



Exploratory study of consumer issues in online peer-to-peer platform markets

Task 4 – Case study: Peerby



February 2017

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Consumers*

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1 Introduction

1.1 Platform overview

Peerby was established¹ in the Netherlands in 2012, and rolled out in major urban centres in cities in the UK², France, Belgium and Germany one year later³⁴. Its sharing services are now available in most large European cities like⁵, and also in seven US cities, including New York and San Francisco⁶.

Via an app⁷ and website, Peerby connects peer providers, offering to rent or share items with peer consumers looking for specific items. Peerby works on a neighbourhood-by-neighbourhood basis. According to Peerby, it takes 20 people to create enough critical mass for the platform to enable the sharing service in a certain neighbourhood⁸.

Peerby is composed of two similar, but strategically-different services, which are:

- **Peerby Classic**^{Error! Bookmark not defined.}: a free service first released in 2012 and now available in most major cities across the EU. This allows peers to freely share items with one another.
- **Peerby Go**: launched⁹ in September 2015 in Amsterdam, it is only available in the Netherlands, with plans to expand to the UK and US. It allows peers to rent items to one another for a fixed price, including delivery and warranty services provided by the platform. It was introduced based on the feedback of users who desired a more certain, secure and frictionless sharing experience.

The two services have separate websites, and only Peerby Classic currently has an app for Android and iOS. The type of products is mostly the same between the renting platforms, as illustrated in the table below. This order preference, however, is heavily influenced by the few cities where the platform is used very intensely, notably Amsterdam.

Table 1: Most frequently borrowed/rented items on Peerby Classic and Peerby Go

Peerby Classic	Peerby Go
Power drill	Cargo bike
Ladder	Projector
Pressure cleaner	Party tent
Party tent	Pressure cleaner

¹ Information available at: <https://startupjuncture.com/2014/10/30/local-lending-app-peerby-raises-e1-7m-fund-international-expansion/>, accessed on 15/12/2016.

² Information available at: <https://www.companiesintheuk.co.uk/ltd/peerby>

³ Information available at: <https://www.iamsterdam.com/en/business/invest/who-is-here/peerby>

⁴ Within the scope of this case study, desk research and the mystery shopping exercise were carried up until December 2016.

Some minor clarifications regarding the core research results were sought until February 2017.

⁵ Information available at: Other European cities include Berlin, Paris, Milan, Rome, Vienna, Dublin, Warsaw, Bucharest, Prague, Stockholm and many others.

⁶ Information available at: <http://www.shareable.net/blog/goods-sharing-platform-peerby-crowdfunds-2-million-in-one-weekend>

⁷ Information available at: <http://blog.peerby.com/de-peerby-app-in-een-nieuw-jasje-en-nu-ook-voor-android/>

⁸ Interview with Peerby, 10/06/2016.

⁹ Information available at: <http://www.sharenl.nl/nieuws/2015/09/10/peerby-launches-peerby-go>

Peerby Classic	Peerby Go
Trailer	Laminate cutter
Wheelbarrow	Wheelchair
Projector	Folding table
Jigsaw cutter	Steam cleaner
Folding table	Hoisting rope

Source: Interview with Peerby, 05/08/2016.

Peerby has around 250,000 registered peers worldwide, which makes it the largest renting/sharing platform in Europe. Similar Dutch platforms such as SpullenDelen, HurenVanBuren, or even European platforms like the UK's LocoSoco or StreetBank are much smaller.

Transactions occur daily on both Peerby Classic and Peerby Go. The platform claims to have grown over the recent years and *the number of transactions increased exponentially*¹⁰. For instance, while about 50% of Peerby Go peer providers are not active at all, about 40% are making tens of EUR per week, while the top 10% make hundreds per month. The top peer provider earned EUR 4,000 in the last three months, but this is an exception. An average, even skewed by these discrepancies, would be of EUR 28 in earnings, while the average for the top 100 peer providers is EUR 153¹¹ per month. As indicated by the platform, these figures are likely to change in the future as Peerby Go only launched in 2015.¹²

1.1.1 Peerby Classic

Once logged into the platform via app or website (Figure 1), peers see the most recent activity in their area, and can reply to sharing requests, or view who shared what with whom. Peerby Classic is request-based, which means that peers can post request and respond to each other's requests.

The viewing feature illustrated below is only available on the mobile app, while the desktop version (Figure 2) includes other details such as the number of times a certain item has been borrowed in the peer's neighbourhood. In both app and desktop versions, peers can also check a map with nearby providers with available items.

¹⁰ Information available at: <http://press.peerby.com/>, accessed on 15/12/2016.

¹¹ Interviews with Peerby, 10/06/2016 and 05/08/2016.

¹² Written feedback from Peerby, 14/12/2016.

Figure 1: Peerby Classic peer activity in London (on Android)

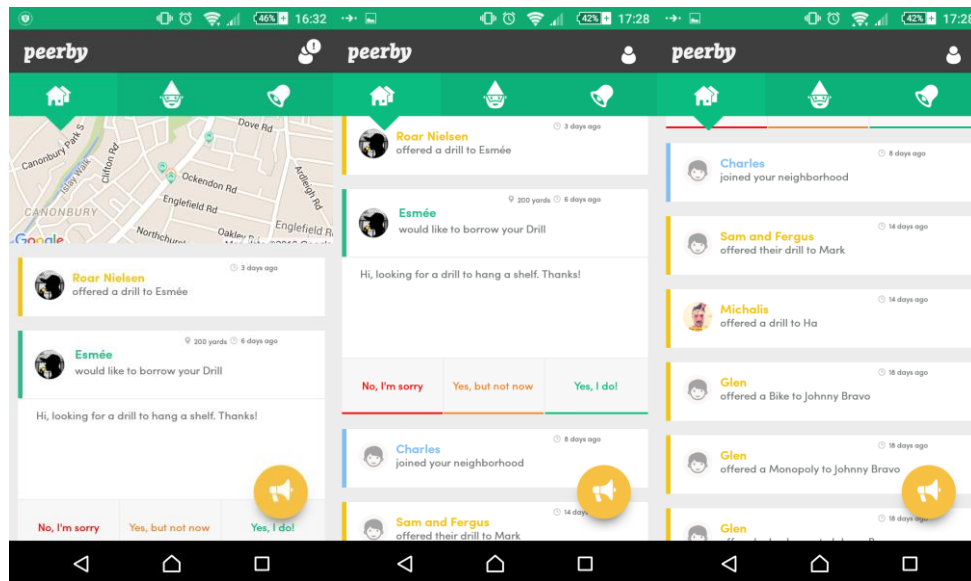
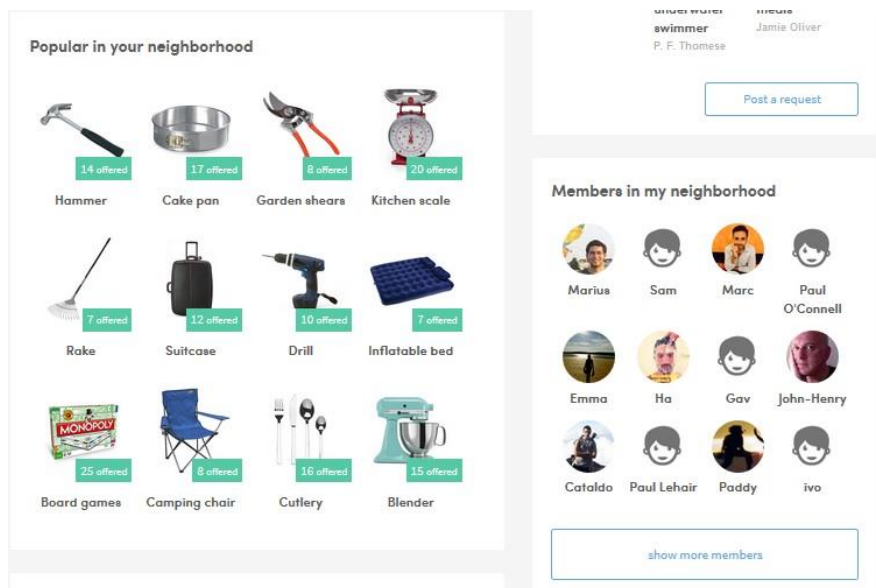


Figure 2: Peerby Classic peer activity in London (desktop version)

