

ABSTRACT

Indonesian people's interest in investing in sharia peer to peer lending as an investment instrument connected to the real sector, especially MSMEs, was still relatively low compared to the number of borrowers or loan recipients. It was unfortunate because many MSMEs had difficulty accessing financial institutions' financing. Therefore, it is necessary to analyze the factors that influence investment decisions in sharia peer to peer lending to find out what factors influence in increasing the interest of potential investors in sharia peer to peer lending to minimize the gap between the number of investors and borrowers and increase the growth of lending.

This research aimed to determine the influence of risk perception, trust, perceived ease of use, security, consideration of sharia principles, and financial literacy as independent variables on investment decisions, as dependent variable. The data collection method was carried out using a questionnaire. The population in this research was Muslim investors in Indonesia who have invested in sharia peer to peer lending platforms. The sample used was 100 respondents using the purposive sampling method. The analysis technique in this research was ordinal logistic regression analysis using IBM SPSS Statistics 25.

The results of this research analysis showed that the variables of trust, consideration of sharia principles, and financial literacy partially have a positive effect on investment decisions on the sharia peer to peer lending platforms.

Keywords: *Sharia peer to peer lending, investment decisions, trust, consideration of sharia principles, financial literacy.*