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# Governance, regulation, and public trust in pawnshop services: A systematic review

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## ABSTRACT

**Background**: Pawnbroking occupies a distinctive regulatory position because borrowers retain ownership of pledged goods while possession passes to the pawnbroker. Yet the literature describes formal rules, access to credit and service experience more often than it examines how supervision, enforcement and redress work in practice. This review examines how scholarship on pawnshop governance and regulation has evolved and how trust has been conceptualised and studied. **Methods**: A socio-legal systematic review, reported in accordance with PRISMA 2020, identified 87 peer-reviewed studies in Scopus after full-text assessment. The evidence was examined through narrative synthesis and inductive thematic analysis. Criterion-level methodological appraisal was used to qualify individual findings. **Findings:** Six overlapping themes were identified: regulatory design and enforcement; consumer protection and vulnerability; digital transformation and platform governance; financial inclusion and distributive justice; service quality and customer satisfaction; and Islamic pawnbroking. The studies addressed statutory design more clearly than the operation of supervision, enforcement and redress. Trust-related material appeared in 13 studies, although some relied on adjacent constructs such as satisfaction, reputation, perceived risk or intention to use. Direct examination of trust usually concerned the pawnbroker, the organisation or the service platform. No included study directly measured trust in regulators, complaint mechanisms or supervisory institutions. **Conclusion**: Formal rules, access to credit and favourable service assessments cannot by themselves show how pawnshop governance works for borrowers. Evaluation must also consider whether protection functions during the transaction and whether borrowers can obtain redress when problems arise. **Novelty/Originality of this article:** The review separates trust in service providers from trust in regulatory institutions. It also shows that implementation, redress and the division of responsibility in digital pawn transactions remain insufficiently examined.

**KEYWORDS**: consumer protection; governance; pawnbroking; regulation; trust.

## 1. Introduction

Pawnbroking turns on an unusual split. The customer keeps ownership of the pledged item, yet hands possession to the pawnbroker for the length of the loan. Goode & Gullifer (2022) explain this arrangement through two connected legal relations, namely the customer's personal debt and the pawnbroker's proprietary interest in the item. Possession allows the item to serve as security for the cash advanced without extinguishing the

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customer's right of redemption. Hung & Lin (2022) describe the same arrangement as it operates in the Taiwanese pawnbroking industry, where the pawnbroker holds the item during the loan while the customer remains entitled to redeem it. Repayment of the advance and agreed charges restores the item to the customer. If payment is not made, applicable law may permit its sale or another form of enforcement. The amount advanced depends on the appraisal. What happens to the item before redemption or enforcement is governed by the terms of custody.

Financial exclusion explains only part of why households turn to pawning. During the 1918-20 influenza pandemic in Japan, total pawnshop lending rose by approximately 7 to 10 percent because households that already used pawnshops borrowed more than usual, not because new borrowers entered the market (Inoue, 2021). Records from Java describe a different pattern: between 1926 and 1932, borrowing and repayment followed religious, agricultural, and seasonal rhythms (Wisnu et al., 2024). Outside the eligible corpus, a Federal Reserve review of the literature on unbanked households (Boel & Zimmerman, 2022) and a spatial analysis of alternative financial service providers (Dunham, 2019) associate reliance on those services with limited access to mainstream finance. The association does not establish that every pawnshop customer had first been refused bank credit. For regulation, the useful question is practical. It is less about which category a customer belongs to than about how much room they have to bargain when the deal is struck. Someone who needs cash today often cannot seek a second appraisal or take the offer elsewhere, and simply leaving is rarely realistic. What they finally receive can also turn on the charges added to the loan, and on the rules that apply if the pledge is never redeemed.

Regulation touches a pawn transaction at several points, and jurisdictions do not stack those points the same way. Some rules decide whether a firm may open its doors at all; others govern how the agreement is performed, or what redress a borrower can seek once a dispute arises. The effects are visible in the literature. US restrictions on payday lending changed how borrowers used other credit products (Bhutta et al., 2016). In Malaysia, a borrower chasing redress has to work through arrangements split across several legal and institutional channels (Ilias et al., 2021). Miller et al. (2018) point to something else again in the United States, where the readability of pawnshop rules differs from one state to the next. Taken together, these studies map real differences in regulatory design and in access to remedies, without tracing them to any single cause; nor does every pawn transaction sit on the same normative footing.

*Ar-Rahnu* brings a further legal and normative setting into the picture. Conventional pawnbroking usually answers to pledge, lending and consumer-credit law. *Ar-Rahnu* answers to those too, but its contract must also keep within Sharia principles: no riba, no gharar, and particular rules for the pledged property (Zain & Hasan, 2021). The literature here is uneven. Ma'ruf et al. (2025) survey it and flag the gaps that remain, and Shah & Yaacob (2018) show that *Ar-Rahnu* itself comes from providers of very different institutional kinds, each with its own operational pressures. Comparing across jurisdictions therefore says little unless it first pins down which *Ar-Rahnu* model is actually in use in a given setting.

Holding a license only means a pawnbroker is allowed to trade. It tells you nothing about the price offered for an item once someone is standing at the counter. Disclosure has the same limit: it helps only if the borrower grasps the terms and is in a position to act on them. So does complaint handling, since a redress route can sit in the statute book and still be all but unreachable in practice. Work on payday and other high-cost credit makes the same warning, cautioning against reading the mere existence of regulation as proof that consumers are protected (Rowlingson et al., 2016; Serpell, 2015). Supervision, enforcement and redress each bite at a different moment, and a borrower can still be left unable to use the protection the law is supposed to give.

