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Evaluation of Fintech Peer-to-Peer Lending Platforms for Sustainable Online Businesses

¹Dr. Adeel Rahim, ²Mr. Kabir Khan, ³Ghayur Ahmad, ⁴Dr. Syed Bilal Shah

	Abstract
<p>Dr. Adeel Rahim FATA University, F.R. Kohat. adeel.rahim@fu.edu.pk</p> <p>Mr. Kabir Khan MBA-Finance, FATA University.</p> <p>Ghayur Ahmad* Prince Mohammad Bin Fahd University KSA. Corresponding Author Email: homagedawn@gmail.com</p> <p>Dr. Syed Bilal Shah FATA University, F.R.Kohat.</p>	<p>This study evaluates the level of awareness, attitudes and adoption potential of online business lending FinTech-based solutions, specifically peer-to-peer (P2P) lending among Pakistani youth. Even though such platforms are increasing in popularity around the world, their use in Pakistan is hampered by a lack of financial literacy, regulatory doubts, and mistrust. It uses a designed, quantitative survey of 120 participants aged 18-35 years old, such as students, young professionals, freelancers and entrepreneurs to examine the variables of awareness, perceived benefits, barriers, trust and adoption potential. The findings indicate that even though the target population is highly educated and tech-savvy, more than two-thirds of the target population do not know about P2P lending, not to mention that only a small fraction of them have an in-depth knowledge about the process. The study concludes that the youth market in Pakistan has a big potential of online business lending, should regulatory and cybersecurity protocols and sensitization be improved.</p>
<p>Keywords</p>	<p>Fintech, Peer to Peer Lending, Sustainable online businesses.</p>



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Introduction

Fintech has digitalized the financial industry by applying digital technologies, which made it more accessible and reduced costs (Idrees and Ullah, 2024). One example of fintech is online business lending, which enables borrowers to get loans directly off the online platform by investing in them, bypassing banks (Saeed et al., 2024). Online lending of business has increased tremendously in developed economies like the United States, China and the United Kingdom because it is fast and cheap (Faisal et al., 2024). However, in the emerging markets like Pakistan, the adoption of such disruptive financial models is low because of the regulatory barriers, awareness and trust (sultan et al., 2023). There are a large unbanked population and access to formal credit markets in Pakistan is limited (Ali and Abdullah, 2020). The youthful population of Pakistan, a significant proportion of the population, is technologically inclined and receptive to technological changes (sharif & shaikh, 2024). This age group forms a prospective market in terms of utilizing fintech online business lending services, as they are well-aware and trustful of the system.

An important determinant of fintech adoption is knowledge. A study by Rizwan et al. (2024) indicates that one of the factors that determine the use of fintech in Pakistan is financial literacy. The young people are technologically savvy; however, they might lack the necessary knowledge of digital financial services, limiting their utilization of innovative financial services (Khanam, 2020). Trust is another important aspect of online business lending platforms adoption. According to Khan et al. (2023), Pakistani consumers of digital financial services are concerned with security and trust. Another reason why people hesitate to disclose their financial data to the Internet is the fear of fraud and cyber security (Idrees and Ullah, 2024).

Factors that inhibit the uptake of on-line business lending using fintech in Pakistan are a few, they include regulatory uncertainty, low levels of digital literacy and financial fraud. The insufficiency of regulatory clarity is one of the biggest impediments, and there are no regulations in the context of online business lending platforms in Pakistan (Rizvi et al., 2018). Online business lending is regulated and highly used in China and the US, but in Pakistan, the financial regulatory authorities have not implemented any special policies to control such a platform (Doumi et al., 2024). The second barrier is the trust problem with online financial services. Faisal et al. (2024) have observed that many people are not using fintech due to security concerns like data breaches and fraud. Also, Pakistani youth does not have financial literacy, which influences their choices when it comes to borrowing and investing in online business environments (sharif & shaikh, 2024). Nevertheless, there are advantages of online business lending platforms to young Pakistanis. They provide an additional funding means to students, entrepreneurs, small business owners who might not be able to access bank loans (Rehman and Khalil, 2024). Additionally, low-interest rates and the possibility of repaying loans flexibly offered by online business platforms are attractive to young borrowers (Saeed et al., 2024). Moreover, the introduction of digital financial services will be able to enhance financial inclusion by providing credit to individuals residing in rural communities where there is a lack of banking services (sultan et al., 2023). Online business lending sites with appropriate regulation and marketing policies could contribute significantly to realizing financial inclusion in Pakistan (Ali & Abdullah, 2020).