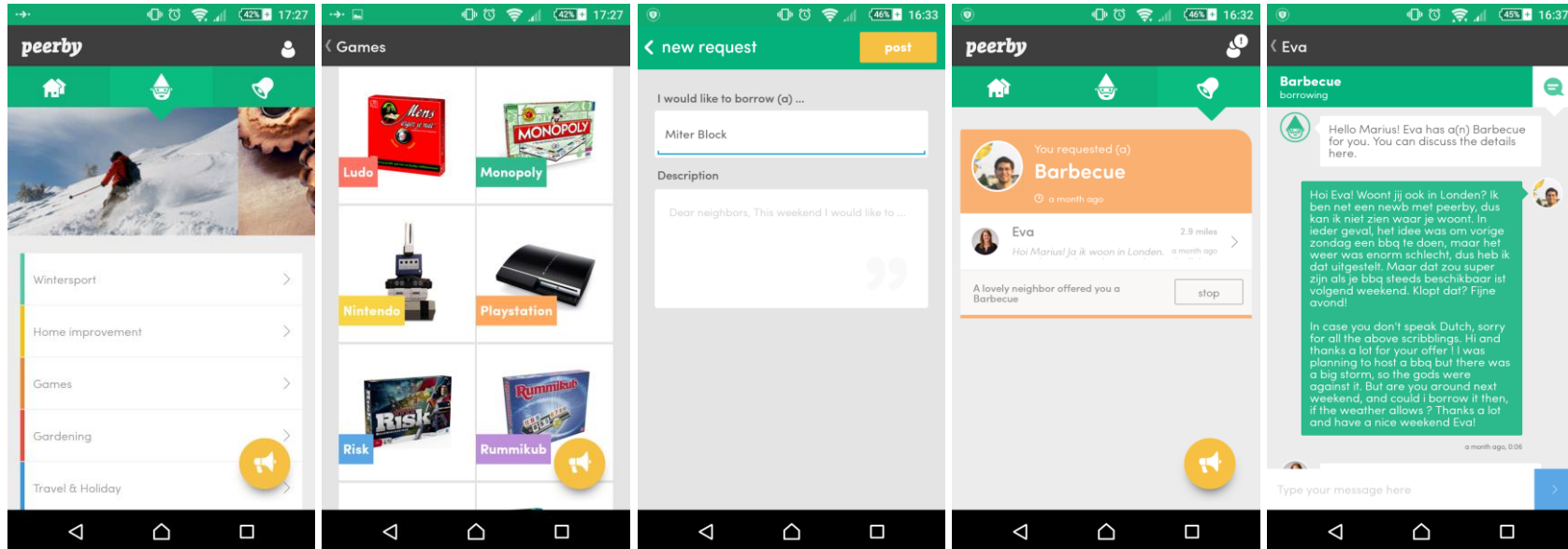


On Peerby Classic, peer consumers have to wait until peer providers reply to their request. Peers can request the things they need with just two taps of the finger (see Figure 3), and the process happens as follows:

- I. Peer consumers are given a range of categories of potential items they can ask for. Each of these categories has items identified by images and text that the user can scroll down through.
- II. Once an item is picked, a fill-out form appears with the name of that item, and a textbox for the user to describe why and when they need it.

- III. Peer providers are sent a notification about the upcoming request, depending on their location and email notification preferences.
- IV. When a peer provider replies to a request, peers can start interacting with each other via the chat function.
- V. Peers agree among themselves on the pick-up date and duration of the sharing, and then meet in person to exchange the item.

Figure 3: Process of requesting an item on Peerby Classic (on Android)



1.1.2 Peerby Go

On **Peerby Go**, only peer providers are required to create an account, whereas peer consumers can order items without an account. Peer consumers are offered a catalogue of potential items they can rent, divided by category/theme. Daily rental prices are displayed for all items: there is a set price for the first day of rental and a lower price for each additional day thereafter. The items have generic pictures displayed in the catalogue.

Once peer consumers pick an item, the platform displays how many peer providers offer such an item, and ask the peer consumer to provide contact information, preferred rental dates and a reason for the rental. The platform will then get in touch via SMS with potential peer providers to verify their interest in the order. Once this is done, the platform will put the peer consumer in touch with the peer provider¹³.

The platform provides delivery, pick-up services and a warranty for the good. At the moment, as the service is being launched and trying to appeal to peers, delivery and pick-up services are free.

¹³ Information available at: <http://press.peerby.com/110784-sharing-platform-peerby-launches-peerby-go-renting-from-neighbors-including-delivery>, accessed on 15/12/2016.

Figure 4: Process of requesting an item on Peerby Go (on desktop)

The figure illustrates the process of requesting an item on Peerby Go through three sequential screenshots of the desktop website.

Screenshot 1: Search Results
The top navigation bar includes the Peerby Go logo, a search bar with the text "Zoeken", and links for "Lenen", "Aanmelden", and "Categorieën". A left sidebar lists various categories: Populair, Nieuw, Klussen en doe-het-zelf, Feest, Festival, Buitensport, Tuin gereedschap, Koken, Spelletjes, Wintersport, Noodoplossingen, and Baby. The main content area, titled "Outdoor", displays three items: an "Electric Bike" for €22,50 (with an extra day of €6,75), a "Screwdriver Set" for €5,50 (with an extra day of €1,65), and a mattress for €10,00. Each item listing includes a "free delivery" badge and user avatars.

Screenshot 2: Item Details
This view shows the details for the "Electric bike". It features a "FREE DELIVERY & PICKUP!" badge and lists the offerer as "Gert" and "Jet". The pricing is detailed: "First day: € 22,50" and "Each additional day: + € 6,75", with a "1 day = 24h" duration. The "Contact Information" section includes a name field (filled with "Marius"), a phone number field (filled with "030253 35 50"), and an email field (filled with "m.dragulin@vva.it"). The "Delivery" section has a zip code field (filled with "3584CS") and a quantity field (filled with "8"). The "I need it from ... until ..." section shows a date selector (filled with "12 June (Sunday)") and a "Pick a day" dropdown. The "Extra Information" field contains the text: "I am going on a trip with friends outside of London, and this would be useful!". A "Discount code" field is also present. At the bottom, it states "Delivery and pickup service free" and a large green "Place order" button.

Screenshot 3: Confirmation Page
The page displays a large "THANK YOU" message. Below it, a text box reads: "We're on it! We'll call you to confirm your order and any additional details. If you have any questions please call us at 020-8932329 (office hours) or email go@peerby.com". At the bottom, there is a promotional message: "aan voor onze nieuwsbrief en speciale aanbiedingen" and a blue "Aanmelden" button.

Peer providers on PeerbyGo are asked to provide information regarding their identity and describe their products. First, they are given a set of items that they can rent out, and are asked whether they own them and want to rent them out. This is illustrated in Figure 5 below.


Figure 5: Process of inserting the goods for rent on Peerby Go (desktop version)



Once peer providers have selected which products they want to rent out, they can manually add products through their profile, by choosing them from a list. In addition, peer providers can edit the goods from their profile, and add more details to their descriptions. This is optional, but it may help increase the matching. For instance, as indicated in Figure 6 below, peer providers can indicate whether the cargo bike they are renting out has a rainproof cover, or whether a beamer has a HDMI, USB or VGA socket. When peer consumers describe the intended use of the item they want, the team can automatically refer to the providers that are most likely to have the good the peer consumer needs. For instance, if the peer consumer wants to transfer books and paper products in the cargo bike, Peerby Go may decide it is better to contact peer providers with a rainproof cover on their bike. Based on the intended use of peer consumers, Peerby Go makes a better match with peer providers that can provide the required specifics.

Figure 6: Process of describing the goods for rent on Peerby Go (desktop version)

Vertel iets meer over je
BAKFIETS



Wat mag er in je bakfiets vervoerd worden?

Kinderen
(bakfiets moet gordels hebben)

Zware spullen

Heeft je bakfiets een overkapping (voor o.a. regen)?

Ja

Nee


Hoeveel wielen heeft je bakfiets?

2

3

Opslaan

Vertel iets meer over je
BEAMER



Wat voor aansluitingen heeft je beamer?

HDMI

Displayport

VGA

Opslaan

Once peer providers upload their information, they wait for a SMS from Peerby Go whenever someone in the neighbourhood needs the item they provide. The platform indicates the timeframe of the request and how much peer providers can earn. If peer providers accept this request, Peerby Go puts them in contact with the peer consumer, and then sends SMS reminders 24 hours and 2 hours before the start of the renting period. Finally, three days after the renting started, peer providers receive their share of the payment from the platform.

2 Assessment of the platform

2.1 Evolution of the platform business model

Peerby started off as a free service¹⁴ in September 2012, with the intention to foster unity among communities, help people save money by borrowing rather than buying goods, and ultimately reduce the environmental footprint of consumption. Its founder, Daan Weddepohl, came up with the idea after a fire destroyed his apartment in February 2009. Family friends and strangers offered him furniture tools and other items to allow him to go on with his life. He realised that people would gladly share their items when they could, and a platform would allow them to do it on a larger scale¹⁵. Using EUR 25,000 that he inherited, Mr. Weddepohl launched Peerby in September 2012.

The platform took off when Mr. Weddepohl won EUR 100,000 in the Dutch Postcode Lottery Green Challenge, “the world’s largest annual award for sustainable entrepreneurship”¹⁶. After a US-based start-up training and start-up accelerator programme in Amsterdam, Daan assembled a team in Amsterdam, the Netherlands to develop Peerby further. The platform, at that stage, was only active in the Netherlands.

In May 2013, the platform launched its English-language website along with another Dutch sharing economy platform, Konnektid through a large picnic event¹⁷. In June 2013, Peerby won the first prize in a European sustainable start-up competition in London¹⁸, followed by a first prize in another tech talent competition in July¹⁹. Two years later, Peerby was awarded the best urban app prize in Dallas, US worth \$5,000²⁰.

Peerby’s first major investment came in October 2014, when it received \$2.1 million²¹. At that time, the platform had around 100,000 users and one million items in stock in Europe and was active in eight US cities. The liquidity of its marketplace in the Netherlands and Belgium meant that peers would receive a reply for their requested item within 30 minutes. One month later in November 2014, its marketplace was extended to Android users through a new app²². By September 2015, the New York Times reported that Peerby has processed over 100,000 transactions and features items worth \$1 billion²³. During the same month, the renting platform Peerby Go was launched in Amsterdam, which includes a pick-

¹⁴ The platform justifies how it survives through a reply in its FAQ section for the question “If Peerby is free, what is the business model?”