Beetham (2013) treats legitimacy as three-dimensional: conformity to established rules, the justifiability of those rules by shared beliefs, and expressed consent. The first two dimensions are the concern of this review. Tyler (2006) approaches legitimacy through people's experience of dealing with legal authorities. Tyler accordingly links compliance to people's assessment of procedural fairness and perceived trustworthiness, alongside sanctions. Read together, the two approaches direct attention to both the formal rule and the way regulatory authority is encountered. The studies in the corpus do not show that borrower distrust causes regulatory failure. They support a narrower inquiry into whether borrowers expect licensing, enforcement, and dispute-resolution institutions to protect them when a pawn transaction goes wrong.

Trust at the counter may stop at the counter: a borrower can rely on the person handling the item and still doubt the organization behind that person. The customer may form a separate judgment about a digital platform used to arrange the service. Regulators, complaint bodies and supervisory systems occupy another level. They govern the provider and respond when the protections surrounding a transaction fail. Evidence that borrowers trust a provider cannot therefore be read as confidence in regulation. This distinction is necessary because the corpus contains considerably more evidence about staff, pawnshops and services than about the institutions overseeing them.

Digital delivery changes the interface of a pawn transaction, but not the physical character of its collateral. Online, a borrower can make contact, prove who they are and sign the contract, and the money may be released the same way. The pledged item cannot follow it there. It still has to be appraised by someone and physically held. That split can blur a basic question for the borrower: once these tasks are shared out, who is answerable for disclosure, for handling personal data, for the valuation, and for putting things right when they go wrong? Kharisma (2021) raises a related worry about Indonesia's broader fintech regulation and presses for firmer statutory footing, part of which has since arrived through Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector, now the statutory basis for regulating pawnbroking. What the reviewed studies capture is the move online itself; how borrowers actually experience a service that is half-digital and half-physical is largely left aside, and its consequences for them cannot yet be read off this literature.

The literature is divided not only by discipline, but also by what each field treats as the problem. Legal scholarship concentrates on licensing, property rights, consumer credit and gaps in regulation. Financial-inclusion research shifts the focus from rules to borrowers by asking who relies on alternative credit and how its effects are distributed. At the service level, researchers have asked whether customers are satisfied, how they judge quality and risk, and whether they would use a pawnshop. Questions of contract and institutional design take a different form in the *Ar-Rahnu* literature because Sharia principles are part of the analysis. Research on fintech addresses another change: the delivery of pawnshop services through digital platforms. The result is not one cumulative literature but several partial accounts. Their points of connection reveal the unresolved problem addressed here: how regulatory design and borrower protection relate to the particular person or institution being trusted.

Trust is not used consistently across these literatures. Some authors measure trust itself, whereas others rely on neighboring constructs such as satisfaction, reputation, perceived risk, loyalty, acceptance, or intention to use. These constructs may be related to trust, but they are not interchangeable with it. The object of trust must also be separated from the qualities attributed to that object. In Mayer et al. (1995) model, ability, benevolence and integrity are dimensions of perceived trustworthiness. In this review, an individual pawnbroker, an organization, a platform, or a regulator identifies who or what is being judged. The distinction makes it possible to identify what studies have actually measured and where their claims about trust exceed the evidence.

Two unresolved problems emerge from this literature. The first is implementation. Studies describe regulatory arrangements, customer experiences and reform proposals more often than they examine what happens after a rule takes effect through supervision, enforcement and redress. The second is conceptual. Research concerned with trust concentrates mainly on providers, pawnshop organizations and service platforms; trust in regulators, complaint mechanisms and supervisory systems is rarely examined and is not directly measured in the included corpus. Evidence divided by jurisdiction, service model and discipline has therefore not yet produced an integrated account of the relationship among formal regulation, borrower-facing protection and trust.

The article contributes in two ways. First, it maps the development and disciplinary distribution of pawnshop scholarship published between 1996 and 2026 and organises that literature into six overlapping governance themes. The resulting map shows how researchers have treated pawnbroking as a secured legal transaction, a source of financial access, a consumer service and a regulatory problem. Second, the article offers a socio-legal interpretation of the trust evidence by distinguishing trust in providers and services from trust in regulatory institutions. Trust is not offered here as a stand-in for enforcement, and the review makes no claim that distrust is what weakens protection. Its contribution lies in identifying a mismatch between the extensive attention paid to customer-facing services and the limited evidence on whether borrowers trust the institutions responsible for supervision, enforcement and redress.

## 2. Methods

### *2.1 Research design and scope*

The study is a socio-legal systematic review. It treats pawnbroking as both a regulated legal relationship and an everyday institutional practice, and it draws together empirical and conceptual work on governance, regulation, consumer protection and trust. The approach follows the tradition of empirical legal studies, which reads legal rules alongside the institutions and practices that actually put them to work (Cane & Kritzer, 2010).

The primary corpus comprised the 87 peer-reviewed studies that met the eligibility criteria after full-text assessment. Primary legislation and regulatory instruments were consulted separately, together with official guidance and doctrinal and theoretical writing. This material was used only to interpret the corpus and to give it comparative legal context. Empirical or contextual sources consulted outside the eligible corpus were likewise treated only as interpretive material. The review therefore complemented, but did not replace, doctrinal legal analysis. None of these supplementary sources contributed to the bibliometric totals, thematic counts or trust-coding results. PRISMA 2020 guided the reporting of identification, screening, eligibility and inclusion (Page et al., 2021). Differences in discipline, research design, setting and outcome measurement made narrative synthesis more appropriate than statistical aggregation.

