

MORAL HAZARD AND THE COLLAPSE OF SHARIA PEER-TO-PEER LENDING FINTECH IN INDONESIA: IBNU KHALDUN'S PERSPECTIVE

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Abstract

Fintech P2P sharia lending is a digital innovation that brings both capital owners and capital recipients to run a business with Islamic principles. However, until 2025, Sharia P2P lending platforms have experienced fraud and default (failure to pay). This study aims to provide a comprehensive overview of Ibnu Khaldun's perspective on the problems and challenges of managing Sharia P2P lending Fintech. The qualitative method was used in this study with a literature study approach. The technical data analysis used thematic analysis through secondary data sources derived from the book Muqqodimah, journals and related online news articles. The study found that 5 concepts from Ibnu Khaldun's perspective can provide solutions to the problems of fraud and default. The civilization concept can answer the role of digital civilization and the current position of P2P lending. The concept of ashabiyah and morality reveals the moral hazards of P2P lending management and the spirit of its use. Ibnu Khaldun's concept of statehood reveals the state's role and oversight in regulating Fintech P2P sharia lending. Finally, Ibnu Khaldun's economic concept emphasizes the principle of justice and the principle of applying Islamic sharia, which prioritizes the ummah. This research is expected to serve as a reference for stakeholders and Sharia P2P lending platforms to adjust their operations and as a basis for sustainable Sharia P2P lending Fintech.

Keyword: Islamic Fintech, Islamic Peer-to-Peer Lending, Ibnu Khaldun, Moral hazard, Fintech Collapse

Introduction

Financial Technology, or fintech, is a digital innovation that combines economic activities with technological sophistication. Fintech is a technology system proven to provide easy access for all economic actors. In its operations, fintech can be accessed via electronic devices such in mobile phones or laptops. Everyone can access it even if they are in any remote area with an internet signal. With this ease of access, Fintech has rapidly developed and is favoured by many economic actors of various groups and ages.

At first, the development of Fintech was limited only to conventional fintech. Conventional fintech is a fintech that uses the interest principle in practice to get profit. In its development, fintech is divided into several types, namely payment fintech, digital banking fintech, funding fintech, and investment fintech (Nafiah & Faih, 2019). Fintech payments are digital platforms designed to make payments easier, such as e-wallets, payment gateways, and PPOB. Fintech digital banking is a digital platform born of innovation, where banking is delivered in a digital form without face-to-face interaction. Investment fintech is a platform that provides convenience as an investment advisor and stock market comparison. Fintech funding is an innovation platform that raises capital and distributes it to funders and recipients. Examples of fintech funding are peer-to-peer lending, crowdfunding, equity finance and microfinancing.

The development of fintech, especially in the peer-to-peer lending segment, is very fast in Indonesia, so Muslims also need it. Because the principles of fintech p2p lending that existed at that time did not meet the Sharia provisions, fintech p2p lending was needed in accordance with Sharia principles. Seeing the great potential of the financial market in Indonesia, several companies have started to establish sharia-based p2p fintech platforms, where this will accommodate the attraction of prospective investors who want to be in accordance with religious regulations and provide opportunities for prospective fund recipients to develop their businesses.

Fintech p2p sharia lending in Indonesia began its birth around 2017. Initially, many Sharia P2P lending Fintech sprang up that sought to provide Sharia compliance value and opportunities for Muslims to contribute to the Sharia economy. Seeing the rapid development in the Sharia P2P lending Fintech sector, the Financial Services Authority (OJK), which is the official state regulator, has made regulations related to Sharia P2P lending Fintech. The regulation is intended to ensure that the operations of Sharia P2P Lending Fintech stay

responsible and sustainable. Despite the issuance of the regulation, it does not discourage the development of Sharia P2P Lending Fintech in Indonesia. Although it has increased from 2017 to 2025, some have stopped operating for other unknown reasons. As of the end of 2025, the number of Sharia P2P lending companies that remain in operation and are supervised by the OJK is 7 (OJK, 2026).