¹⁵ Information available at: <https://www.theguardian.com/cities/2014/jun/19/appmycity-winner-peerby-brings-small-town-sharing-to-big-city-life>, accessed on 15/12/2016.

¹⁶ Information available at: <http://press.peerby.com/33593-dutch-startup-wins-125-000-in-sustainable-entrepreneurship-competition-green-challenge>, accessed on 15/12/2016.

¹⁷ Information available at: <http://press.peerby.com/46608-potluck-picnic-on-global-sharing-day-at-amsterdam-roest>, accessed on 15/12/2016.

¹⁸ Information available at: <http://press.peerby.com/84632-peerby-gets-2nd-place-in-ben-jerry-s-join-our-core-competition-2013>, accessed on 15/12/2016.

¹⁹ Information available at: <http://press.peerby.com/52467-amsterdam-based-p2p-startup-peerby-wins-guardian-tech-talent-day-competition>, accessed on 15/12/2016.

²⁰ Information available at: <https://www.theguardian.com/cities/2014/jun/19/appmycity-winner-peerby-brings-small-town-sharing-to-big-city-life>, accessed on 15/12/2016.

²¹ Information available at: <http://press.peerby.com/89146-amsterdam-startup-peerby-raises-2-1-million-to-bring-small-town-sharing-to-your-doorstep>, accessed on 15/12/2016.

²² Information available at: <http://press.peerby.com/90523-sharing-app-peerby-releases-android-app>, accessed on 15/12/2016.

²³ Information available at: http://www.nytimes.com/2015/09/03/business/smallbusiness/sharing-economy-goes-hyperlocal-with-a-growing-market-for-household-items.html?_r=2, accessed on 15/12/2016

up and delivery service as well as a Peerby Warranty provided by the platform. Later, in March 2016, Peerby's innovations allowed the platform to raise \$2.2 million in four days through a crowdfunding campaign on the Dutch OnePlanetCrowd.com platform²⁴.

Peerby's business model is focusing more on the renters, rather than suppliers. This is contrary to what other similar start-ups such as CrowdRent, Share Some Sugar, Bid & Borrow, Ecomodo or ThingLoop did.

The platform uses an algorithm of questions directed towards its registered members in order to create a network of potential suppliers. These peers are sent a notification every time a peer nearby (the abbreviation of the two words is Peerby) asks for an item. This is opposed to posting long lists of ads as other platforms²⁵. This model requires the platform to first create a solid active network and only later to monetise it. This is why the revenue-generating arm, Peerby Go, was launched three years later than the platform's free service. Next to the importance of a network, Peerby Go has also implemented calls from its community for a more convenient, secure and hassle-free sharing-experience.

According to its founder, Peerby's strategy is that of a lean start-up, a method involving very short production cycles and validated learning. The technique, pinned down by Eric Ries in his 2008 bestseller²⁶, suggests to companies to release minimum viable products, obtain feedback on them and improve their products constantly and at a fast pace. This allows the platform to be very flexible and adaptable to its peers' needs in real time. It is also the reason why many potential features (e.g. peer review systems, information on applicable taxes) that are standard to other platforms have not been implemented yet: there is no urgent need in their network for such services.

This versatility allowed Peerby, for instance, to introduce a paid-for warranty system on its Peerby Classic platform earlier in 2016 and then take it out a few months later as it was not working. A similar warranty system is now part of the Peerby Go service in an improved form.

2.2 Current business model

2.2.1 Business model and pricing

Peerby Classic and Peerby Go have different business models, which share same principles and peer network, complementing each other in the overarching goal of promoting sharing and reducing waste. The major difference between the two platforms is the fact that Peerby Classic is a free, non-monetised service thus far, while Peerby Go has a clear monetisation structure. Other features of the business models, such as key partners, customer segments or distribution channels are identical between platforms. Peerby Go is the only platform that generates a revenue that could be self-sustaining in the long-term.

²⁴ Information available at: <http://press.peerby.com/125333-startup-peerby-raises-2-2-million-from-users>, accessed on 15/12/2016

²⁵ Information available at: http://www.nytimes.com/2015/09/03/business/smallbusiness/sharing-economy-goes-hyperlocal-with-a-growing-market-for-household-items.html?_r=2, accessed on 15/12/2016

²⁶ The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses

The two platforms' business models can be represented through a **business model canvas**, which graphically captures the current strategic landscape and the prospects of the company. As noticed in Table 2, peers are highly involved in the creation of the service/value provided by the platform (co-creation). As many digital business models, the cost structure is characterised by higher initial fixed costs and by very low marginal costs.

Table 2: Business model canvas for Peerby Classic and Peerby Go

<i>Key Partners</i>	<i>Key activities</i>	<i>Value proposition</i>	<i>Customer relationship</i>	<i>Customer segments</i>
Community (including via crowdfunding) Investors Insurance provider (Achmea)	Product development/management Network building Payment management Customer service <i>Key resources</i> Community Technology	Improved efficiency in asset use Stronger links in local communities Eco-friendly attitude to consumption Accessibility Convenience (Peerby Go)	Communities Co-creation (increasing supply of items) <i>Channels</i> Direct online: web & app (IOS, Android)	Mass market (but geographically-specific) Diversified (Peerby Classic and Peerby Go)
<i>Cost structure</i>		<i>Revenue streams</i>		
Platform development (high fixed cost + upgrades) Salaries (variable) Overheads costs		Transaction fee (Peerby Go) Pick-up and delivery services (Peerby Go) Investors subsidies, prizes, etc.		

Peerby's **business model** joins together a free for its users' platform (Peerby Classic) with a platform that charges users for its services (Peerby Go). According to the platform, Peerby Classic was never financially sustainable in a long-term, hence Peerby Go was introduced²⁷.

In terms of the business model typology developed in the Final Report, Peerby Classic shares the features of the second business model category (**active management**), while Peerby Go fits into the third business model category (**platform governed peer transactions**).

2.2.1.1 Peerby Go

Peerby Go charges a 25% **transaction fee** applicable to peer providers, and intends to generate revenue through its delivery and pick-up services. At the moment of writing, the delivery and pick up services are offered free of charge to boost the platform's popularity. However, they are expected to be priced initially at up to EUR 5. At the time of writing, the platform is in its initial stages of generating revenues, therefore there is no financial information available.

²⁷ Written feedback from Peerby, 14/12/2016.

The platform's reliance on algorithms and data, as seen in the previous section, is also evident in its **price setting**: on Peerby Go, **item prices are set by the platform**, based on an automatic algorithm designed to establish the equilibrium price between demand and supply. When peer consumers request an item, the platform notifies peer providers in the neighbourhood that own it, asking them whether they agree to lend it. The platform's automatic algorithm relies on demand and supply data for certain items at certain prices to automatically adjust them and maximise the number of transactions. This process is done internally and it is constantly under review²⁸. According to the platform, Peerby has described this algorithm in the past via newsletters to its peer providers²⁹.

Peerby Go has strict pricing rules. While on Peerby Classic, every item must be lent for free and peer providers are expected not to ask for any additional (hidden) fee, on Peerby Go, the items on offer are presented in the form of a catalogue (see Figure 4) with **prices set by the platform for each item type** depending supply and demand via an automatic algorithm. Examples of prices for popular items are given in Table 3 below:

Table 3: Prices for popular items on Peerby Go as at August 2016

Type of item	Price for first day	Price/day thereafter
Beamer	EUR 25	EUR 7.5
Foldable table	EUR 12.5	EUR 3.75
Freight bike	EUR 25	EUR 7.5
Laminate cutter	EUR 13	EUR 3.9
Vacuum cleaner	EUR 15	EUR 4.5

2.2.2 Payment

2.2.2.1 Peerby Classic

Although it is a free service, Peerby Classic allows peers to enter their credit card information which provide additional layer of verification of their identity. The platform justifies this by the fact that peer providers would find it more trustworthy to lend their items, and to make it fast and easy to buy a Peerby Warranty when desired and when the option becomes available.

2.2.2.2 Peerby Go

Peers consumers can pay via iDeal for their services. The iDeal service allows payments via the peer's own bank account, and includes payments via credit or debit card. The payment reaches MangoPay, a third-party service provider responsible for processing payments. MangoPay is responsible for disbursing the funds received: a percentage (25%) goes to Peerby Go as a transaction fee, a percentage, if chosen, goes to Peerby Go for delivery and pick-up charges, and the rest goes to the peer provider. It is not clear whether MangoPay deducts a percentage of the transaction as a fee for its own services.

Peer providers pay 25% of the renting price to the platform as a commission, and this is included in the listing price that peer consumers see when they look for

²⁸ Interview with Peerby, 05/08/2016.

²⁹ Written feedback from Peerby, 14/12/2016.

certain goods. Through MangoPay, the platform only receives its commission and does not handle the 75% of the funds that are transferred between peers.

MangoPay is a European e-money issuer founded in 2012 that targets, among others, sharing economy platforms³⁰ such as Tryilo, Fubles or Vestiaire Collective. The service allows platforms to create e-wallets, hold funds, and automatically collect their fees and refund peers³¹.