The study of the awareness of fintech online business lending platforms: a case study of Pakistani youngsters has highlighted the importance of digital financial literacy and trust in utilizing online business lending platforms. The growth potential is evident, yet there are obstacles including regulatory and security. To enhance awareness and adoption, the policymakers ought to put up regulatory mechanisms to ascertain the security and authenticity of the online business lending platforms. Adoption can be improved through education to the youth as well. In addition, partnerships between fintech organizations and educational institutions can fill the knowledge gap, encouraging financial accountability among youths. Through the appropriate course of action, online business lending is a possible financial opportunity that can be utilized by young Pakistanis to help in the development of the economy and financial inclusion in Pakistan.

Problem Statement

Financial technology (fintech) online business lending can provide a different funding model, which directly connects lenders and borrowers without financial intermediaries. Online business lending has gained popularity globally, but in Pakistan, it has not been embraced yet based on regulatory reasons, distrust, and awareness among potential users, particularly youths (Idrees and Ullah, 2024).

Pakistanis are digital natives, but young Pakistani people exhibit poor adoption of online lending business platforms because of low financial literacy, security concerns, and poor awareness regarding online lending (Rizwan et al., 2024). This is an awareness gap that restricts young entrepreneurs, students, and professionals from using other financial services that could affect financial inclusion and economic growth (Saeed et al., 2024).



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This study aims to measure awareness, adoption barriers, and perception of online business lending platform (driven by fintech) among young Pakistanis, as well as to learn how factors influence the willingness of the latter to use them. Through the research, policymakers, fintech companies, and financial regulators will gain insights to improve financial inclusion by way of digital lending.

Research Objectives

This study aims at.

- To conduct an evaluation of fintech lending platforms in Pakistan as a means of conducting online business. · To determine the most important drivers of uptake of online business lending, including financial literacy and regulatory issues.
- To understand obstacles to adoption and problems youngsters have when using online business lending platforms.
- To test the hypothesis of the importance of financial education and digital literacy in enhancing the adoption rate of online business lending.
- To give policy recommendations and strategic solutions to increase awareness and adoption of online business lending in Pakistan.

Research Questions

- What is the current level of awareness of fintech-based online business lending platforms among Pakistani youngsters?
- What factors influence the adoption of online business lending platforms among young Pakistanis?
- What are the primary barriers preventing the widespread use of online business lending platforms in Pakistan?
- How do trust, security concerns, and financial literacy impact the adoption of digital lending solutions?
- What strategies can be implemented to increase awareness and adoption of online business lending among Pakistani youth?

Research Gap

Although the role of fintech and online business lending has been widely researched in developed markets (Lukonga, 2021; Faisal et al., 2024), not much research has been conducted on their adoption in the emerging markets, particularly in Pakistan. The available literature has primarily focused on financial inclusion using mobile banking and payments (Rizvi et al., 2018; Ali and Abdullah, 2020) without considering online business lending as an alternative to traditional banking.

Furthermore, there is limited literature examining how financial literacy, trust and regulatory policies influence the trend of online business lending towards financial technology, among young Pakistanis (sharif & shaikh, 2024). This study fills this gap by investigating the issue of youth awareness, barriers to adoption, and policy implications of the Pakistani financial context.

Scope of the Study

The given work is aimed at assessing the awareness and perception of online business lending platforms based on fintech among Pakistani youngsters.