Fintech P2P Sharia lending also experiences obstacles and challenges on its journey. A few years after it began to develop, around 2021, there was a payment failure issue in Sharia P2P lending (Kumparan.com, 2021). Along with this problem, in 2025 there were also payment failures in other Sharia P2P lending fintechs (Kompas.com & Tempo.co, 2026). In the conventional sector, similar problems also occurred long before they occurred in Sharia P2P lending fintech (CNBCIndonesia.com & Bisnis.com, 2025). The problems and failures that occurred shocked all parties and prompted the digital economic order to once again focus on its security and survival.

Failures in P2P lending, both sharia-based and conventional, are driven by moral hazard. Moral hazard is a condition in which one party has more dominant and larger information than the other party (Purnamaputra et al., 2022). Moral hazard can be in the actions that harm other parties that come from unethical behavior. In the Sharia view, moral hazard behavior is very intolerable. Because this will have the potential for disputes and disagreements between one party and another. And also, the party that committed moral hazard has forcibly taken the other party's property in an unlawful and tyrannical way. In the world of Fintech P2P sharia lending, moral hazard behavior is in the fraud (fictitious projects), misuse of funds, incompetence of the Sharia Supervisory Board, non-compliance with contracts and other things. This behavior is driven by uncivilized moral factors from Sharia P2P lending managers.

Fintech P2P sharia lending is an effort to advance the Islamic economic climate in Indonesia. The existence of Sharia P2P lending is very beneficial for recipients of funds to advance their business and has an impact on the whole Muslims economics. From the fund owners' side, Sharia P2P lending is an institution that can distribute wealth to bring benefit on the people and also to fund owners. That means Fintech P2P sharia lending is not only a technological innovation but also an Islamic economic institution that can provide mashlahat and benefits to various parties.

The civilization theory developed by Islamic scholar Ibnu Khaldun explains that an institution will experience 4 main phases in its life cycle (Abdullah et al., 2024). Although the theory explicitly talks about civilization and statehood, it has relevance in Fintech P2P Sharia lending. Because Fintech is an innovation of digital civilization that makes almost everyone in the world use it, especially in Indonesia. That means Islamic P2P Fintech lending is a legacy of digital civilization in the modern era. Based on this theory, a civilization that does not obey the rules of the Sharia will experience its own decline and collapse. This includes the development of Fintech P2P sharia lending, which is currently experiencing setbacks and various fundamental problems, such as moral hazard.

Ibnu Khaldun's ashabiyah theory holds that the struggle to achieve goals is rooted in the social solidarity of the community, shaped by religious, ethnic, cultural, and geographical similarities (Saumantri, 2020). This is in line with the rapid development of Sharia P2P lending at its early stage. Because of the spirit of upholding the Islamic economy, which has an impact on all Muslims in Indonesia, which is the majority of Muslims. However, when problems arise in Sharia P2P lending, the Sharia fintech collapse can occur due to a lack of ashabiyah spirit. Where the goals to be achieved together have been compromised by the moral hazard in Sharia P2P lending that has arisen. Thus, the division of fighting spirit between various parties involved in Sharia P2P lending occurs. Therefore, guidance is needed regarding the problem of moral hazard and the fintech collapse of Sharia P2P lending, based on Ibnu Khaldun's understanding, in order to provide a solution in accordance with Islamic law.

Agustiani et al. (2025) said that Sharia Fintech provides easy access and has a positive economic impact on Muslims. However, Sharia P2P lending Fintech has a massive potential for moral hazard arising from intentional actions by one of the parties (Zanjabil, 2026). Ibnu Khaldun has provided an explanation of economic theories that may be encountered (Efendi, 2024). However, there has been no discussion of economic problems, such in the destruction and collapse of the digital economy system in the Fintech and P2P Sharia lending, based on the complete understanding explained by Ibnu Khaldun. This article aims to understand Ibnu Khaldun's perspective on civilizational and economic activities in the current modern economic period. What is Ibnu Khaldun's view on anticipating and providing solutions to possible future challenges and obstacles that will be faced by the modern economy nowadays. Especially the digital civilization on Fintech P2P Sharia lending, which aims to provide a comprehensive and detailed overview of the phenomenon of moral hazard and the fintech collapse of Islamic P2P Fintech lending within the framework of Ibnu Khaldun's theory.