Peer providers can receive payments via bank transfer within three days from renting the item. As Figure 7 below shows, peer providers are asked to submit their bank account information in order to receive payments.

Figure 7: Adding a bank account number on Peerby Go (desktop version)



The image shows a web form titled "REKENING WIJZIGEN" (Change Account). It features three input fields stacked vertically. The first field contains the text "Marius". The second field is labeled "Achternaam" (Surname). The third field is labeled "IBAN". Below these fields is a prominent red button with the text "Opslaan" (Save).

Peers can cancel their booking free of charge 72 hours before the item is provided. Any later than that, and they are subject to a fee. Cancellation between 72 to 48 hours before the agreed date is charged at 50% of the daily borrowing costs, while a cancellation within less than 48 hours is still charged at full price.

2.3 Consumer experience

2.3.1 Satisfaction with overall experience and likelihood to use the platform again

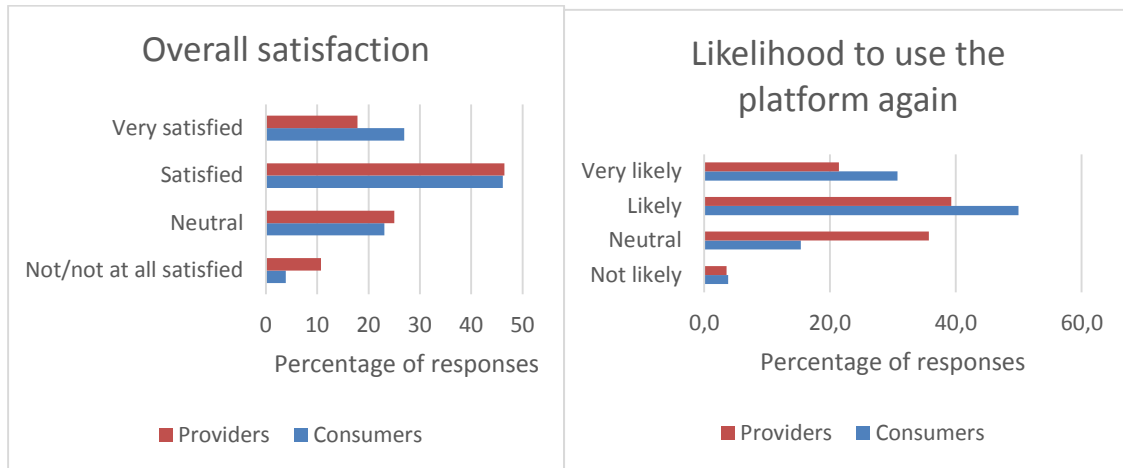
Overall, a large majority of both peer consumers and peer providers on Peerby report being either satisfied or very satisfied with their experience. Over a quarter (26.9%) of peer consumers and almost a fifth (17.9%) of peer providers are very satisfied with their experience. Only a small minority of users report they are unsatisfied or very unsatisfied (3.8% of peer consumers and 10.7% of peer providers).

³⁰ Information available at: <https://www.mangopay.com/about-us/>, accessed on 15/12/2016.

³¹ Information available at: <https://www.mangopay.com/features/>, accessed on 15/12/2016.

Among peer consumers, 73.1% and 64.3% of peer providers are satisfied or very satisfied with their experience on P2P platform, as indicated below. It is important to note, however, that the sample size of respondents who used Peerby (either Classic or Go) is relatively small (52 respondents).

Figure 8: Overall satisfaction levels and likelihood to re-use platform recorded through a web survey of both peer consumers and providers on Peerby Classic and Peerby Go



Source: GfK survey, Task 2 (sample of 52 respondents, of which 24 peer providers and 26 peer consumers)

Given that peer consumers and peer providers are broadly positive about their experiences of using Peerby, it is not surprising that large majorities, over 80.8% of peer consumers and 60.7% of peer providers intend to use these platforms again. Very few peer consumers or peer providers say they are not likely (at all) to use platforms again. The results are visualised in Figure 8 for both satisfaction levels and the likelihood to use the platform again. Satisfaction levels for Peerby users are comparable to the average value recorded for the sharing/renting market. The figures are similar for peer consumers (73.1% were satisfied or very satisfied on Peerby compared to the market average of 73.1%), and higher for peer providers (64.3% were satisfied or very satisfied on Peerby, compared to the average of 60.7% in the market).

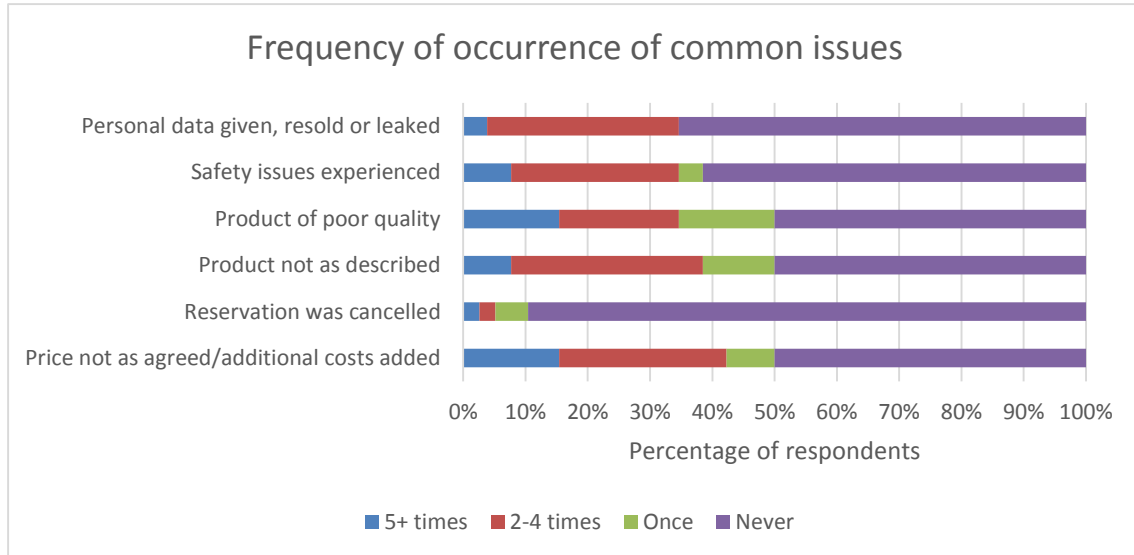
The incidence rate of peer consumers who are likely or very likely to use Peerby again (80.8%) is slightly lower than that recorded over the five markets studied in Task 2 (86.6%). It is important to note that the incidence rate for Peerby peer providers who are likely or very likely to use the platform again (60.7%) is considerably lower than the average value over the five markets (82.4%).

2.3.2 Frequency of problems encountered on the platform

The Task 2 survey asked Peerby users whether they have experienced problems when using P2P platforms, and if so, what kind of problems (ranging from problems in using the platform, to problems with concluding the transaction, price or problems with the product or the service itself).

Half of the peer consumers on Peerby had experienced one or more of these problems at least once. Problems often experienced by peer consumers are unexpected price changes (50%), product description (50%) or product quality (50%). Other problems include safety issues (38.5%) data leaks (34.6%) or reservation cancellations (11.4%). The figures are reported below.

Figure 9: Frequency of occurrence of common issues among Peerby peer consumers



Source: GfK survey, Task 2 (sample of 52 respondents, of which 26 peer consumers)

The figures presented above are higher than the average figures recorded by the Task 2 survey on respondents from the sharing/renting goods sector. Peerby users are more likely to experience problems regarding the price (50% on Peerby versus 39.7% market average), product description (50% on Peerby versus 45.9% market average), product quality (50% on Peerby versus 43.8% market average), safety issues (38.5% on Peerby versus 33.2% market average), or data issues (34.6% on Peerby versus 30.1% market average). Nevertheless, only 11.4% of Peerby users experienced problems with cancelled reservations or non-delivered items, compared to 34.4% recorded in the sector.

2.3.3 Knowledge of rights and obligations

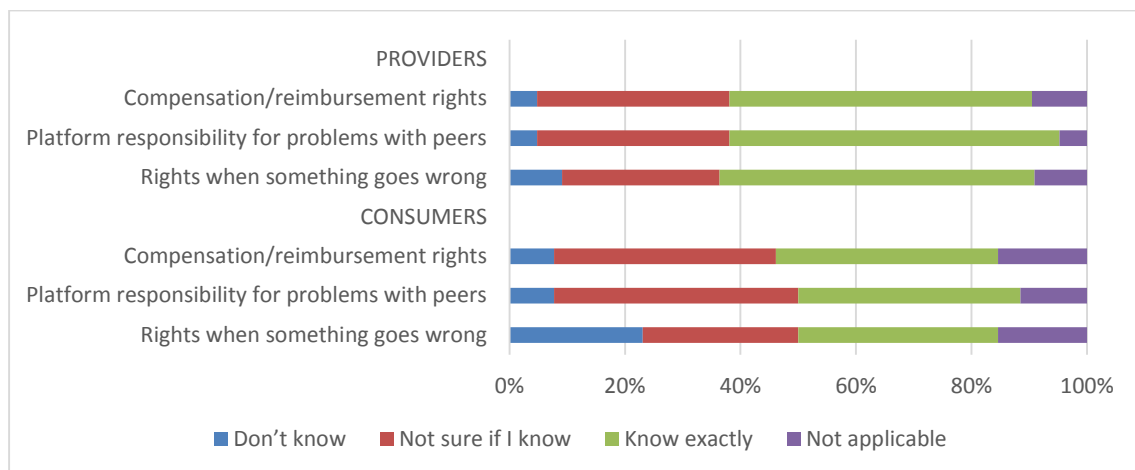
This sub-section explores whether peer consumers and peer providers think they know their rights and responsibilities on Peerby. It is important to note that the results presented in this section are based on respondents' self-reported or perceived knowledge of their rights and responsibilities. In addition, note that the sample size of respondents who used Peerby (either Classic or Go) is relatively small (54 respondents).