### *2.2 Research questions and eligibility framework*

The PICOS framework informed the formulation of the research questions and clarified the focus and eligibility boundaries of the review (Methley et al., 2014; Higgins et al., 2022). Its use did not imply that every included study evaluated an intervention. The review addressed two questions:

RQ1: How has the literature on the governance and regulation of pawnshop businesses evolved, and what thematic structures characterize this body of work?

RQ2: How has trust in pawnshop services been conceptualized, operationalized and examined in the academic literature?

To ensure a transparent and systematic review process, the study adopted the PICOS (Population, Intervention/Exposure, Comparison, Outcomes, and Study Design) framework to define the eligibility criteria for selecting relevant literature. The framework provides a structured approach for determining the scope of the review and ensuring consistency during the screening and selection stages. Each PICOS component was tailored to align with the objective of examining governance, regulation, consumer protection, and trust within pawnshop services across different institutional and regulatory contexts. The detailed eligibility criteria applied in this review are presented in Table 1.

Table 1. PICOS framework used in the review

| Element | Application in this review |
|---|---|
| Population | Pawnshop institutions, pawnbroking services, conventional pawn lending, and Islamic pawnbroking or *Ar-Rahnu*. Studies of broader alternative financial services were eligible only when pawnshop-specific evidence could be extracted separately. |
| Intervention or exposure | Governance arrangements, regulation, supervision, enforcement, consumer protection, digitalization, service practices and trust-related mechanisms. |
| Comparison | Jurisdictions, conventional and Islamic models, physical and digitally mediated services, or different regulatory arrangements, where a comparison was available. |
| Outcomes | Regulatory implementation, borrower protection, financial access, consumer experience and trust-related constructs. |
| Study design | Empirical qualitative, quantitative and mixed-methods studies, together with eligible legal or conceptual studies relevant to the research questions. |

As shown in Table 1, the inclusion criteria encompass a broad range of pawnshop contexts, including both conventional and Islamic (*Rahn*) models, while maintaining a specific focus on pawnshop-related evidence. The framework also captures multiple dimensions of governance and regulatory implementation, including digital transformation, supervisory mechanisms, and consumer protection practices. By incorporating diverse study designs and comparative contexts, the review enables a comprehensive synthesis of empirical and conceptual evidence regarding how regulatory frameworks influence financial access, consumer experiences, and public trust in pawnshop institutions. This structured eligibility framework strengthens the methodological rigor and reproducibility of the systematic review.

### *2.3 Bibliographic search strategy*

#### *2.3.1 Database and search*

Scopus was selected because its multidisciplinary coverage encompasses legal scholarship, public policy, financial services, business research and the social sciences. Its consistent bibliographic metadata also supported record screening and descriptive profiling. The final search was conducted on 19 January 2026. No publication-year limit was applied; 1996–2026 is the observed publication range of the eligible corpus rather than a date restriction imposed on the search. No other bibliographic database was searched; the implications of this boundary are discussed in Section 2.9.

Table 2. Scopus search string used to retrieve the records

| Database | Search string |
|---|---|
| Scopus | "pawnshop" OR "pawn shop" OR pawnbroker OR "pawn services" OR "collateral lending" OR "collateral-based lending" OR "pledge loan" AND digital* OR online OR fintech OR "financial technology" OR "mobile application" OR "e-services" AND trust OR "trust risk" OR risk OR fraud OR cybersecurity OR "data privacy" OR "consumer protection" AND (LIMIT-TO(DOCTYPE, "ar")) AND (LIMIT-TO(PUBSTAGE, "final")) AND (LIMIT-TO(SRCTYPE, "j")) AND (LIMIT-TO(LANGUAGE, "English") OR LIMIT-TO(LANGUAGE, "Indonesian")) |

The broad query retrieved literature on collateral-based and other forms of alternative finance. Eligibility was therefore assessed from titles, abstracts and full texts. References to collateral, fintech, trust or alternative finance alone did not establish relevance; the study had to meet the pawnshop-specific criteria in Table 3. The screening process was designed to minimize the inclusion of studies that addressed digital lending or alternative financial services without a specific connection to pawnshop activities. This approach ensured that the final dataset reflected the intersection of pawnshop services, digitalization, and trust-related issues rather than the broader fintech or lending literature.

*2.3.2 Supplementary legal and theoretical sources*

Primary legislation, regulatory instruments, official regulatory guidance and doctrinal commentary were consulted separately from the systematic corpus. Legal materials were selected purposively for the jurisdictions most frequently represented among the eligible studies and checked against official legislative or regulatory sources available up to 14 June 2026. Theoretical literature was used to interpret findings on regulatory legitimacy, consumer protection and trust. These supplementary legal and theoretical sources were neither counted as included studies nor presented as findings of the Scopus search.

*2.4 Bibliographic search strategy*

*2.4.1 Identification and title and abstract screening*

The search returned 137 records. Applying the database limits for document type, publication stage, source type and language reduced this number to 134. Title and abstract screening removed 45 records, leaving 89 reports for retrieval. The full text of Andryushchenko et al. (2017), an otherwise relevant study of risk in the Russian pawnshop market, could not be obtained. The article was recorded as a report not retrieved and was not subjected to eligibility assessment, data extraction, methodological appraisal or thematic synthesis. The remaining 88 reports proceeded to full-text eligibility assessment. Figure 1 reports the verified stages of the selection process through full-text assessment.

*2.4.2 Full-text eligibility*

Following the initial title and abstract screening, all potentially relevant studies underwent a full-text eligibility assessment to determine their final suitability for inclusion in the review. This stage applied predefined inclusion and exclusion criteria to ensure that only studies directly addressing the research objectives were retained. The criteria were developed to maintain consistency, transparency, and methodological rigor throughout the selection process, while excluding studies that lacked extractable evidence on pawnshop governance, regulation, consumer protection, or trust.

