# P2P Platform Due Diligence Checklist

Before you deposit a single euro, run any European P2P or crowdlending platform through these six checks. From CrowdIndex - independent ratings of 19 European platforms. crowdindex.org

## 1. Regulation & protection

- Which regulator licenses the platform (ECSP, MiFID II, national, SRO, or none)?
- Is there any investor-compensation scheme, and what exactly does it cover?
- Is the licence for THIS entity, or a group company in another country?
- Any public regulator warnings or alerts about the platform?

## 2. Track record & performance

- How many years operating, and through what market conditions?
- Default rate AND recovery rate (not just one) - with a source?
- Realised net return after defaults and fees, not the advertised headline?
- Any history of withdrawal delays, especially on uninvested cash?

## 3. Ownership & conflicts of interest

- Who owns the platform, and who owns the loan originators?
- Does the platform lend to businesses connected to its own owners (related-party)?
- Is one loan originator behind most of the loans (concentration)?
- Does the platform keep skin in the game on each loan?

## 4. Collateral & safety mechanisms

- Is there a buyback guarantee - and who stands behind it?
- For secured loans, what is the loan-to-value (LTV), and is the collateral liquid?
- Has the collateral-recovery process ever actually been tested in a real default?
- Is there a provision fund, how big is it, and can it be exhausted?

## 5. Liquidity, fees & terms

- Is there a working secondary market to exit early - and is it liquid now?
- What are ALL the fees (deposit, withdrawal, AUM/inactivity, secondary-market)?
- Are fees charged on capital stuck in recovery?
- What is the loan term, and can you hold to maturity?

## 6. Red flags to stop and reconsider

- Advertised returns far above the market with no clear risk explanation.
- A single owner or originator behind everything.
- Trustpilot collapse with recurring withdrawal complaints.
- Vague, delayed communication about defaults and recoveries.
- Pressure tactics: countdown timers, guaranteed returns, get-rich language.