Around half of **peer consumers** acknowledge they do not know or are not sure what their rights are on online P2P platforms: who is responsible when something goes wrong (50%), the responsibility of the platform in case of a problem with a

provider (50%), or the right to compensation or reimbursement if something goes wrong (46.2%).

About 40% of **peer providers** on Peerby indicated they are not sure or do not know their rights and responsibilities; just over a third indicated knowing their rights and responsibilities more or less. This is the case for their rights when something goes wrong (28.5%), the platform’s responsibility in case of a problem with a customer (28.6%), and their knowledge of consumers’ rights for a compensation or reimbursement (28.6%).

Figure 10: Peer knowledge concerning their rights on Peerby Classic and Peerby Go



Source: GfK survey, Task 2 (sample of 52 respondents, of which 24 peer providers and 26 peer consumers)

2.4 Transparency aspects

2.4.1 Information to platform users (clarity, easy accessibility)

Peerby, the entity managing both Peerby Classic and Peerby Go, **is a for-profit platform**, but its current revenues largely come from investors. Peers are informed in the “Help” section that revenues come from sponsors, social initiatives or from the Peerby Go platform³². The “Help” section also describes the difference between Peerby Classic and Peerby Go.

It is fairly straightforward to obtain commercial information about the platform. The legal entity behind Peerby is identified in its Contact³³ section with a contact email address, physical address, a phone number, as well as the Dutch chamber of commerce and VAT numbers. Additional legal information can be extracted from the Dutch Chamber of Commerce (Kamer van Koophandel) website³⁴ for a fee. In the UK, the business register at Companies House³⁵ provides legal and financial

³² Information available at: <https://peerby.desk.com/customer/nl/portal/articles/1497066-als-peerby-gratis-is-hoe-verdient-peerby-dan-zijn-belegde-boterham->, accessed on 15/12/2016.

³³ Information available at: <https://www.peerby.com/contact>, accessed on 15/12/2016.

³⁴ Information available at: <http://www.kvk.nl/orderstraat/product-kiezen/?kvknummer=539956430000>, accessed on 15/12/2016.

³⁵ Information available at: <https://beta.companieshouse.gov.uk/company/08676757/filing-history>, accessed on 15/12/2016.

information free of charge,³⁶ including the fact, for instance, that the platform has a mail forwarding service address.

In the UK, the platform is registered as a private company limited by shares, with a recorded loss in 2015 of EUR 2,008 (GBP 1,584) in 2015. Its listed shareholders are as follows:

Figure 11: Peerby shareholders

Entity/person	Percentage of shares
Daan Weddepohl (founder)	56.7%
Eelke Boezeman (co-founder)	13.7%
Rockstart Global Accelerator	7.6%
Sanoma Digital	16.4%
Jonas Matser (co-founder)	1.7%
Techstars London	3.9%

Source: Companies House UK

Peerby Classic has the same corporate structure and shareholders as **Peerby Go**, thus the information presented above apply to both.

Both platforms do not distinguish between private/professional peers. As such, the platform accepts both private and professional peers to operate.

Currently Peerby gives no information to peers about tax obligations. The platform claimed that this is currently not a relevant issue, and it will be dealt with when it becomes *problematic*, as part of the platform's lean strategy³⁷. On Peerby Go, average revenue is EUR 28 for active suppliers and the average revenue of the top 100 suppliers is EUR 153. The biggest revenue earner collected about EUR 4,000 over a period of three months, but it was pointed out by the platform that this is an exception

According to Dutch law, peers can earn up to EUR 6,000/year from the sharing economy without paying taxes³⁸. However, according to a Deloitte, the Dutch tax authority does not impose a strict dividing line between private and professional peers: they look at cases individually. The tax authority also does not require platforms to share their peers' revenues, as it is considered too burdensome to verify each individual peer according to a strict income threshold. However, in Amsterdam, local authorities have reached agreements with large platforms (AirBnB and Uber) to prevent peers from operating in the grey economy³⁹. Nevertheless, the platform stated that, after discussing the matter with the Dutch Tax Authority, the reply Peerby received is that peers must officially declare all income derived from other activities at the end of the year⁴⁰.

Sharing is free on Peerby Classic, and peers agree among themselves for how long the item is borrowed and where to pick it up and drop it off. It is clear to all peers

³⁶ Information available at: <https://www.companiesintheuk.co.uk/ltd/peerby>, accessed on 15/12/2016.

³⁷ Interview with Peerby, 05/08/2016.

³⁸ Information available at: <https://deloitte.ctrl.nl/nl/actual/Geld-verdienen-in-de-deeleconomie--De-fiscus-kijkt.aspx>, accessed on 15/12/2016.

³⁹ Information available at: <https://deloitte.ctrl.nl/nl/actual/Geld-verdienen-in-de-deeleconomie--De-fiscus-kijkt.aspx>, accessed on 15/12/2016.

⁴⁰ Written feedback from Peerby, 14/12/2016.

that the sharing of items is free on the platform – this is indicated on the platform’s main page. In addition, as shown later in Figure 12 below, the free exchange of goods is a written rule on the platform.

On Peerby Go, the Help page also describes the rules of using the platform, along with tips or additional information on the pricing mechanism, or for different situations between peers (e.g. when a peer consumer is not home, how to prepare for a rental, etc.)⁴¹. In addition, the Help page also explains how the Peerby Warranty works, through a link to a platform blog post⁴². Peers are clearly shown the rental prices for the available items, as well as the fees for delivery and pick-up.

In case something goes wrong (e.g. a neighbour is not home, or a product is delivered broken, etc.), peers are encouraged in the Help section to contact Peerby via email or phone. The platform stated in an interview that there is an internal mechanism in place for dealing with consumer concerns, although there is no publicly-available information describing this process⁴³. The same system applies for claims under the warranty on Peerby Go – once the platform receives a claim, it decides internally on its validity. There is no publicly available information about details of this process.

Overall, not all information provided to peer is clear and transparent. The platform does not differentiate between private and professional providers, and there is no information on taxation. Information on what to do in case something goes wrong with the transaction is scattered between T&Cs and Help section. Some peer consumers could feel less confident in absence of clear information, but on the other hand, these shortcomings might be less important for some peers since the service, at the moment of writing, is free of charge. However, since the platform is likely to introduce paid service in the future (pick-up and delivery for Peerby Go) the information provided to consumers should improve. This is confirmed by the platform which stated that this current lack of transparency is mainly a result of its previously described lean working-methods⁴⁴.

2.4.2 Terms and conditions

2.4.2.1 Peerby Classic

The purpose of **Peerby Classic**, as specified in the terms and conditions, is to “provide a platform for people to share their items with each other”, i.e. to match demand and supply”. It is up to these peers to sort out the sharing transaction, without the platform being involved. The platform states that it is not actively participating in transactions, and that it does “not and cannot guarantee that transactions entered into between Users will be completed”.⁴⁵

Peers must accept the terms and conditions when registering. This is done automatically: the message “By creating an account, you agree with the Peerby Terms & Conditions”, along with a hyperlink to the document, is stated below the

⁴¹ Information available at: <https://go.peerby.com/help>, accessed on 15/12/2016.

⁴² Information available at: http://blog.peerby.com/alles-wat-je-wilde-weten-over-de-peerby-garantie/?utm_source=peerbygo&utm_medium=faq, accessed on 15/12/2016.

⁴³ Interview with Peerby, 05/08/2016.

⁴⁴ Written feedback from Peerby, 14/12/2016.

⁴⁵ Information available at: <https://www.peerby.com/terms-and-conditions>, accessed on 15/12/2016.

registration form. The terms and conditions relate to the use of the platform, and are available on the PC and the mobile app version (in this case Android version). Peerby specifies that it is not responsible for any loss or damage to peers arising from unauthorised access to their account, or in case peers do not comply with the platform's terms and conditions. In addition, the terms and conditions⁴⁶ remove all responsibility of the platform to verify the accuracy of the information circulated among peers. Peerby also specifies that it is not responsible for damages or delays in returning the items involved in the transactions.

Peers must agree to a set of **rules for using the platform, as well as for P2P interactions when they register**. These are indicated in the terms and conditions, as well as on a separate page (see below). These rules, indicated in Figure 12 below, are not imposed in any legal policy, but are enforced by the Peerby staff throughout their monitoring of user activity. According to the platform, the rules provided by Peerby Classic mainly function as a code of conduct for its users to ensure a positive use of the platform and social sharing experience⁴⁷.