Research Methodology

In this study, the quantitative approach used to determine the level of awareness, attitudes, and readiness of the youths in Pakistan to use online business loans based on FinTech was used. The young people (18-35 years old) formed the target group, consisting of university students, entrepreneurs, freelancers and young professionals of small towns. To ensure that the respondents were familiar with online financial services, sampling was purposely done. A structured and self-administered questionnaire was used in the study to gather data in 5 sections namely demographics, awareness, perceived benefits and barriers, adoption intention, and recommendations. The questionnaire was shared via social media, university groups, and professional communities online. An analysis of a sample of 120 responses (descriptive statistics (frequency, mean, and percentage) and inferential statistics (chi-square test, t-test, ANOVA, and regression analysis) was done to determine the relationship between demographic variables, financial literacy, trust, and willingness to adopt.

Research Design

This research is quantitative in nature as it adheres to a survey method of information gathering. The reason why a structured questionnaire is used is to get quantifiable information about the level of awareness, influencing factors, and barriers to the adoption of Online Business lending.



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Target Population and Sampling

Target Population

The target group is young people in Pakistan in the age of 18-35 including:

- University students
- Young online traders and professionals.
- Entrepreneurs

The reason behind the choice of these groups is that they are the most digitally active group with the greatest potential to embrace FinTech solutions.

Sampling Technique

The sampling was done in a systematic manner to ensure that the participants have some exposure to digital financial services. The study primarily concentrates on the individuals who:

- Mobile banking, online payment or fintech presence.
- Have used or heard of fintech platforms but might not have used online business lending.

Sample Size

At least 120 respondents were surveyed to guarantee statistical significance and generalizability. This value is calculated using Cochran sample size formula of large populations.

Data Collection Instrument: Questionnaire Design

Data was collected using a structured questionnaire. It comprises five parts, each touching upon different areas of Fintech awareness and uptake.

Data Analysis

Primary data were gathered through a structured questionnaire which was administered on 120 respondents of the target population of the young people in Pakistan. The study examines their degree of awareness, perceptions, trust and intention to utilize online business lending systems which are founded on FinTech, such as peer-to-peer (P2P) lending. The findings are presented in descriptive tables that provide the statistics on the demographics, awareness, familiarity, use of other FinTech services, perceived benefits and barriers and intention to adopt. This is then followed by a comprehensive study of stories that pinpoints trends, compares the findings with existing literature and provides key findings on adoption of online lending in Pakistan. The results of this study are the empirical basis of the discussions, conclusions and recommendations in the next section.

Demographic Variables

Variable	Category	Frequency
Age	18–22	47
	23–27	39
	28–32	30
	33–35	4
	Total	120
Gender	Female	35
	Male	73
	Prefer not to say	12
	Total	120
Education	Intermediate	37
	Bachelor's degree	64
	Other	19

Employment and Income Information

	Total	120
Employment	Employed (full-time)	25
	Employed (part-time)	10
	Self-employed / Entrepreneur	56
	Student	13
	Unemployed	16
	Total	120
Income	No income	19
	Less than PKR 30,000	23
	PKR 30,001 – 60,000	39
	PKR 60,001 – 100,000	26
	Above PKR 100,000	13
	Total	120

Table 1.1 Demographic and Income Information

The demographic data will provide the first clue about the profile of the participants and will be needed in interpreting the results. The age distribution indicates that most of the respondents are aged between 18-22 years (39.2%), then 23-27 years (32.5%). This is to affirm that the study is capturing the insights of early adulthood, which is a stage of high digital media use and may be low financial literacy. The decreased number of 28-32 (25%), 33-35 (3.3) year-olds suggest that somewhat more mature young individuals, who may have more income and financial responsibilities, are underrepresented. Gender wise, males (60.8%) are overrepresented and females (29.2) and people who did not specify (10) are underrepresented. This may reflect larger trends in entrepreneurship and online financial operations in Pakistan, where men are more mobile, digitally literate, and able to make financial decisions. The educational status indicates that over half (53.3) of the sample has a bachelor's degree, 30.8 have Intermediate education and 15.8 are Other (perhaps diploma or vocational degrees). The level of education is significant because the use of digital finance may be linked with a higher level of education (as demonstrated in the literature review: Khanam, 2020; Abbas and Khan, 2024). Occupation indicates that the most significant number of respondents answering are self-employed or entrepreneurs (46.7%), then full-time employees (20.8%), and students (10.8%). This aligns with the purpose of the study since the self-employed and entrepreneurs have a higher probability of requiring other financial services, such as online business loans to finance their businesses. The distribution of income also gives the information about the economic status of the respondents: most of them have the income PKR 30,001-60,000 per month (32.5%), then there are PKR 60,001-100,000 (21.7%), and a big percentage of 15.8% of them have no income.