Method

This research used qualitative methods. The qualitative method was chosen because it can provide a deep understanding of a phenomenon that happens (Zanjabil & Taufik, 2025). The qualitative method does not just use numbers in explain phenomena; it can identify the core problem and provide much more precise solution

steps. The approach in this study uses a literature study. Literature study is an approach that uses various relevant text sources for analysis (Febrianto et al., 2024). The data sources used in this study were secondary data sources, namely textbooks and related journal articles. In this study, an in-depth analysis was carried out on the mukoddimah textbook by Ibnu Khaldun as well as journal articles containing Ibnu Khaldun's thoughts. The technical data analysis uses thematic analysis. Thematic analysis is carried out by identifying, analyzing and summarizing the patterns/themes obtained (Zanjabil & Indupurnahayu, 2026). In general, the stages of analysis carried out are understanding data, creating code and compiling themes (Heriyanto, 2018). Thus, by using various stages of the research method, it will yield sharp, valid research results.

Result and Discussion

Data analysis was made using 3 stages. The first stage is to understand the data. The main data used in this study are the muqodimah textbook by Ibnu Khaldun, along with journal articles related to Ibnu Khaldun's understanding. The process of understanding is to read the data repeatedly to develop a deep, detailed understanding. The second stage is to create codes. The code is done in order to be able to separate and know which variables will be used. And the last stage is to create a theme. The theme that is prepared is based on codes that have been previously determined and summarized into a big theme of discussion. Based on this, the results of the analysis obtained are as follows:

Table 1. Key Theme Findings

No.	Ibnu Khaldun's Perspective	Main Theme
1	Civilization Concept	Sharia P2P Lending Fintech as an institution of digital civilization
2	Ashabiyah and Morality Concept	Moral hazard and weakening of Ashabiyah Fintech P2P Lending Sharia
3	Statehood Concept	Weak supervision and lack of state support
4	Economic Concept	Injustice and deviation of Sharia principles

Fintech P2P Sharia Lending as the Civilization Institution

Today's modern civilization requires speed and accuracy in order to compete and continue to evolve. This need can be met by using the latest technology. Including in terms of finance, the modern era today requires an efficient, effective and economical technology. The presence of Fintech P2P Sharia lending meets the demands of today's modern economy. Only by "clicking" on the application economic actors can easily access capital and achieve the desired returns. The shift in economic civilization has changed very much compared to the past. Where in previous civilizations the economic market was a direct face-to-face transaction and required bringing an agreed exchange currencies. This is very irrelevant in modern civilization which requires practicality and tends to be instantaneous. Thus, direct transactions have turned into digital transactions via the internet. Fintech P2P sharia lending is a legacy of the progress of modern civilization that is very suitable and desired by the people of that civilization.

Modern civilization nowadays will also form different civilization actors along with the development of that civilization. Civilization actors have distinctive behavioral characteristics and are in accordance with the development of civilization. Human habits and activities will be shaped by the era needs. Modern civilization today relies heavily on man-made technology. The technology that exists today also prioritizes the aspects of speed, convenience and practicality. However, the responsibility for the progress of civilization must be prioritized, especially the morality of technology use. Because technology is a tool to achieve a positive, good life. Technology should not be used to commit unjust or fraudulent acts against other parties. Because technological advances are meant to make life easier, not more difficult. For this reason, Sharia P2P lending Fintech, which is a modern technology product, must be used for the good and benefit of the people. Morality is the main thing to carry out Sharia P2P lending practices. Because Sharia P2P lending Fintech is a digital market that does not directly bring together the parties involved, each party must have good economic morality. Because the foundation of economic activities is trust, if this is not maintained, it will destroy the operational practice of Islamic P2P lending.