Figure 12: Peerby Classic rules (on desktop version)

The one and only peerby rule

To ensure that peerby works as good as possible and is a nice experience for all our members, there is only one simple rule:

peerby is for borrowing and lending stuff!

Yes, that's right, peerby is only for borrowing and lending stuff and that's why the app and website are not meant for:

- Giving away stuff
- Selling or renting out stuff
- Offering your skills, or looking for somebody else's skill or knowledge, check out our super nice colleagues of Konnektid.
- Offering your, or asking for services. We kindly advise you to go to Croqqr.
- Offering your things by filling out the 'request form' and sending it out to your neighbors. peerby works request based. You can only create requests for things you need yourself.
- Sending out 'test-requests' peerby really works people! So even these will really be send out to your neighbors.
- Borrowing apartments, cottages or bungalows. Maybe you can try Airbnb.com
- Borrowing money. Got an awesome project that you would like to get funded? Try Kickstarter.com instead!
- Inappropriate (sexual) requests and/or borrowing a person (either male or female). For these kinds of requests we kindly advise you to look for a datingsite, like match.com

⁴⁶ Information available at: <https://www.peerby.com/terms-and-conditions>, accessed on 15/12/2016.

⁴⁷ Written feedback from Peerby, 14/12/2016.

2.4.2.2 Peerby Go

Peerby Go also provides Terms and Conditions, but peers are not required to accept them upon registration. Peer consumers are shown a link to the Terms and Conditions only when ordering an item, as Figure 13 shows:

Figure 13: Indication of Peerby Go Terms and Conditions upon order confirmation

Order confirmation		Order	
Enter your delivery address and contact details to confirm your order.		High pressure cleaner Edit	
Name		From: Su 12 February between 17:00 and 18:00	
Email		Till: Mo 13 February between 18:00 and 19:00	
Postcode	Huisnr + toevoeging	Delivery & pickup ⓘ	
Cell phone number		<input checked="" type="radio"/> Delivery & pickup service € 4,50	
Order with more ease and track your order by creating an account (optional).		<input type="radio"/> Manual pickup & return	
Password (optional)		Overview	
By proceeding you agree with our terms and conditions .		Kortingscode	Voeg toe
		1 day rent	€ 22,00

Through the Terms and Conditions, the platform states that peer consumers are responsible for the product from the beginning of the rental period to the end, and that they will be held accountable for any damage, loss or theft due to improper behaviour⁴⁸. The 1-page document describes examples of improper behaviour, such as:

- products that have not been used according to its manual;
- products that have been used for other unrelated purposes;
- products that have been used in extreme circumstances (thunder, under-water etc.)
- products that have been left unattended (on public places, unlocked etc.)
- products that have been used by a third party (that is not the initial renter)."

In addition, Peerby Go's Terms and Conditions describe in detail how it determines the severity of damage of a product, and how it determines the costs for a comparable product. The terms and conditions also state that peer consumers must inform the platform if the product is damaged upon delivery, otherwise peer consumers bear the responsibility for the damage.

⁴⁸ Information available at: <https://go.peerby.com/terms-and-conditions>, accessed on 15/12/2016.

Through these terms and conditions, as well as through the information in the Help section, **Peerby Go regulates the P2P transaction.** For instance, in case the rented good is damaged by the peer consumer intentionally or through negligence, Peerby will charge them with the repair or replacement costs. The rules also regulate what peer providers must give and what peer consumers should receive: a manual (if necessary), all relevant equipment necessary for the good's use (e.g. sandpaper for a sander, a hose for a pressure washer or coal for a barbecue), as well as the owner's contact details.

2.4.3 Data protection

Peerby's Classic Terms and Conditions have special provisions regarding data protection, specifying the following:

"Online Account Security: Upon registration, you will select a unique username and password. You are responsible for keeping that Username and Password private. You are further responsible for any and all activity on your account. You agree to notify us in writing immediately if you suspect any unauthorized use of or access to your account. Peerby will under no circumstances be liable for any loss or damage to you arising from unauthorized access to or use of your account caused by your failure to comply with this provision."

The platform does not provide any information related to the sharing or selling of user data to third parties, nor to its use internally within the platform. This can enable the platform to monetise peer information, and therefore raise consumer issues regarding data privacy.

Peerby Go does not specify any data protection provisions on its website, or in its Terms and Conditions. This might create confusion among peers on the extent to which their data is shared or sold to third parties, as well as possible privacy concerns.

2.5 Trust building and verification of information

2.5.1 Peer reviews and ratings

Currently there is no peer review system on either Peerby Classic or Peerby Go - peers cannot rate each other on the platform using, for instance, a star-based system. There is also no comment section where peers could provide written feedback on each other. According to the platform, the lack of review system has not been problematic so far⁸.

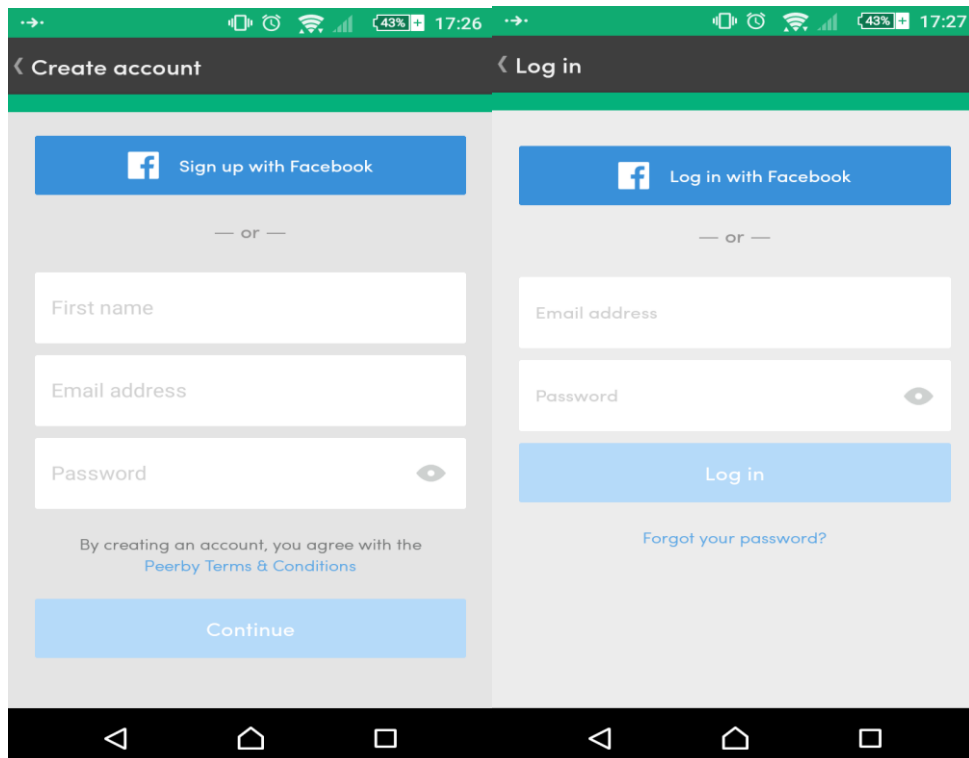
The lack of a peer review mechanism might make some users reluctant to share more valuable items (e.g. video cameras) for fear of damage. As a result, the platform intends roll out a peer review system (on the Peerby Go service first) in the foreseeable future, but no timeline for this exists⁴⁹.

⁴⁹ Interview with Peerby, 05/08/2016.

2.5.2 Verification of peer information by platform

On **Peerby Classic**, the platform requires peers to register and create an account to access its services. Peers can create an account using their email address, or sign in via their Facebook account, as shown in Figure 14. On the platform, one account is sufficient for both types of peers: consumers and providers. Once created, details about the peer, including photos, can be added to the account profile on a voluntary basis.

Figure 14: User registration and authentication on Peerby Classic (on Android)

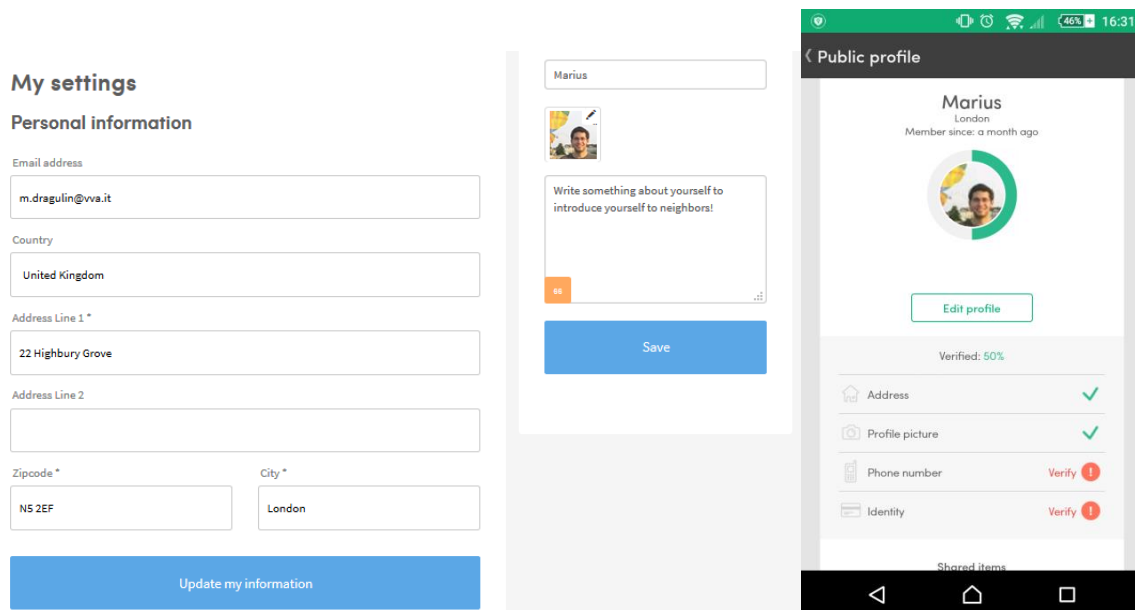


Through both types of registration, the platform gains access to the peer's name, surname and email address. If peer information is taken from Facebook peers can adjust their details, for example, they can change their profile picture. In addition, there is a textbox option allowing peers to introduce or describe themselves.