To ensure methodological consistency and minimize selection bias, a set of predefined inclusion and exclusion criteria was established before conducting the full-text review. These criteria were designed to distinguish studies that directly investigated pawnshop institutions or Islamic pawnbroking systems from publications that merely referred to pawnshops as a secondary context within broader financial service discussions. The assessment also considered publication quality, language accessibility, and the availability of extractable empirical or legal evidence relevant to the review objectives. Applying explicit eligibility criteria is widely recognized as an essential practice in systematic literature reviews because it improves transparency, reproducibility, and the overall credibility of the evidence synthesis.

In addition, the eligibility assessment sought to ensure that all retained studies provided sufficient analytical depth to support thematic synthesis and comparative interpretation. Articles lacking clear discussions of governance mechanisms, regulatory practices, consumer-related issues, or institutional trust were excluded, even when pawnshops were mentioned in the study. Similarly, publications focusing primarily on other forms of secured lending, such as banking collateral, mortgages, peer-to-peer lending, or supply-chain finance, were excluded unless pawnshop-specific findings could be independently identified. The complete inclusion and exclusion criteria applied during the full-text assessment are presented in Table 3.

Table 3. Full-text inclusion and exclusion criteria

| Inclusion Criteria (IC) | Exclusion Criteria (EC) |
|---|---|
| IC1. Pawnshop, pawnbroking, pawn lending, rahn or *Ar-Rahnu* is the principal subject of empirical or legal analysis. | EC1. Pawnshops are mentioned only peripherally or as one example among unrelated financial services. |
| IC2. The study examines governance, regulation, supervision, enforcement, consumer protection, inclusion, digitalisation, service experience or trust. | EC2. The principal object is payday lending, banking, microfinance, mortgages, peer-to-peer lending or another financial service without |
| IC3. Findings specific to pawnbroking can be identified and extracted. | EC3. The study concerns another form of collateral, such as intellectual-property finance, mortgages, bank-secured SME loans or supply-chain pledge finance. |
| IC4. The publication is a peer-reviewed journal article. | EC4. The source is a book, report, thesis, conference paper, market report or non-peer-reviewed commentary. |
| IC5. Full text is available in English or Indonesian. | EC5. Full text is unavailable or cannot be assessed. |
| IC6. The study falls within the search period and addresses at least one research question. | EC6. Duplicate publication or no evidence relevant to either research question. |

As presented in Table 3, the eligibility criteria prioritize studies that explicitly investigate conventional pawnshops or Islamic pawnbroking (*Rahn*) and provide evidence directly relevant to the review objectives. Publications focusing primarily on other financial institutions or alternative collateral mechanisms were excluded unless pawnshop-specific findings could be clearly identified and extracted. Furthermore, limiting the review to peer-reviewed journal articles with accessible full texts in English or Indonesian enhanced the methodological quality, transparency, and reliability of the synthesized evidence. The systematic application of these criteria ensured that the final body of literature provided a robust foundation for examining governance frameworks, regulatory approaches, consumer protection mechanisms, digital transformation, and trust within contemporary pawnshop services.

Following the application of the eligibility criteria presented in Table 3, all full-text articles were evaluated to determine whether they satisfied the predefined scope of the review before undergoing methodological quality appraisal. Eligibility assessment focused exclusively on the substantive relevance of each study to the review objectives, whereas methodological appraisal was conducted only after a study had been confirmed as eligible. Consequently, methodological quality could not override an exclusion decision based on insufficient relevance to the research questions.

Studies examining alternative financial services, including payday lending, banking, microfinance, mortgage financing, or other collateral-based lending mechanisms, were retained only when pawnbroking constituted a principal subject of analysis or when pawnshop-specific findings could be clearly distinguished from the broader discussion. This approach ensured that all included evidence contributed directly to understanding governance, regulatory frameworks, consumer protection, digital transformation, and trust within conventional and Islamic pawnshop systems.

Of the 88 full-text articles assessed for eligibility, 87 satisfied all inclusion criteria and were subsequently included in the narrative synthesis, while one study was excluded because it did not meet the predefined full-text eligibility requirements. For transparency and reproducibility, the eligibility decision and, where applicable, the specific reason for exclusion were documented for every full-text article evaluated. The overall study selection process, including identification, screening, eligibility assessment, and final inclusion, is summarized in the PRISMA 2020 flow diagram presented in Figure 1.

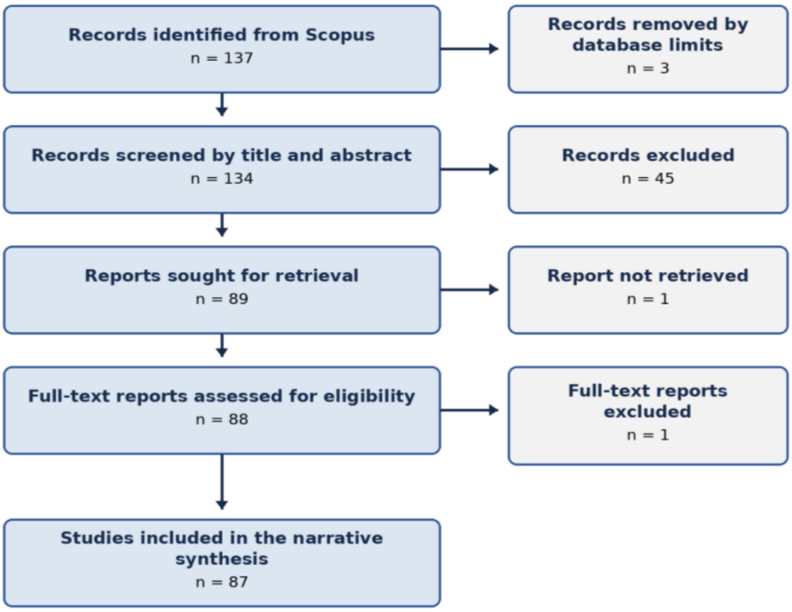


Fig. 1. PRISMA 2020 flow diagram for study identification, screening and eligibility