Awareness of and Familiarity with Peer-to-Peer Lending

Table 1.2

Q: Have you ever heard of Peer-to-Peer lending in online business

Answer	Frequency	Percentage
No	82	68.33
Yes	38	31.67
Grand Total	120	100

The findings in this case are terrifying: a large majority of the samples have never been exposed to peer-to-peer (P2P) lending with only 31.7 percent saying they are aware of it. This discovery provides an important insight into the awareness of FinTech among the target audience in Pakistan since the population is highly educated and digitally literate. Unlike the developed countries where P2P lending has gained awareness due to marketing, government-funded literacy campaigns and media coverage, the young population of Pakistan is still unaware of such services. This aligns with Sharif and Shaikh (2024), who note that despite their technological inclinations, the generation Z have limited

awareness of other alternative financial solutions without receiving formal education or being promoted to seek these options. What this teaches us is that prior to widespread adoption being made possible, the creation of awareness should be a priority.

Table 1.3

Question: How familiar are you with Peer-to-Peer Lending

Answer	Frequency	Percentage
Not familiar	48	40
Slightly familiar	22	18.3
Moderately familiar	23	19
Familiar	14	11.7
Remarkably familiar	13	11
Grand Total	120	100

P2P lending is unknown even to those who are aware of it. A significant portion of the sample (40 percent) is not aware of much about how these platforms work, and 18.3 percent are slightly aware. This is because when you hear about it it does not imply that you understand how it works, its advantages and risks. Familiarity with the concept is only among 22.7% of the respondents, which means that there is a minority of respondents who have a more detailed knowledge of the concept. This information vacuum is essential: without the knowledge of operations, potential users will not be able to make informed decisions and rely on digital lending platforms. According to the literature review, digital financial literacy is an essential aspect of adopting new financial services (Khanam, 2020; Rizwan and Mustafa, 2022). This lack of familiarity is consistent with these results and highlights the need to be aware and experienced when it comes to P2P lending.

Table 1.4

Question: Which FinTech services have you used?

Answer	Frequency	Percentage
Mobile banking	52	43.3
Digital wallets	38	31.7
Crowdfunding	4	3.3
Online Business lending	11	9.2
None	15	12.5
Total	120	100

The usage statistics demonstrate that the most popular FinTech services among the respondents are mobile banking (43.3) and e-wallets (31.7), which is also in line with the global trend of payment innovations being typically preceded by lending. But just 9.2% have ever used online business lending and 3.3% have ever participated in crowdfunding, suggesting that credit-based FinTech services are in the fringe of consumer behavior in Pakistan. Interestingly, 12.5% of the respondents have never used any FinTech service, which might indicate that there are still digitally unbanked people among the younger and more connected age groups. This trend in adoption is in line with the fact that according to Lukonga (2021), adoption of FinTech in emerging markets is staggered with payment services being the first to be adopted before other more advanced services like lending are adopted.

Table 1.5

Question: What is your source of Awareness of Peer-to-Peer Lending

Answer	Frequency	Percentage
Bank or financial institution	24	20
Friends / Family	25	20
Other	5	4

Social media	51	43
University / Educational institution	15	13
Grand Total	120	100

The most popular source of information that people who are aware of P2P lending use is social media (43%): far better than institutional sources. Friends and family (20.8) and the banks or financial institutions (20) are the second and third most frequent sources, and the fourth and fifth are universities and other (13 and 4) respectively. The social media mainstream is indicative of the grassroots, decentralized aspect of information sharing on financial innovations in Pakistan. However, it also presents a threat to the quality of information because unfiltered internet discussions may result in misinformation or misunderstanding. This shows the importance of employing social media in specific information campaigns in ensuring that the information is not false or irrelevant.

Perceived Benefits and Barriers

Table 1.6.