Peer registration information is provided by the peers themselves and not verified by the platform. The platform stated in an interview that it does not verify user information or identity documents⁵⁰.

⁵⁰ Interview with Peerby, 05/08/2016.

Figure 15: Profile editing options in Peerby Classic (on PC and on Android)

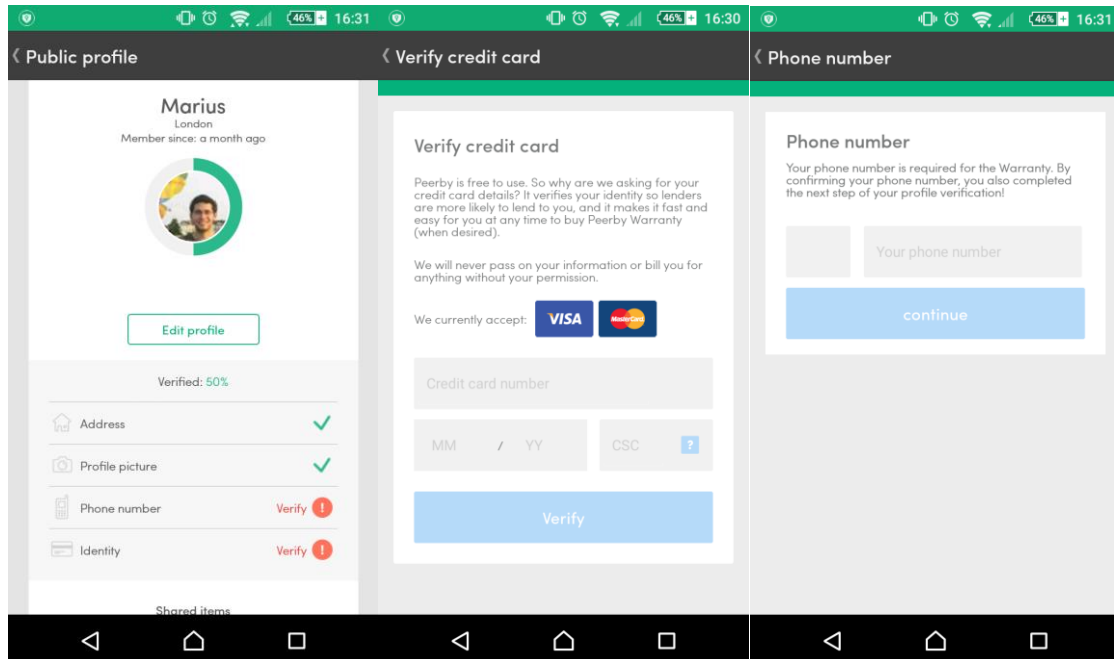


Peers have four input options for confirming their identity: email address, profile picture, phone number and credit/debit card information (listed as “identity” in Figure 15). These verification options are optional, and peers can choose to fill them partly, fully, or not at all. The more options are used, the greener the outline of the peer’s profile image appears, and thus the more trustworthy they appear for the other peers.

It is not clear, based on publicly-available information, whether the platform itself or a third party verifies that the credit card details. However, the process of validation is almost instant for peers who submit their information.

This system of 'greening' profiles aims to encourage peers to disclose more details about themselves to build trust. Figure 16 displays the four options for peers to insert information about their identity.

Figure 16: Peerby peer verification methods on Peerby Classic (on Android)



On **Peerby Go**, new users must register using an email address, a Facebook account or a Peerby Classic account. If registering via email address, peers must insert their full name as well. The platform retrieves the peer's full name and email address from Facebook or Peerby Classic, in case one of these options was chosen as a registration method. After the first registration step, peers are required to add the following information on their profile: telephone number and address, including post code. Optionally, peers can also add a profile picture and bank account number. This information is optional, and peers are not rewarded with any "green circle" feature as is the case on Peerby Classic.

2.6 Complaints, redress and insurance

2.6.1 Complaints handling mechanisms

The platform aims to answer consumer queries using Help section articles^{51,52} but it also provides a contact email address and phone number in case of complaints. This is the case both for Peerby Classic and Peerby Go.

However, apart from specifying an email address and phone number to contact in case something goes wrong, the Help section articles do not describe what complaints handling mechanism there is in place on either platform. In an

⁵¹ Information available at: <http://support.peerby.com/customer/en/portal/articles>, accessed on 15/12/2016.

⁵² Information available at: <https://go.peerby.com/help>, accessed on 15/12/2016.

interview, the platform specified that such a mechanism is in place internally, although this could not be verified⁵³.

According to the platform, an issue that Peerby (Classic and Go) often encounters is the wear-and-tear of products borrowed. This is especially the case for cheap products/tools that are not designed to last long. In such cases, the platform's helps the peer provider buy new equipment calculating the replacement value on the basis of a proof of purchase indicating the original price and the day value (the average price for similar used objects offered for sale online on platforms like MarktPlaats).⁵⁴

According to the platform, Peerby Classic relies mostly on self-regulation by the community⁵⁵ as peer consumers should appreciate and respect the goods provided for free by others, and peer providers take the necessary precautions. For instance, one peer says⁵⁶ that he/she needs, in addition to a peer's phone number, also his/her Facebook profile link to be sure who to approach if his/her items are not returned. This can be done between peers, on the platform's messaging system, without the platform's involvement.

On **Peerby Classic**, the platform offers the option to flag inappropriate messages. Peers can do this from the platform's desktop version or through email – at the time of writing it is not yet possible to do this via the app. Figure 17 shows how this service works. There is no similar option on Peerby Go.

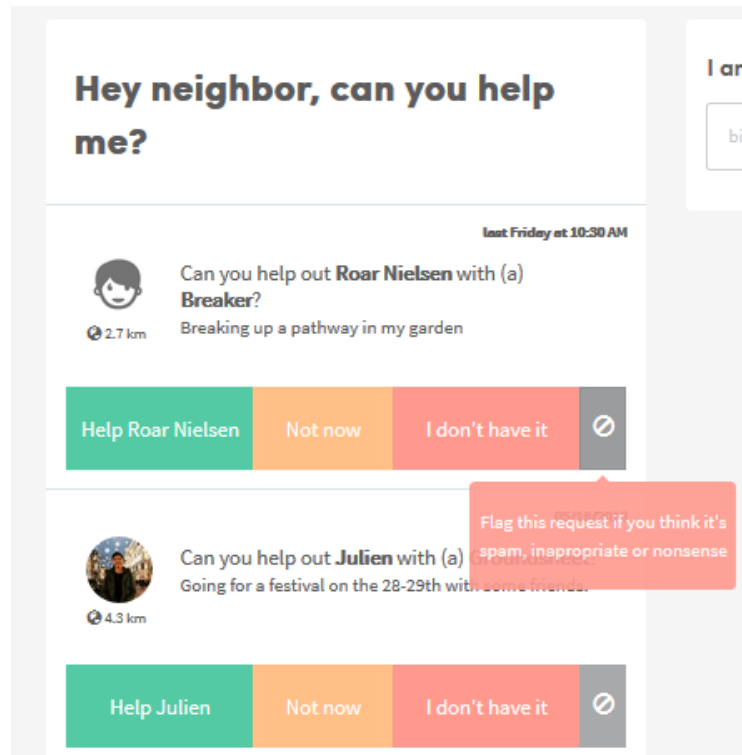
⁵³ Interview with Peerby, 05/08/2016.

⁵⁴ Interview with Peerby, 05/08/2016.

⁵⁵ Information available at: <http://support.peerby.com/customer/en/portal/articles/1497069-what-if-i-lent-something-out-but-i-do-not-get-it-back-or-i-get-it-back-damaged->, accessed on 15/12/2016.

⁵⁶ Information available at: <http://www.rijnmond.nl/nieuws/134369/Duizenden-Rotterdamers-delen-via-Peerby>, accessed on 15/12/2016.

Figure 17: Flagging option for inappropriate requests (on desktop version)



Although there is no public information available on how the flagged requests are handled, the platform described the process in writing upon request. According to Peerby, once a request has been flagged, Peerby's community manager immediately receives a notification and follows up with both peers. The community manager can either block the inappropriate request or give more information on why a request is in line with the Peerby rules. As the platform suggests, there is room for making existing prevention measures more transparent⁵⁷.