### *2.5 Data extraction*

Data were recorded in a structured extraction form organised around the fields listed in Table 4. The form covered study characteristics, governance and regulation, trust, principal findings, appraisal judgements and the location of supporting evidence in each full text. Trust-related information was extracted even when authors used adjacent terms such as satisfaction, reputation, acceptance, perceived risk, loyalty or intention to use. An adjacent construct was classified as trust only when the study explicitly defined and measured it as such. Each article received a stable identifier linking its eligibility decision, extracted data, appraisal notes and thematic codes to the source text.

Table 4. Core data-extraction fields

| Domain | Fields extracted |
|---|---|
| Bibliographic and study characteristics | Author, year, title, journal, DOI, jurisdiction, service model, design, setting and sample. |
| Governance and regulation | Institutional actor, legal or regulatory instrument, governance problem, implementation or enforcement issue, consumer-protection mechanism and reported outcome. |
| Trust | Trust status, object of trust, dimension, definition, measurement instrument, proxy or adjacent construct, and reported relationship or finding. |
| Audit information | Eligibility decision, exclusion reason, supporting page or passage, appraisal judgement and thematic code. |

### *2.6 Methodological quality appraisal*

Methodological appraisal followed full-text eligibility assessment. Eligible empirical studies were appraised with the 2018 Mixed Methods Appraisal Tool (MMAT) under the relevant design category: qualitative, randomised quantitative, non-randomised quantitative, quantitative descriptive or mixed methods (Hong et al., 2018). Appraisal results were retained at criterion level rather than reduced to a composite score. They informed the interpretation and qualification of individual findings but did not determine eligibility.

Eligible legal and conceptual studies were considered separately because they did not correspond to an MMAT study type. The review examined whether each study stated a clear objective, used appropriate and transparent sources or frameworks, developed a coherent argument, drew conclusions supported by its analysis and acknowledged relevant limitations. These criteria were specific to this review and were not presented as part of the MMAT. The appraisal matrix retained criterion-level decisions and supporting notes for each eligible empirical study. During synthesis, these judgements were used to qualify the interpretation of individual findings; they were not converted into overall quality scores or used as an additional exclusion stage.

### *2.7 Data analysis*

#### *2.7.1 Narrative synthesis*

The evidence was analyzed through narrative synthesis (Popay et al., 2006). The first phase profiled the eligible corpus, the second developed thematic answers to the two research questions, and the third interpreted the corpus findings alongside the separately identified legal and theoretical sources.

Table 5. Phases of narrative synthesis

| Phase | Purpose | Activities |
|---|---|---|
| Descriptive profile | Characterise the eligible corpus. | Profile publication period, jurisdiction, disciplinary location and study design. |
| Thematic analysis | Answer RQ1 and RQ2. | Apply inductive governance coding and hybrid trust coding. |
| Integrative socio-legal synthesis | Interpret the relationship between formal regulation and effective protection. | Interpret corpus findings alongside regulatory legitimacy, consumer-protection principles and selected legal materials. |

Note: These three phases are adapted from Popay et al. (2006). They form a review-specific sequence and do not reproduce the four elements of the original narrative synthesis framework.

#### *2.7.2 Governance theme analysis*

RQ1 was analysed inductively using the six-phase procedure developed by Braun & Clarke (2006). The coding fields covered the governance problem, relevant institutional actor, regulatory or policy instrument, implementation or enforcement issue, reported outcome and limitation identified in each study. Because these fields could overlap, one study could receive several thematic codes. Related codes were compared across the corpus and combined into a broader theme only when they reflected a recurring analytical concern rather than a shared keyword. The resulting themes were checked against the coded extracts and the eligible corpus, with particular attention to variation, contradictory findings and areas supported by limited evidence.

#### *2.7.3 Trust coding*

RQ2 was examined through hybrid coding. Deductive categories drawn from trust research were combined with inductive codes based on the terminology and measures used in the eligible studies. The analysis distinguished dimensions of perceived trustworthiness from the object of trust. Competence or ability, integrity and benevolence were coded as dimensions of perceived trustworthiness (Mayer et al., 1995). The object was recorded separately as an individual pawnbroker, pawnshop organisation, digital platform, regulator, complaint mechanism or regulatory system. System or institutional trust was therefore not treated as a fourth dimension of the Mayer et al. model. Each study was also classified by its treatment of trust: direct measurement, use of a trust-related proxy, mention without examination, or no consideration of trust. Satisfaction, acceptance, reputation, perceived risk, loyalty and intention to use were recorded as adjacent constructs. They were treated as proxies for trust only when the authors made that relationship explicit, and as direct trust measures only when the study defined and measured them as trust.

Table 6. Trust coding framework

| Coding field | Categories |
|---|---|
| Trust status | Directly measured; proxy or adjacent construct; mentioned only; not examined. |
| Object of trust | Individual pawnbroker; pawnshop organization; digital platform; regulator; complaint mechanism; regulatory system. |
| Trust dimension | Competence or ability; integrity; benevolence; general trust; procedural fairness or another author-defined dimension. |
| Measurement | Validated scale; adapted scale; single item; qualitative evidence; not reported. |
| Adjacent construct | Satisfaction; acceptance; reputation; perceived risk; loyalty; intention to use. |

*2.7.4 Integrative socio-legal synthesis*

The final phase interpreted the descriptive and thematic findings through scholarship on regulatory legitimacy and consumer protection. External legal and theoretical sources provided an interpretive context but remained separate from the systematic-review findings. The synthesis examined the extent to which the corpus addressed formal rules, implementation, enforcement, borrower experience and trust. It also identified questions that call for further empirical or doctrinal testing.

