shows the relationship or strength of estimation between latent variables based on related theories. The test that will be carried out is the coefficient of determination (R-squared) and the influence test between variables (t test).

Coefficient of Determination (R-Square)

The results of the coefficient of determination test can be seen in the table below which is shown in the R Squared Adjusted column.

Table 7. Coefficient of Determination Test Results

Dependent variable	R Square	R Square Adjusted
Trust in the Platform	0.629	0.622
Willingness to Lend	0.591	0.579

Source: Processed Primary Data, 2023.

It is known that the adjusted R-squared value of the trust variable towards the platform is 0.622. This means that regulatory protection and security guarantees have a simultaneous influence of 62.2% on trust in the platform. Meanwhile, the adjusted R-squared value of the willingness to lend variable is 0.579, which means that regulatory protection and security guarantees mediated by trust in the platform have a simultaneous influence of 57.9% on the willingness to lend.

t -Test (Hypothesis Test)

Statistical t testing on structural models (inner models) is divided into 2 (two) types, namely direct effect testing and indirect effect testing. The results of direct effect testing are as follows:

Table 8. Hypothesis Test Results: Direct Effect

Hypothesis	Original Sample	P Values
Regulatory Protection -> Trust in the Platform	0.265	0.001
Security Guarantee ->Trust in the Platform	0.584	0,000
Regulatory Protection ->Willingness to Lend	0.203	0.030
Security Guarantee ->Willingness to Lend	0.256	0.039
Trust in the Platform ->Willingness to Lend	0.388	0.004

Source: Processed Primary Data, 2023.

The results of the t test for direct influence are as follows:

1. Regulatory protection has a positive (0.265) significant (0.001 < 0.05) effect on trust in the platform.
2. Security guarantees have a positive (0.584) and significant (0.000 < 0.05) effect on trust in the platform.

3. Regulatory protection has a positive (0.203) and significant (0.030 < 0.05) effect on willingness to lend.
4. Security guarantees have a positive (0.256) and significant (0.039 < 0.05) effect on willingness to lend.
5. Trust in the platform has a positive (0.388) and significant (0.004 < 0.05) effect on willingness to lend.

Meanwhile, in this research there is also a hypothesis of an indirect effect between the independent variable and the dependent variable through a mediating or intervening variable.

The results of the indirect effect test can be seen in the following table:

Table 9. Hypothesis Test Results: Indirect Effect

Hypothesis	Original Sample	P Values
Regulatory Protection -> Trust in the Platform -> Willingness to Lend	0.103	0.040
Security Guarantee -> Trust in the Platform -> Willingness to Lend	0.227	0.008

Source: Processed Primary Data, 2023.

The results of the t test for indirect effects are as follows:

1. Regulatory protection has a significant effect (0.040 < 0.05) on willingness to lend mediated by trust in the platform.
2. Security guarantees have a significant effect (0.008 < 0.05) on willingness to lend mediated by trust in the platform.

DISCUSSION

The Effect of Regulatory Protection on Trust in Platforms

The results of this research state that regulatory protection has a significant positive effect on trust in the platform, as evidenced by the t test significance value of 0.001 (< 0.05) and the positive original sample value of 0.265. Positive influence means a unidirectional influence, good regulatory protection has an impact on high trust in the platform. This means that hypothesis 1 is accepted.

To maintain public trust as users, both lenders and borrowers, in relation to P2P lending, comprehensive efforts are needed by the Government and authorities to increase supervision of P2P lending, including strengthening regulations and the role of associations as well as eradicating illegal P2P, with the hope of increasing understanding. users, privacy of user data and consumer protection, and minimizing fraud(Ardelia et al., 2020).

In relation to illegal P2P, if it is not immediately addressed by making concrete efforts to eradicate illegal P2P, borrowers will be reluctant to borrow from P2P lending and this will also impact lenders' interest in trusting the platform.

The Effect of Security Guarantees on Trust in the Platform

The results of this research state that security guarantees have a significant positive effect on trust in the platform, as evidenced by the t test significance value of 0.000 (< 0.05) and the positive original sample value of 0.584. Good security guarantees have an impact on high trust in the platform. This means that hypothesis 2 is accepted.

Online loans involve money transactions, and considerations regarding security in investing can foster a stronger sense of trust in the lender to make a deal(Wang et al., 2015). Security assurance is an important factor influencing trust for high-risk activities, such as the use of mobile payments and online shopping(Fahmi, 2018)Moreover, all P2P lending transactions are carried out online so that in general the lending party and the borrower do not know each other and meet face to face in transactions, of course this can cause lenders to worry.

The Effect of Regulatory Protection on Willingness to Lend

The results of this research state that regulatory protection has a significant positive effect on willingness to lend, as evidenced by the t test significance value of 0.030 (< 0.05) and the positive original sample value of 0.203. Good regulatory protection has an impact on high willingness to lend. This means that hypothesis 3 is accepted.

The Financial Services Authority (OJK) regulates the P2P lending market, especially with the issuance of Financial Services Authority Regulation No.10/POJK.05/2022 concerning Information Technology-Based Joint Funding

Services. The regulation introduces various guidelines, obligations and restrictions relevant to peer-to-peer lending services, such as the roles and responsibilities of P2P lending platforms, protection and education for users, and risk mitigation.