2.6.2 Access to redress

There is no information on redress options on either Peerby Classic or Peerby Go. The platforms' terms of reference do not indicate consumers' rights to withdraw or right to reimbursement.

2.6.3 Access to Insurance

The **Peerby Warranty is only available on Peerby Go**⁵⁸, and it is included in the price that peer consumers pay for item rentals. The warranty covers both peer providers and peer consumers, and it automatically applies to all rentals on the platform. The platform, via its Help section and a blog article, explains how the

⁵⁷ Written feedback from Peerby, 14/12/2016.

⁵⁸ Peerby signed an agreement with the Dutch insurer Centraal Beheer Achmea (which also insures the cars of the car-sharing platform SnappCar) in early 2015 to introduce the Peerby Warranty service on the Peerby Go platform. Information available at: <http://blog.peerby.com/centraal-beheer-en-peerby-hebben-een-deal/>, accessed on 15/12/2016.

warranty works.⁵⁹ Although the warranty is targeted towards reimbursing the peer provider for their damaged, stolen or missing items, it also protects peer consumers because they have a right to a replacement in case the item is delivered faulty.

The platform specifies that the items are delivered in functional form and ready to use. If the item is damaged or stolen, then the warranty covers all costs otherwise born by peer consumers or replaces the good (for the replacement price, it looks at how much a similar product is valued on another sharing economy platform - MarktPlaats).

The warranty is valid in case a damage occurred to the item for causes other than its regular use. In this case, the warranty covers the repair or the replacement of the product. Detailed information on how the repair or replacement costs are calculated is provided in the platform's Terms and Conditions⁶⁰. Peer providers have 48 hours after receiving an item back from the peer consumer to complain about damage.

The warranty is also valid in case a product has not been returned. In this case, Peerby asks peer providers to offer photos of the product and its renting out agreement. It is not clear, however, what the role of the insurance firm is, and when they step in. Peers are advised to contact the platform directly in all instances when they want to make use of the warranty service.

Once the platform receives claims for its warranty service, it verifies their validity of the claim through an internal system.⁶¹ According to Peerby, the most common complaints they receive relate to the damage of items, demanding compensation. However, there is no publicly available information on how many claims are made under this warranty, how often they are made, what are the pay-outs and what is the ratio of declined claims. The warranty, although described in details on the website, is implemented completely at the platform's discretion. There is no information how peers can pursue their rights in case their claims are not accepted.

2.7 Cross-border dimension

There are **no cross-border activities** in the sharing or renting of items through Peerby Classic or Peerby Go.

⁵⁹ Information available at: http://blog.peerby.com/alles-wat-je-wilde-weten-over-de-peerby-garantie/?utm_source=peerbygo&utm_medium=faq, accessed on 15/12/2016.

⁶⁰ Information available at: <https://go.peerby.com/terms-and-conditions>, accessed on 15/12/2016.

⁶¹ Interview with Peerby, 05/08/2016.

3 Conclusions

3.1 Main findings

3.1.1 Contribution to the business model typology

Peerby Classic is a free service which does not charge users for any of its services. Peerby Classic shares the characteristics of the second business model type (**active management**), as the platform:

- Actively matches demand and supply through search functions/filters and instant messaging system;
- Provides guidance for posting listings;
- Facilitates user information checks (through email or social media);
- Monitors user activity; and
- Provides guidance for P2P interactions.

Peerby Go does not facilitate user reviews or reputation schemes, but shows some features of the third business model “**platform governed peer transactions**” as it:

- Imposes rules and fees for cancellation;
- Imposes prices on all items;
- Manages complaints and refunds; and
- Provides insurance for both peers as part of the transaction fee.

3.1.2 Consumer experiences

User satisfaction with Peerby is high, but below the user satisfaction in the renting/sharing goods market and across all P2P platforms covered in the survey.

- 73.1% of peer consumers and 64.3% of peer providers are satisfied or very satisfied with their overall experience.
- These figures compare with 83.4% and 77.2% for all P2P platforms and 73.1% and 72.6% for all renting/sharing goods platforms.

The same picture emerges when participants were asked whether they were likely to use the platform again in the future.

- 80.8% of peer consumers and 60.7% of peer providers indicated that they are likely or very likely to use Peerby again in the future.
- This is more than the average of 75.8% for peer consumers, but less than the average of 72.7% for peer providers for all renting/sharing goods platforms.

The most frequent problems related to the poor quality of items (reported by 50% of peer consumers), the items not being as described (50%), or price changes (50%). This compares negatively with the 43.8% of poor quality items, 45.9% of items not correctly described and 39.7% of price change incidents on other

sharing/renting goods platforms. There are also more problems related to safety (38.5%) and data leaks (34.6%) on Peerby compared to the average of the renting/sharing goods platforms surveyed (33.2% and 30.1%).

Peers on Peerby are not sufficiently aware of their rights and obligations, or the platform's responsibilities in case something goes wrong, and the platform performs below the average of all P2P platforms in this area.

- 28.6% of peer providers and 50% of peer consumer either do not know or are not sure what their rights on the platform are.
- 46.2% of peer consumers are not sure about their compensation/reimbursement rights, against 59.8% for all P2P platforms.
- This drops to 28.6% for peer providers as regards the platform's responsibility for problems with peers, and rights when something goes wrong (compared with an average of 59.8% for all P2P platforms).

3.1.3 Transparency of the platform, including information provided to peers

Peerby Classic is transparent about the rules that peers must follow – the terms and conditions for the platform use and those for P2P interactions are clear but very brief. In Peerby Classic's the terms and conditions, the platform absolves itself of all liability related to the accuracy of information, and specifies that it is the responsibility of the peers themselves to double check the information they receive from other peers on the platform. There is lack of transparency, however, on the way the platform handles complaints from peers.

Peerby Go provides detailed Terms and Conditions regarding its warranty service, but it does not specify the level of platform liability concerning the information on the website or data privacy issues. In addition, it is not clear to what extent the insurance provider is involved in handling a claim. As for Peerby Classic, Peerby Go does not explain to its peers how its complaints handling mechanism works.

Additional features such as a peer review system, more information regarding the price setting on Peerby Go or more detailed information regarding the warranty system would increase transparency of information provided to peers.

3.1.4 Trust building and verification of information

Peerby Classic and Peerby Go do not verify the identity of peers. To register on Peerby Classic, the platform requires an email address, a name and a surname. These requirements on Peerby Go extend to a phone number and a physical address.

On a voluntary basis, peers can add additional information, such as profile picture, phone number, or payment information. It is not clear, however, how the authenticity of information is verified and by who. In particular, it is not clear who verifies the credit/debit card information inserted by users, even though this is advertised as an "identity verification" measure. This is particularly relevant for **Peerby Classic**, if peers submit information related to email, phone number, profile picture and credit/debit card, they appear as "100% verified" and this is indicated in their profile.

3.1.5 Access to complaints, redress and insurance

For both Peerby Classic and Peerby Go, complaints are handled by the platform, and peers can contact Peerby via email. A phone number (Dutch, US and UK numbers) is also available in the “Contact Us” section. The platform has staff in place for handling complaints but there is no information on how complaints are handled or what rights apply. In case something goes wrong the platform mainly relies of self-regulation by peers.

A warranty system is available on Peerby Go, free of charge for every item rented. The service is not available on Peerby Classic.

3.1.6 Cross-border issues

There are no cross-border transactions on either of the two platforms.

3.2 Good practices

On Peerby Classic, the **system** used by the platform to stimulate peers to add identify information is a good practice in fostering trust among peers. There are four information options available: address, profile picture, phone number and credit/debit card information. If these details are filled in, this is indicated in the peer’s profile. However, the system only records that the user has submitted the required information and the platform does not appear to verify the information so the use of the term “verified users” can be misleading.

Additionally, on Peerby Classic, the **flagging option for inappropriate requests** is a good practice and a form of community self-regulation, as it involves peers in the value co-creation: peers are offered a role to make the community safer by flagging items that are spam, inappropriate or irrelevant. However, that the option is only available on the desktop version of the platform, and not on the app.

Finally, a good practice encountered on Peerby Classic is the **brevity and completeness of its Terms and Conditions**. The Terms and conditions, described in sub-section 2.4.2, are concise and set rules to the use of the platform, as well as to P2P transactions.

3.3 Elements of concern

The level of detail regarding the warranty on PeerbyGo should be increased. Currently, there is no information regarding the scope or any exclusions.

A notable element of concern is the **lack of a peer review system**. The platform informed it may be considered in the future.

Official identity documents are not requested nor verified by the platform.

There is a lack of transparency, especially on Peerby Go, about **platform liability, data privacy**, what to do in case something goes wrong and about redress measures. The platform does not offer any information related to the right to reimbursements/refunds, or how the complaints handling system works.

3.4 Future developments

In the foreseeable future, the platform aims to introduce a peer review system on Peerby Go platform. Peerby's **expansion strategy** relies on scaling up the Peerby Go service within and outside of the Netherlands (where it is currently offered in Amsterdam, Rotterdam, Utrecht and The Hague). The platform is ranked 34th in the world in a rating of the most scalable organisations, above platforms like TaskRabbit or websites like Amazon, Twitter or Facebook⁶². The platform also intends to introduce a warranty on Peerby Classic.

⁶² Information available at: <http://top100.exponentialorgs.com/>, accessed on 15/12/2016