The concept of civilization developed by Ibnu Khaldun goes through 5 stages, namely establishment, consolidation, peak of prosperity, decadence, and destruction (Abdullah et al., 2024). The establishment stage is a condition where the civilization begins to be formed and fights to endure. The consolidation stage is when civilization begins to stabilize and can perform administrative functions that represent the state's interests. The peak of prosperity is the stage where things have worked out on their own, producing the expected output and massive results. The fourth stage is decadence, in which glory has steadily declined and turned to redundancy and excessive luxury. At this stage, loyalty (ashabiyah) and morality begin to decline because of the accumulation of wealth, which creates a sense of disunity. The last stage is destruction as a result of the

perpetrator behaviours of civilization who commit luxury and waste. Civilization will crumble and collapse when the rulers have forgotten the primary task of prospering the people and become selfish.

Fintech P2P sharia lending, which is a product of modern civilization will also experience the stages of civilization that have been developed by Ibnu Khaldun. The current problems in Sharia P2P lending, such as fraud, misuse of funds, and weak governance, are a danger sign. Sharia P2P lending has passed the first stage through its establishment in early 2016-2017. Then, the consolidation stage has also been completed with the issuance of OJK regulations on Sharia Fintech in 2017. The peak stage of prosperity was also successfully passed, marked in increased income and turnover in the company's management. The fourth stage, namely decadence, is also experienced by Fintech P2P lending during massive expansion and large-scale promotions. The activity also shows the redundant behavior and luxury of Sharia P2P lending. Then the last stage, namely the destruction in front of our eyes, is marked by the revelation of various cases of default, moral hazard and economic behavior that is detrimental to one of the parties. Although the stage of destruction has not really occurred, the transition from decadence to destruction is already in sight. Wrong and detrimental behavior is the main factor for Islamic P2P lending Fintech towards destruction. However, saving Sharia P2P lending from destruction is still possible if Fintech operators are willing to take responsibility and address the situation. If this is not done, the destruction stage will occur very quickly and make the Sharia P2P lending Fintech civilization become nothing but only a history of digital civilization.

Moral Hazard and the Weakening of Sharia Fintech P2P Lending

Trust is a key in economic transactions. This includes Sharia P2P lending Fintech activities where each party must trust and trust each other in carrying out their economic roles. In this regard, Ibnu Khaldun has introduced a principle called ashabiyah. Ashabiyah is a sense of togetherness and solidarity among every people, formed by similarity and mutual trust. The occurrence of failure and fraud in Sharia P2P lending fintech will weaken the ashabiyah between the ummah to advance Islamic economic civilization. Because every ummah will be disappointed and will not care about their fellow humans to cooperate in Islamic business. Furthermore, the main cause of failure or fraud in Sharia P2P lending is the declining morality among parties, leading to the use of all actions to obtain unreasonable profits. Bad morality will lead to a financial disaster, which in the end, makes ashabiyah, or a sense of togetherness among sharia P2P lending economic actors, fade and disappear.

The fading Ashabiyah will sap Sharia P2P lending fintech of its foundation, gradually leading to its fintech collapse. The ummah will not believe in the Sharia digital civilization anymore, so they choose to use other technologies that are considered safer and Sharia. Sharia P2P fintech lending is required to maintain the management morality to keep the digital civilization maintained and sustainable.

Weak Supervision and the State Role

The state is an important thing in the civilization that was revealed by Ibnu Khaldun. The state must be present and able to prosper and provide justice for all mankind. The absence of a state presence in a civilization will lead to the collapse and destruction of that civilization. Because people will act to demand the justice and welfare they are entitled to. In fintech, Sharia P2P lending, the state must actively provide supervision and protection to all parties. Not only to the capital owners, but also to the organizers and the capital recipients. All three parties have the same rights and obligations to ensure the digital civilization ecosystem can run fairly and continuously. If the state ignores its obligations, it will create the destruction and collapse of the Sharia P2P lending civilization. Within the range of the Indonesian state, government supervision and protection of sharia P2P lending actors is still very weak and tends not to be done properly. It is highlighted by the rampant cases of default and fraud, and by the absence of follow-up that can provide justice to various parties. The fund owner is the most disadvantaged victim because they have to lose their capital. Strengthening the state role must be achieved by drafting detailed regulations and enforcing them without discrimination. This will make the Sharia P2P lending Fintech ecosystem good and sustainable.