*2.8 Audit trai, analytical rigour, methodological scope and boundaries*

The audit trail linked study-selection decisions and exclusion reasons to the extraction, appraisal and coding records. Ambiguous cases were reconsidered against the eligibility criteria and the relevant full-text passages before the decision was recorded. The analysis also considered how the researchers' background in public administration and governance might shape the naming and interpretation of themes. Synthesis claims were checked against the extraction matrix and qualified when the supporting evidence was indirect, heterogeneous or limited to a small number of studies.

The review was limited to Scopus and the search syntax reported in Table 2. Although the broad query retrieved literature from adjacent forms of finance, relevant doctrinal scholarship indexed only in specialised legal databases such as HeinOnline, Westlaw or LexisNexis may not appear in the systematic corpus. The findings should therefore be interpreted within this bibliographic boundary. The eligible studies also used heterogeneous designs, terms and measures. These differences limited direct comparison and precluded statistical aggregation, while the interpretation of narrative and thematic patterns required analytical judgment. Explicit eligibility decisions, source-level coding and criterion-level appraisal made those judgments traceable. Keeping supplementary legal and theoretical sources separate from the corpus also prevented contextual interpretation from being reported as a systematic-review finding.

## 3. Results and Discussion

*3.1 Profile and development of the literature*

Eligibility assessment left 87 studies published between 1996 and 2026. These studies provide the evidence for the descriptive and thematic results that follow. The criterion-level appraisal did not alter eligibility or produce an overall quality score. It was used instead to limit the weight assigned to individual findings: associations reported in cross-sectional surveys were not interpreted as causal, findings from single settings were not generalised across jurisdictions, and legal or conceptual claims were retained only to the extent supported by their stated sources and analysis. Legal materials, theoretical works and other contextual sources cited later help interpret the corpus but are not counted among the 87 studies.

Table 7. Bibliometric distribution of included studies (N = 87)

| Phase | Sub-category | Purpose | Activities |
|---|---|---|---|
| Publication Period | 1996-2015 | 8 | 9.2% |
| | 2016-2020 | 23 | 26.4% |
| | 2021-2026 | 56 | 64.4% |
| Geographic Focus | Indonesia & Malaysia | 48 | 55.2% |
| | US & UK | 18 | 20.7% |
| | Others (Philippines, Uzbekistan, Nigeria, Europe) | 21 | 59.8% |
| Disciplinary Domain | Management & Social Sciences | 52 | 59.8% |
| | Public Administration & Governance | 18 | 20.7% |
| | Legal & Regulatory Scholarship | 8 | 9.2% |
| | Multidisciplinary/Others | 9 | 10.3% |

Note: Geographic focus refers to the principal jurisdiction examined in each study. Disciplinary domain was assigned from the journal's primary subject area together with the study's methodological framework.

Most of the literature is recent. Fifty-six of the 87 studies (64.4%) were published between 2021 and 2026, compared with 23 (26.4%) between 2016 and 2020 and eight (9.2%) between 1996 and 2015. The pattern shows that more is being published; it says nothing about why. Two developments provide relevant context. Ramsay & Williams (2020) describe the wider post-crisis reorientation of consumer-finance regulation. Within the eligible corpus, Bhutta et al. (2016) show that restrictions on payday lending were followed by shifts towards pawnshop loans and other high-interest credit products.

Digital delivery placed a further set of issues on the consumer-finance agenda. Ekpo et al. (2022) discuss data governance, platform responsibility and consumer protection in digital financial services. Their analysis is not specific to pawnshops, but it provides context for the digital-pawnbroking studies examined below. Table 6 reports the publication period, geographic focus and disciplinary orientation of the included studies.

Half of the included studies examine Indonesia or Malaysia, but that concentration should not be read as evidence of a common institutional model. In Indonesia, the literature spans a long period of state involvement. Wisnu et al. (2024) reconstruct the lending and repayment cycles of colonial government-regulated pawnshops in Java between 1926 and 1932. A social-legal history traces the subsequent development of gadai and rahn in Indonesian law and institutions (Iskandar & Addiarrahman, 2017), including the challenges now facing Sharia pawnshops as services become increasingly digital (Wijaya, 2022).

Malaysia accounts for much of the remaining Southeast Asian scholarship, although here too the findings turn on institutional setting. *Ar-Rahnu* is provided by financial institutions, cooperatives, private companies and state-linked organisations, and Shah and Yaacob (2018) find that these providers face different operational challenges. From the user's side, Nik Azman et al. (2018) report that the service charge is the dominant factor in women micro-entrepreneurs' use of *Ar-Rahnu*, a finding they frame within informal credit market theory. Productive use of that finance has also been associated with improved client well-being (Razak & Asutay, 2022). A comparative literature review also discusses the role of Sharia pawnshops in community resilience during the COVID-19 pandemic in Malaysia and Indonesia (Bahri S & Hardiansyah, 2022).