Question: Main perceived benefit of Online Business lending

Answer	Frequency	Percentage
Easy accessibility	51	42.5
Lower interest rates	15	12.5
Alternative to banks	24	20
Other	5	4.2
Faster approval process	25	20.8
Total	120	100

According to table 1.6, convenience is by far the most prevalent advantage of online business lending with 42.5% of the respondents. This means that ease of access and less procedural hurdles than conventional financing options are of high importance to the users. Speed (20.8) and considering it an alternative to banks (20) also rank high, indicating that speed and bypassing the traditional banking institutions are significant factors. Nevertheless, lower interest rates are considered the major advantage by only 12.5 per cent, which is indicative of the fact that as much as cost is valued, convenience and speed are more appealing to the users. Only a small proportion (4.2%), selected Other, potentially including personal incentives like flexible payments, increased accessibility by marginalized communities or aptitude to micro-borrowing.

Table 1.7

Question: How much do you trust Online Business lending platforms?

Degree of Trust	Frequency	Percentage
No Trust at all	12	10.0
Low Trust	41	34.2
Neutral	25	20.8
High Trust	31	25.8
Complete Trust	11	9.2
Total	120	100

A major issue is the problem of trust, with 34.2 percent of respondents reporting low trust and 10 percent reporting no trust, with 20.8 percent of all respondents reporting high trust and 25.8 percent reporting complete trust, resulting in a small, but committed group of model supporters. This trust dichotomy corresponds to the literature, where security, regulation and experience is one of the classic barriers of a new market (Faisal et al., 2024).

Table 1.8

Question: Primary concerns about using Online Business lending platforms

Answer	Frequency	Percentage
Fraud / scams	27	22.5
High risk of default	11	9.2
Lack of information	11	9.2
Lack of regulation	29	24.2
Privacy concerns	42	35.0
Total	120	100

The most common ones are privacy issues (35 percent), unregulated (24.2 percent), and fraud/scams (22.5 percent). This is in line with the global trends of implementation of FinTech systems where consumers are concerned about privacy of their information, especially in jurisdictions that do not have stronger consumer protection laws. Other problems are high default risk (9.2%), and information absence (9.2%). These impressions imply that P2P sites ought to introduce technological and regulatory protective measures.

Willingness to Adopt

Table 1.9

Question: Would you consider using an Online Business lending platform in the future?

Future P2P Adoption Prospect	Frequency	Percentage
Yes	54	45.0
No	25	20.8
Maybe	41	34.2
Total	120	100

On the positive side, 45 percent of those surveyed would consider online lending in future and 34.2 percent would respond maybe, which is an indication of a massive potential market, should the fears be addressed. Only 20.8% are strongly opposed so most of them can be swayed by education, regulatory promises, and positive experiences.

Table 1.10

Question: What would most encourage you to use Online Business lending?

Answer	Frequency	Percentage
Financial education / training	27	22.5
Government regulation & protection	53	44.2
Partnership with known banks	17	14.2
Successful user stories	20	16.7
Other	3	2.5
Total	120.0	100.0

overnment regulation and protection (44.2%), which stresses the significance of the policy in building trust, is the best motivator. The second one in ranking is training and education (22.5) that means that there must be capacity building. Other partnerships with other banks (14.2) and publishing user stories (16.7) are also consistent, which implies that trust and user stories might be involved.

Measures to Improve Adoption

Table 1.11

Question: Which measures should Peer-to-peer lending platforms take to increase trust?

Answer	Frequency	Percentage
Awareness campaigns	15	12.5
Government regulations	32	26.7
Partnerships with banks	19	15.8
Stronger security systems	50	41.7
Other	4	3.3
Total	120.0	100.0

The most important trust building activity that the respondents noted is the enhancement of more secure systems (41.7%) which means that they are concerned with secure transactions and cyber security. Then there are regulations (26.7%) and bank partnerships (15.8%) which means that there should be institutional trust to support technological security. Education campaigns (12.5%), however, have less significance, which means that trust cannot be built with the assistance of marketing without addressing the security and policy issues behind the scenes.

Table 1.12

Question: Should universities/colleges include financial literacy programs that cover Online Business/ peer-to-peer lending?

