

New Australian App Kontrak Social Offers a Simplified Solution for Managing Peer-to-Peer Lending and Borrowing

New App to prevent relationship breakdowns when lending and borrowing goes bad

SYDNEY, NSW, AUSTRALIA, September 19, 2024 /EINPresswire.com/ -- A newly launched Australian app is making life easier - and safer - for those friends and peers entering into lending agreements with each other. Kontrak Social is a free peer-to-peer lending and borrowing app designed to prevent relationship breakdowns when friends, family or peers lend to, and borrow from, each other.



Many relationships break down over borrowing or lending

[Kontrak Social is an innovative](#) new social media app friends Blake McKenzie and Mat Peden hope will not only save relationships, but create a world of opportunities for people who lack access to traditional forms of finance, or have items laying idle that could be safely borrowed and be put to good use.

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“We’ve all been in that awkward situation where our generosity suddenly becomes a major relationship problem because we don’t get the money back, or there’s disagreements on what’s left owing.”

Blake McKenzie

For many Australians, borrowing from friends and family is their only way to get the things they need or want. Many adult children borrow home deposits or car loans from the ‘bank of mum and dad’, but too often relationships can be ruined when repayments aren’t met, or terms are not understood.

For others, such as newly arrived immigrants or students, gaining loans from traditional banks can be difficult due to lack of previous financial history. This can place a large burden on those wanting to start up small businesses or

invest in a new venture, leaving them with little choice but to seek help from family or friends, or turn to predatory lenders who offer credit with high interest rates and substantial penalties for missed or late payments.

Too often peer-to-peer lending agreements come with no structure, and unclear terms and conditions. When repayment expectations aren't met, relationships can become strained or break down completely. A recent study showed up to 40% of relationship breakdowns were the result of financial stress. Like that friend who asked for help to pay for the weekend away's accommodation on a promise to pay it back, only to go radio silent afterwards!

To answer this problem, Blake and Mat have developed [Kontrak Social, a free peer-to-peer lending](#) app that allows lenders and borrowers to quickly agree terms for everything from borrowing cash to accessing land holdings, borrowing tools or equipment, logging favours and much more.

For example, a friend needing to borrow \$200 for a new dress can gain the money from a peer, set repayment terms and quickly enter into an agreement. While the app handles the documentation and tracking of the loan, all transactions, whether cash, or digital, happen outside of the platform. And unlike using a payday lender such as Afterpay, no interest is charged if a payment is late or missed. Both parties get a notification of the late payment and can agree new terms, or agree on a double payment to be made on the next due date. This human-centric approach of the app also gives the lender the ability to forgive a loan.'

"We've designed a simple app that lets everyone agree terms of borrowing, timelines and expectations that helps both sides protect their interests. It puts a simple social contract in place so everyone knows what's expected in return," says Blake.



The image shows the logo for Kontrak Social, which consists of a large blue stylized 'K' and a smaller green rounded rectangle. Below the logo, the text 'Kontrak Social' is written in a bold, dark blue font, with 'Kontrak Social' in a smaller font size underneath. Below the text is a photograph of a man and a woman smiling and forming a heart shape with their hands. The man is wearing a white shirt and the woman is wearing a yellow top. The background is a soft-focus outdoor setting.

Kontrak Social
Kontrak Social

Avoid relationship breakdowns with Kontrak Social

"We've all been in that awkward situation where our generosity suddenly becomes a major relationship problem because we don't get the money back, or there's disagreements on what's left owing and so on.

"It ends friendships, strains families, and can be far more stressful and anxiety-producing than it should be."

"I've been burned more than a few times helping out a friend or family member only to have them come up with a bunch of excuses - or even worse - simply ignore me, afterwards," says Blake. "It's not only frustrating, especially when money or expensive gear is involved, but it can end a formerly great relationship. In short, Kontrak Social is an app that lets you safely track loans to and from peers without the drama of the follow-up and chase."

The free app allows users to easily enter into a social agreement, set terms and timelines for return or repayment, and track how the transaction is going over time. The types of social contracts possible on the platform are only limited by the user's imagination and covers anything from lending money or gear, to setting terms for use of private land such as farms (for hunting or camping) and even donating time or services to community groups or organisations.

"It just takes the hassle out of helping someone by establishing a clear social agreement and terms so everyone knows where they stand," says Mat. "And because we can track transactions through the app, there's no room for disagreement over whether something has been fulfilled at the end of the day.

"Importantly, we've added a trust scoring mechanism into the app so people can get a good feel for the person they're helping out by knowing how well they've managed previous social contracts, and vice versa. You don't want to borrow something off someone who's going to send the goons around two days later, and you don't want to lend something to someone who's going to disappear overnight!"

Initially available in Australia, New Zealand, The Philippines, South Africa and the UK, Kontrak Social is now live on Android and Apple devices and is completely free, and simple to use. More information can be found on our website, kontrak.social and we're happy to field any questions if they arise.

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