Injustice and Deviation of Sharia Principles

Fintech P2P sharia lending is an economic ijthad that shines in Islam. The use of sharia names is a symbol that the product or tool used must be in accordance with the provisions of Islam and not contrary to Islamic law. There is a responsibility to the creator, Allah SWT, and to the society, namely the ummah. If they have used sharia slogans, then the use of sharia names is not a mere slogan but is a symbol of the enforcement of Islamic sharia itself.

Ibnu Khaldun outlined his ideas in the economic management of the ummah, which must be carried out in accordance with Islamic law. The principle of justice and prioritizing Islamic sharia is the foundation of mualah. Justice will create equal welfare for all people. Meanwhile, Islamic sharia will ensure that every behavior and deed is in accordance with the truth and does not harm others. These two economic principles will determine civilization based on the theory of Ibnu Khaldun.

Shariah P2P lending must operate by prioritizing the justice and also trying to carry out the commands of Allah swt. Justice can take the form of transparency of activities to all economic actors involved. Carrying out the commands of Allah swt in the definition of Sharia P2P lending by working together to achieve goodness and being responsible for fund management. However, in reality, Islamic P2P lending Fintech has ignored the principles and values of Sharia itself. This is evident in the outbreak of default and fraud cases today. Where the default that occurs is based on a negligence factor that results in the lender's money not being able to be returned. Then fraud that occurs due to moral hazard is committed by the organizers. The organizers do not aim to gain mutual benefits with various parties, but for their own benefit at the expense of other parties and Islamic Sharia values. Organizer behavior like this will destroy the Sharia Fintech digital civilization and damage the image of the Islamic religion. Because it carries the name of Sharia as the basis for its implementation, the people will have a negative view of other Sharia institutions. The moral responsibility of Sharia institutions is very heavy and must be upheld to ensure the digital civilization of Fintech P2P Sharia lending can be in accordance with Islamic law.

Conclusion

From Ibnu Khaldun's perspective, several issues are highlighted in the operation and challenges of Sharia P2P lending Fintech in the future. From the perspective of Ibnu Khaldun's civilization, Sharia P2P lending is part of modern digital civilisation, which should be able to bring good Islamic values. But in reality, Islamic P2P lending is currently in verge of destruction. Next, from the perspective of ashabiyah and morality, the position of Sharia P2P lending has experienced a decline in ashabiyah due to disastrous moral hazard behavior. The economic power of Islam in the digital civilization becomes shaky. Ibnu Khaldun's statehood perspective highlights that the state role is important to maintain justice and continuity in a civilization. However, in the current condition of Fintech P2P sharia lending, the state role is still not able to maintain the sustainability of the digital civilization. That means the chances of fraud and negligence increase. From an economic perspective, the application of Sharia P2P lending Fintech is still far from the principle of justice, and there are still many forms of tyranny. Practices that are supposed to be in accordance with the sharia are merely used as a label, not applied correctly in practice. This ultimately made Sharia P2P lending collapse and destroyed modern civilization. Further research can be a reference to solve the problems of Islamic P2P Fintech lending that have various problems.

This research can be used as a reference for improving and strengthening the Sharia P2P lending Fintech ecosystem. As well as being the basis for the government's follow-up, in this case, OJK must strengthen and add regulations to ensure the sharia P2P lending business can protect all parties involved safely and fairly. As a regulator, Sharia P2P lending can also learn from this research to better address Sharia principles and moral hazards for the sustainability of the digital economy. The development of this study is very necessary, especially in the addition of empirical evidence in the field. It is hoped that the next research will include case studies on Fintech P2P lending in order to produce empirically based research. Thus, it will produce a real and appropriate contribution in helping to solve Sharia Fintech problems that are or will occur in the future.

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