Answer	Frequency	Percentage
Yes	120	100.0
No	0	0.0
Total	120.0	100.0

The fact that 100 percent of the respondents agree that financial literacy programs should be introduced at universities and colleges on online business and P2P lending is significant. It does not just support the role of educational institutions in overcoming the knowledge gap but also provides a concrete possibility of policymakers and FinTech companies collaborating on the curriculum-based programs. This aligns with Abbas & Khan (2024) who propose that the only way to get more youth to adopt it is through integration of FinTech education in formal education.

Findings

This research provides an understanding of awareness level, attitudes and adoption potential of FinTech-based peer-to-peer (P2P) online business lending platforms among Pakistani youths. The analysis of 120 respondents presents several important findings on demographics, behaviors, and attitudes which can be used by policymakers, FinTech firms, and educational establishments.

The age distribution of the respondents indicates that most of it belonged to younger age group (18-27 years), which is tech-friendly but may be not financially mature and experienced with alternative funding sources. A large percentage of the respondents had a bachelor's degree and a substantial number of them also stated they were self-employed or entrepreneurs. This means that the sample was highly educated and economically diverse with a significant number of respondents being in the very population that can be seeking alternative financing. The sample was mixed in terms of income levels; however, many were in the low- to middle-income brackets, which indicated that access to affordable and accessible credit could be extremely crucial to their personal and business demands.

What is also interesting is that people are not aware of P2P lending, with more than 2/3 of the sample saying they never heard of such sites. Even people who had heard about it did not know well as they were not aware of the process or how it works. It reflects the issue of financial literacy in Pakistan, where technological revolution does not bring much awareness of the complex technological innovations. Mobile banking and digital wallets being the most used FinTech services, with the lending platforms on the edges, indicates that transactional services are the initial ones to be used, and then credit services.



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It was also found that informal and digital sources are contributing to the development of knowledge, with social media being the most popular. The role of family and friends was also significant, yet banks and universities were not as significant. This is a challenge and an opportunity. Digital channels can be employed as powerful tools to create awareness on one hand, but informal networks can also cause misinformation and insufficient comprehension of the risks on the other hand. The lack of effective institutional engagement implies that there is no commitment at the formal level in filling the gap of knowledge.

Convenience-related factors (accessibility, fast approval and non-banking relationships) were overwhelmingly mentioned by the respondents in terms of perceived advantages. This implies that young people are more attracted to speed, convenience and ease of process than to cost benefits of the form of low interest rates. This implies a change in culture as far as financial values are concerned, where convenience and efficiency are more important than economic gain. Yet these merits were counterbalanced by mistrust. Numerous respondents indicated a lack of trust or minimal trust of P2P lenders. Privacy was the most mentioned issue, and a lack of regulation was next, and a fear of fraud or scams. This implies that although such services might have a market, a significant trust barrier is the absence of regulatory and data protection policies. These issues are aligned with the international trends in the newly developed FinTech markets, where the target audience is not eager to adopt credit-based online financial services unless they have robust safeguards.

Nevertheless, the research also showed positive signs of the possible future adoption. Nearly three-quarters of the sample were willing or at least open to embrace P2P lending in the future. More importantly, they were discovered to be contingent, and the most important enabler is government regulation and protection than financial literacy, cooperation with traditional banks and facilitation of positive user experiences. This demonstrates that what the users are not necessarily rejecting is the idea, but they are seeking guarantees and protections that would enable them to use it. Of specific concern was that all the respondents said that financial education should be part of university and college courses. This addresses a definite requirement of formalized financial education online, as well as shows that young people understand their own ignorance. It further implies the significant contribution that schools can contribute towards this not just by increasing awareness but also by ensuring safe adoption.

Conclusion

This study aimed to quantify awareness, perception and adoption prospect of FinTech-based peer-to-peer (P2P) lending in Pakistan among the young generation. The research found that the young market is very digital savvy and highly mobile banking and digital wallets but not conscious and informed about P2P lending. Over two-thirds of the sample were unaware of such platforms, and those who were aware had little knowledge of how the platforms worked. The absence of digital communication with financial literacy shows that one of the barriers to adoption awareness is insufficient financial literacy and the need to be more financially literate to make informed choices. Convenience was also found to be a major factor of perceptions that was important in the study. The participants preferred convenience, speed and non-dependence on banks to the cost factors like lower interest rates. This means that lending businesses online is not only affordable, but also convenient and easy to use. But such an opportunity was poisoned by mistrust. The most important resellers were privacy, no regulation and fear of fraud, which can be justified by the fact that there is no trust in online transactions within Pakistani financial system.