The 18 studies centred on the United States and the United Kingdom pose a different set of questions. Some ask how the transaction works for customers: Carter and Skiba (2012), for example, analyse pawn-loan use through transaction-level evidence. Others examine what regulation does to the market. Shackman & Tenney (2006) estimate how interest-rate ceilings and rules on surplus sale proceeds affect the supply of pawn loans across United States jurisdictions. In England, the concern is also historical, as Swain & Fairweather (2012) trace the development of pawnbroking regulation. The corpus is thus organised around three prominent, but institutionally different, settings: Indonesian state-backed pawnbroking, Malaysian *Ar-Rahnu* and Anglo-American consumer-credit regulation.

A pawn transaction can be approached as a service encounter, a lending decision or a regulated transfer of possession. The corpus strongly favours the first two. Business administration, financial management and consumer behaviour make up approximately 60% of the studies, with public administration and governance contributing another 20%. Only eight studies, or less than 10%, are explicitly legal or regulatory. Those eight studies also carry most of the discussion about possession, redemption, sale after default and surplus proceeds. Such questions rarely appear in the much larger management literature.

Most of the corpus ends with service performance, customer behaviour, access to finance or institutional outcomes. Once a customer hands over property, however, the exchange also creates rights concerning possession, redemption and sale. Oeltjen (1996) examines these rights through Florida's statutory transition. Swain & Fairweather (2012) show how English law came to govern possession, redemption and disposal. Management studies usually stop before this part of the transaction.

### *3.1.1 Thematic structure of pawnshop governance scholarship (RQ1)*

The coding yielded six overlapping governance themes: regulatory design and enforcement; consumer protection and vulnerability; digital transformation and platform governance; financial inclusion and distributive justice; service quality and customer satisfaction; and Islamic pawnbroking. A study could contribute to more than one theme, so the theme counts reported below are thematic assignments rather than mutually exclusive partitions of the 87 studies. Trust was coded on a separate axis for RQ2 and is reported in Section 3.3.

## *3.2 Regulatory design and enforcement*

Australia makes a useful starting point: most of its national consumer-credit rules simply leave pawn loans out, so borrowers fall back on state legislation (O'Brien et al., 2024). Across the corpus as a whole, 23 studies deal with the rules of entry and oversight, the disclosure owed to borrowers, or the charges they are made to pay. Their practical significance for borrowers lies in what happens during appraisal, repayment and redress.

In a pawn transaction, appraisal is an early point of regulatory significance because the value assigned to the item affects the amount offered. What the customer is then told about charges and repayment determines the cost of getting the item back. If a dispute follows, the borrower must still find a usable route to redress. Licensing, disclosure and supervision offer protection only to the extent that they affect these encounters.

The United Kingdom's Consumer Credit Act 1974 (ss. 114–122) regulates the receipt, redemption and realisation of pledged goods and allows at least six months for redemption (s. 116). In the Philippines, Presidential Decree No. 114 places pawnshops under the licensing and supervision of the Central Bank of the Philippines (now the Bangko Sentral ng Pilipinas). Indonesia assigns the underlying pledge relationship to Articles 1150–1160 of the Civil Code, while OJK Regulation No. 39 of 2024, as amended by OJK Regulation No. 29 of 2025, supplies the current administrative framework and replaces OJK Regulation No. 31/POJK.05/2016. Similar safeguards recur, but the three jurisdictions distribute responsibility for them differently.

Whether any of these arrangements protects a borrower depends on what happens after the licence is issued. Supervisors must be able to see misconduct in individual transactions, act on it and leave the borrower with a remedy that can realistically be used. Once misconduct occurs, the formal grant of supervisory power is not enough. Whether it means anything at the counter depends on what happens next. A complaint has to be looked into, a breach has to be proven, and only then does any consequence reach the firm.

Valuation is where unequal bargaining power tends to show itself. In Degenshein's (2017) ethnography, the price put on collateral is not the output of a neutral calculation; it is worked out in the exchange between the two parties. The borrower's own finances matter too. Even once account ownership, credit-card access, financial overconfidence, proximity to a pawnshop and a set of demographic controls are allowed for, pawnshop use is still heavier among people with lower financial well-being (Nicolini & Cude, 2019). Australia adds a further twist, since its thin statutory coverage leaves users of high-cost pawn loans with few ways to complain (O'Brien et al., 2024). None of these on its own settles anything. What makes a negotiated appraisal bite is the combination: a customer with little financial room to say no, facing a law that gives no real way to contest the result.

It would be a mistake to treat these safeguards as interchangeable marks of a strong regime. A licence polices who gets into the business, but it has almost nothing to say about how any single appraisal is conducted. Disclosure only earns its keep if the borrower actually gets the relevant facts before signing. After that, the question changes shape, and what matters is how licensed firms behave and who is watching them. Complaint handling and enforcement enter later still, once something has already gone wrong, and their place in a statute is a poor guide to whether an ordinary borrower can ever put them to use.

A signed pawn agreement records consent, but it says little about the alternatives available to the borrower at the time. Caskey's (1991) account of the US small-loan market, used here only as historical context, describes customers with limited access to banks and finance companies. Within the eligible corpus, Carter & Skiba (2012) show how collateral can remove the need for a conventional credit check. The amount advanced nevertheless depends on the value negotiated at the counter (Degenshein, 2017). Where consumer-credit law provides little coverage, borrowers may also face high costs without a practical route to redress (O'Brien et al., 2024). This contextual comparison is not included in the thematic count; it helps explain why disadvantage may precede signature and continue as charges accumulate or collateral is not redeemed.

Evidence on supervision remains thin after a rule takes effect. The studies rarely report how agencies use compliance data, whether an enforcement case changes later inspections, or how regulators respond when firms alter their practices. O'Brien et al. (2024) give one Australian illustration of gaps wide enough to allow regulatory arbitrage, though little comparable evidence exists for other countries. The corpus therefore reveals more about gaps in legal coverage than about the capacity of agencies to detect and respond to misconduct.

