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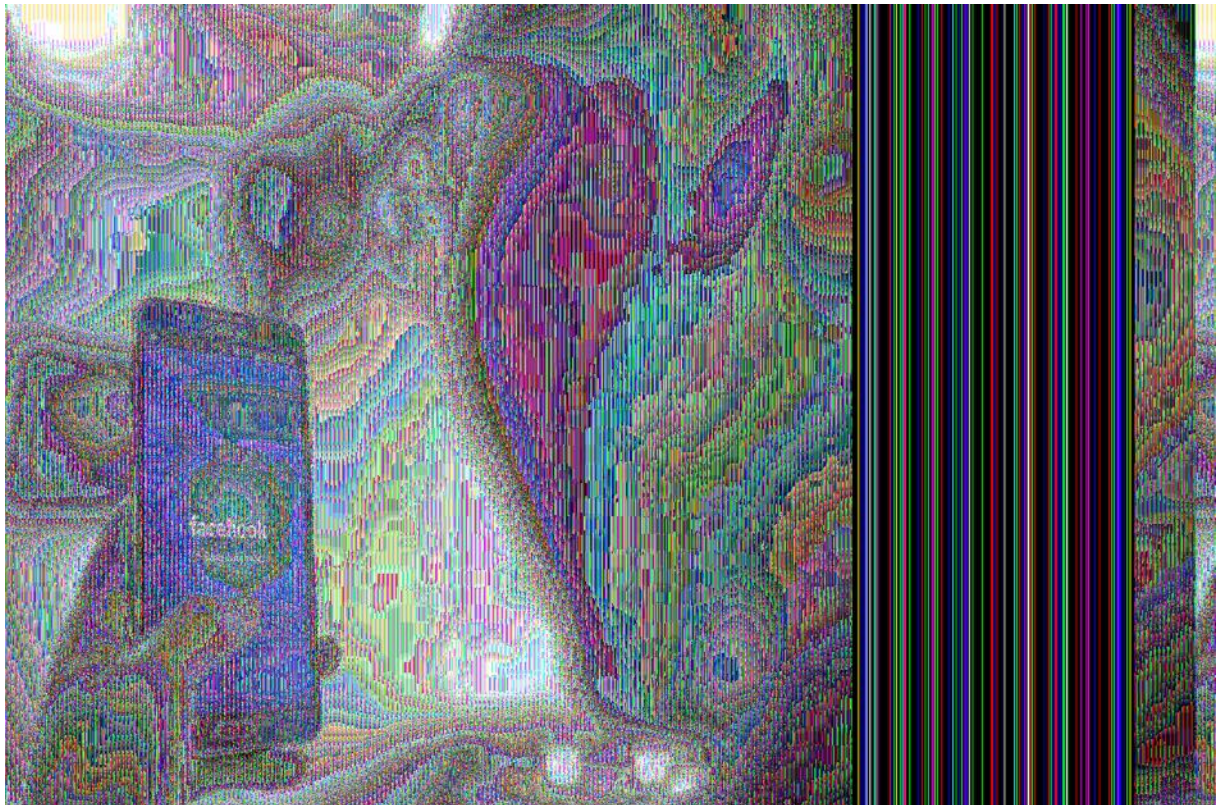
In Vietnam, ‘Robin Hood’ borrowers are taking aim at digital loan sharks

- The country is seeing a rise in digital loans, with young borrowers increasingly being caught out by predatory lenders
- It has spawned hundreds of online groups where people share financial tips, provide support and even plot to teach loan sharks a lesson

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Some people in Vietnam are taking to Facebook groups to hit back at dodgy lenders. Photo: EPA

Vietnam is at the cusp of a significant financial transformation. New lending systems and a culture of borrowing are taking over.

Digital lending is thriving, with hundreds of smartphone apps available for download. They come from banks and consumer lending firms, peer-to-peer (p2p) platforms, dubious loan companies, and moneylending gangs providing a “fast and easy” credit experience and unsecured loans within minutes.

Although the apps boost financial inclusion and align with the bid by the government and financial players to liberalise credit, they also raise public concerns over the growth of a digital subprime lending industry based on reckless and predatory lending.

‘Buy now, pay later’ schemes take off in Indonesia’s online shopping malls



Borrowers have increasingly experienced exploitation and harsh collection methods, leading them to take to social media to share their discontent. On Facebook, there are hundreds of groups filled with harassed and disgruntled borrowers, many of them young Vietnamese professionals, who pour out their grievances, provide mutual support and share tips on dealing with digital lenders.

Newcomers seek advice on which apps are more trusted or how to fulfil lending requirements that may be stringent for banks and p2p platforms but minimal for financial firms and illegitimate lenders.

Experienced borrowers share their knowledge on how to stifle harassment and cyberbullying tactics by debt collectors, telling newcomers to wipe their phone and social media data to reduce their online presence. Others offer tips on what kind of personal data to reveal or omit in a way that reassures lenders without compromising a borrower’s digital privacy.



A bank worker counts money in Hanoi. File photo: AP

Members also recommend borrowing from apps such as Doctor Đồng, Tamo, VDong and Cash24 which have limited means to persecute late borrowers. According to one user, these lenders “won’t go to your homes or collect your debt in real life. Apps only text and call to threaten you. All their staff bluff and pretend to be gangsters.”

Screenshots of threatening text messages, recordings of menacing phone calls, and instances of social media defamation by debt collectors are shared in the groups as well. Some of the messages include violent threats, such as one that said: “Warning to Debtor ..., National ID We have bought back your debt contract, if we don’t receive the money today, we will send our gang down to your house, don’t blame us then if we’re being heavy-handed.”

These posts are met with outpourings of support, with members collectively insulting and lashing out against the lender and debt collector.

Borrowers’ groups are also spaces where some people conspire to strike back against shady digital lenders. Their primary method is to encourage mass borrowing in an attempt to bankrupt lenders.

By reborrowing, people build trust and credit history, allowing them to access cheaper loans in higher value. Over-indebted borrowers are advised to dip their feet further into the mud, borrow more, default and hope for resolution through debt restructuring or forgiveness. One advocate of this method urges members to “evade the loan to show debtors how cutthroat interests work and teach the mobile applications a lesson”.



Some people organise among themselves to share or buy in to a profile or SIM card with a favourable credit score. Members will often trade SIM cards with a call history of at least three months to apply for loans and default collectively, hoping to put the lender under financial stress.

Others advertise services to provide false documents and fake identities, referees-for-hire, reference numbers for loan applications, or “surrogacy services” where members with a good credit history offer to borrow for blacklisted borrowers in exchange for a percentage of the debt payment.

The desire to undermine lenders is taken to an extreme, when members respond to debt collectors’ threats with taunts and provocations. Some dare collectors to come to their residences, while others go as far as to call collectors to meet them physically.



Vietnam’s growth in digital lending is slowly changing people’s relationship to debt and risk. File photo: EPA-EFE

Despite involving themselves in activities that could be considered controversial, if not illicit, the members of these Facebook groups perceive their actions to be part of a Robin Hood-esque narrative of taking from predatory digital lenders, debt collectors and the “rich” mobile apps to “fund their own livelihoods”, as stated by one person. They also justify their actions based on the mistreatment and harassment suffered at the hands of lenders.

Regardless of the legality of these moves, the presence of these social media communities relay growing concerns about predatory finance as well as the financial insecurity of a new generation of tech-savvy borrowers in Vietnam.

They are confronted with a new era of personal finance that is increasingly transforming their relationship with creditors, debt, over-indebtedness and risk.

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CONVERSATIONS