However, the research shows that there could be an inclination to accept. Almost 80% of the respondents indicated that they would be ready to use such platforms in future if precautionary steps are taken. This considered openness signifies the opportunity and threat of the industry: the young are not excluding the idea of P2P lending, they merely will adopt it when it is backed by sound regulatory and cyber security measures, and reasonable awareness campaigns. The monopolization of social media as a means of awareness is also a signifier of the need to carry out awareness campaigns that can give credible information and eliminate false information. One of the striking findings from this research was that all the participants agreed that there must be some financial literacy programs in educational institutions including colleges and universities. The youth are motivated and productive and all they need is motivation and direction. This study also shows the significant role of higher educational institutions as they are a central force between the policy makers and the youth. Also, Fintech companies and consumers are interested in getting a talented and motivated workforce from these institutions. Therefore, it is concluded that digital economy and financial literacy among the youth can help the youth in making informed decisions. It can also change their perspective and way of thinking regarding financial literacy.

The future of online businesses and e-commerce involving youth can have great impact on economy. The P2P online businesses can flourish in Pakistan through breaking the barriers of mistrust, by involving literacy and supportive regulatory environment. Thus, Fintech can bring revolution in financial markets if the youth is guided and motivated properly. Some of the important forces like proper and supportive regulations and financial literacy can be very helpful. Also, the forces of cybersecurity, financial literacy and



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trust are important for the growth of P2P lending platforms. Eventually, it will be a deciding point for digital economy of Pakistan through entrepreneurship, financial inclusion and economic development.

Recommendations

The findings provide recommendations and guidance for policymakers, FinTech companies, and educational institutions. Some of these recommendations are:

1. Strengthen Regulatory Frameworks

- The State Bank of Pakistan with consultation with other authorities should formulate strict rules which regulate online business lending institutions. It is the far most important requirement for Fintech industry.
- There must be regulations in place to bring about social trust. Also, there should be licensing, open disclosure standards, data protection policies as well as redressal of consumer grievances mechanism.

2. Enhance Cybersecurity and Privacy Protections

- Data privacy is very important and critical for online platforms. Therefore, platforms will be forced to invest in more robust security systems like encryption, multi-factor authentication and fraud detection systems.
- These measures can be publicly communicated. It will guarantee potential users the security of their personal and financial data.

3. Launch Targeted Awareness Campaigns

- Online lending must be presented in a understandable and relatable language. The purpose is to enable campaigns in conducting and explaining the advantages, procedures and security of online lending.
- Cooperation with social media influencers, online marketing agencies, and online communities will increase coverage among the young people.

4. Integrate Financial Literacy into Education

- Universities and colleges should introduce digital finance and online lending learning modules. The areas in business, economics and information technology are promising.
- Experiential learning (by means of workshops, seminars and interactive simulation) can help one to reduce the misconceptions and fear of digital borrowing.

5. Foster Strategic Partnerships

- Partnerships with conventional banks is effective and promising. The online lending platforms should be made to look credible with partnerships with FinTechs. It can also be adopted by them.
- Alliances with microfinance agencies can expand the coverage to underserved groups.

6. Promote Positive Case Studies and Testimonials

- The sharing of good success stories of borrowers who have benefited in the process of online business. It will help lending to make the idea a reality and drive out doubts.
- Video testimonials and media coverage can be embraced to ensure adoption can become more relatable.

7. Incentivize Early Adoption

- Trail can be encouraged by providing lower service fees, loyalty system or first loan offer to new users.
- Adoption can be adopted organically through referral programs through peer networks.

8. Continuous User Feedback and Improvement

- The systems of continuous user feedback should be present on platforms to identify the areas of pain and refine through iterations.
- Transparency in responding to complaints can help increase credibility in the course of time.

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