Perceived regulatory protection, service quality, and security protection will significantly influence lenders' trust in the platform positively considering that if it is protected by regulations that clearly and firmly regulate P2P lending transactions, they will receive legal certainty.(Ardelia et al., 2020).

The Effect of Security Guarantees on Willingness to Lend

The results of this study state that security guarantees have a significant positive effect on willingness to lend, as evidenced by the t test significance value of 0.039 (< 0.05) and the positive original sample value of 0.256. Good security guarantees have an impact on high willingness to lend. This means that hypothesis 4 is accepted.

Benuf et al. (2019)states that the security domain in information systems is a combination of a process of identifying data and information assets in an organization with the development and implementation of policies, standards, guidelines and procedures for data classification management practices and risk management. which is conducted. The importance of the components of confidentiality, integrity and availability by identifying threats, grouping organizational assets and assessing threats (vulnerabilities) so that effective security controls can be implemented(D. Chen et al., 2014).

The Effect of Trust in the Platform Mediates the Relationship of Regulatory Protection to Lenders' Willingness to Lend

The results of this study state that trust in the platform mediates the relationship between regulatory protection and willingness to lend, as evidenced by the t test significance value of 0.040 (< 0.05). This means that hypothesis 5 is accepted.

In creating and maintaining lenders' trust in transactions and investing in P2P lending, stakeholders, in this case the Financial Services Authority, Bank Indonesia and the Ministry of Communication and Information of the Republic of Indonesia, provide strict regulations to guarantee and protect transactions carried out in accordance with the rules and protections. applicable law.

Public trust is very important for platforms in managing funds from lenders which are then distributed to borrowers. Due to this, the platform is obliged to implement the rules and regulations that have been established by stakeholders so that the public has the confidence to be willing to lend in P2P lending.(D. Chen et al., 2014).

The Influence of Trust in the Platform Mediates the Relationship between Security Guarantees and Lenders' Willingness to Lend

The results of this study state that trust in the platform mediates the relationship between security guarantees and willingness to lend, as evidenced by the t test significance value of 0.008 (< 0.05). This means that hypothesis 6 is accepted.

On researchNeysa et al. (2014)in the banking sector, it was concluded that the relationship between security guarantees and interest in saving is positive, this proves that the security guarantees provided increase confidence in saving.

The security guarantee offered by P2P lending platforms is the main factor in attracting lenders and potential lenders to invest. The correctness of information and guarantees of data security are very influential in forming trust in P2P lending platforms so that they are willing to lend as lenders(Asri et al., 2022).

The Effect of Trust in the Platform on Willingness to Lend

The results of this research state that trust in the platform has a significant positive effect on willingness to lend, as evidenced by the t test significance value of 0.004 (< 0.05) and the positive original sample value of 0.388. High trust in the platform has an impact on high willingness to lend. This means that hypothesis 7 is accepted.

Trust is the main capital and foundation in business relationships, both platforms, lenders and borrowers must trust each other in carrying out transactions to provide each other with positive benefits as expected by all parties.

The lender's level of understanding of financial literacy in investing in peer to peer lending is very necessary in determining trust in the platform(Ardelia et al., 2020). Especially literacy regarding platform reputation. A company's reputation can represent public opinion and form the first impression for potential users(X. Chen et al., 2021). Reputation is stated to have a positive and significant influence on trust(Wang et al., 2015). Before lending money, lenders need to know the performance of the platform, the success rate of investment results, and the default rate. Research conducted byD. Chen et al. (2014)shows that trust in P2P lending platforms drives lenders' willingness to lend.

CONCLUSION

Based on the research results, the following conclusions can be drawn:

1. Regulatory protection has a positive (0.265) significant (0.001 < 0.05) effect on trust in the platform.
2. Security guarantees have a positive (0.584) and significant (0.000 < 0.05) effect on trust in the platform.
3. Regulatory protection has a positive (0.203) and significant (0.030 < 0.05) effect on willingness to lend.
4. Security guarantees have a positive (0.256) and significant (0.039 < 0.05) effect on willingness to lend.
5. Regulatory protection has a significant effect (0.040 < 0.05) on willingness to lend mediated by trust in the platform.
6. Security guarantees have a significant effect (0.008 < 0.05) on willingness to lend mediated by trust in the platform.
7. Trust in the platform has a positive (0.388) and significant (0.004 < 0.05) effect on willingness to lend.
8. Regulatory protection and security guarantees mediated by trust in the platform have a simultaneous influence of 57.9% on willingness to lend, while the remainder (42.1%) is the influence of other variables not studied.

Suggestion

Based on these conclusions, suggestions that can be given are as follows:

1. For the Financial Services Authority (OJK)
   Regulatory protection and security guarantees have been proven to influence lenders' willingness to provide loans, therefore, OJK is expected to be able to formulate better strategies in drafting new policies and regulations related to P2P lending regulations in order to improve financial technology services, so that they can be used as guidelines and provide security guarantees. to protect all parties involved.
2. For Academics
   It is hoped that the results of this research can be used as a reference or literature review for further research, especially regarding regulatory protection, security guarantees, trust in P2P lending platforms, and lenders' willingness to provide loans.
3. For Further Researchers
   For future researchers, it is hoped that they will examine other factors that can influence the willingness of P2P lending lenders to provide loans.

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