### *3.2.1 Consumer protection and vulnerability*

The 19 thematic assignments locate possible borrower harm at more than one stage of the transaction. Degenshein (2017) shows that valuation is produced through interaction, although whether borrowers understand the basis of an appraisal requires further study. In Australia, weak statutory coverage may leave borrowers with limited routes to redress (O'Brien et al., 2024). Nicolini & Cude (2019) found that higher financial well-being was associated with lower odds of pawnshop use after applying the specified controls.

The corpus often identifies borrower vulnerability but gives much less attention to enforceable rights and remedies. The coded studies rarely say which right a borrower might invoke or which duty was breached, and rarely follow the question through to the remedy that would apply. The omission concerns reporting in the literature and should not be read as evidence that such rights or remedies are absent.

Dispute resolution receives particularly little attention in the eligible corpus. Once the collateral has been sold, a later claim usually hangs on the valuation, on how the sale itself was handled, and on what happened to any surplus. Section 121(6) of the UK Consumer Credit Act 1974, which the review treats as legal context rather than as a corpus study, shows how much an evidentiary rule can matter. Where the sale price is challenged, the pawnbroker must prove that reasonable care was taken to obtain the item's true market value. What the review finds here is a gap in the scholarship on enforceability. It does not read the shortage of studies as a sign that legal remedies are themselves missing. This gap is particularly important in digital pawnshop contexts, where automated valuation, electronic records, and platform-mediated transactions may introduce new forms of evidentiary complexity. Future research should therefore examine how digital transaction mechanisms affect the transparency, accountability, and enforceability of dispute resolution processes.

*3.2.2 Digital transformation and platform governance*

The physical shop still anchors most of the transaction. That is where the pledge is taken in and logged, where it is kept, and where it is eventually redeemed or sold. The legal histories of Florida and England trace exactly this arrangement (Oeltjen, 1996; Swain & Fairweather, 2012). Indonesian case studies show the move online is only partial: web and mobile applications now carry the information and the customer contact, while the item itself stays physical (Maulani, 2020; Putri & Supriadi, 2022). Whether that access is any use in remote parts of Indonesia turns on a cluster of local conditions, from infrastructure and literacy to product design, governance and plain trust (Lima & Ballo, 2026). What none of these studies follows through is who ends up answerable for disclosure, for the data and for redress. O'Brien et al. (2024) identify gaps in legal coverage, but how those gaps operate in a platform-mediated pawn transaction remains untested.

*3.2.3 Financial inclusion and distributive justice*

The 12 financial-inclusion assignments describe more than one route into pawn credit. Some eligible studies show how collateral can substitute for employment, bank-account or credit-history checks used by conventional lenders (Carter & Skiba, 2012). This does not mean that every customer is unbanked. Even after controlling for bank accounts and credit cards, Nicolini & Cude (2019) found pawnshop use to be associated with lower financial well-being. In Malaysia, *Ar-Rahnu* provides a Sharia-compatible route, and financing used for productive purposes has been associated with improved well-being (Razak & Asutay, 2022). Caskey's (1991) description of customers unable to obtain small conventional loans is used here only as historical context outside the eligible corpus and is not part of the count of 12.

Use also varies over time and circumstance. In colonial Java, lending and repayment followed religious, agricultural and seasonal rhythms (Wisnu et al., 2024). Japan provides a sharper contrast with the recurring cycles observed in Java. During the early twentieth-century influenza shock, people who already used pawnshops borrowed more than usual (Inoue, 2021). The Java records describe recurring seasonal cycles, whereas the Japanese evidence captures additional borrowing during an epidemic. Neither dataset establishes how borrowers ultimately used the funds.

This question also has a distributive dimension. The organisation of the pawnbroking sector affects whether financially excluded groups gain usable access to credit or remain dependent on fragile and expensive forms of borrowing. The corpus approaches financial inclusion mainly in economic terms. It gives less attention to the legal question of whether, and under what conditions, the state should secure access that is not only available but also fair and adequately protected.

*3.2.4 Service quality and customer satisfaction*

Eleven thematic assignments concern borrowers' perceptions of pawnshop service, usually through quantitative surveys using reliability, responsiveness, assurance or related service constructs. SERVQUAL (Parasuraman et al., 1988) is cited here as an external measurement framework rather than an included pawnshop study. The eligible studies document customer experience, but service quality and satisfaction were retained as constructs adjacent to trust unless an author explicitly defined and measured them as trust. They therefore cannot, by themselves, demonstrate confidence in a pawnshop, regulator or complaint system.

Reliability, responsiveness and assurance are not themselves legal duties. Cartwright (2004) nevertheless explains why consumer experience matters to the operation of financial-services regulation. The Financial Conduct Authority (2023) provides the direct legal-regulatory reference point in the United Kingdom through conduct principles that include due skill, care and diligence, together with the Consumer Duty introduced in 2023 (Principle 12 and PRIN 2A), which requires firms to act to deliver good outcomes for retail customers such as pawnshop borrowers. Borrower reports may therefore be relevant evidence about regulated conduct, but SERVQUAL should not be converted into a legal test.

### *3.2.5 Islamic pawnbroking (Ar-Rahnu)*

There is no single contractual model across the 14 *Ar-Rahnu* studies. Pledged property secures the financing, and the arrangements seek to avoid riba and gharar, but the contracts and institutions used to achieve this vary. Mohd Zain & Hasan (2021) examine current Sharia and legal issues surrounding *Ar-Rahnu*, including the contractual arrangements used in practice. Customer acceptance and day-to-day practice form another strand of the literature.

Conventional and Islamic pawnshops do not draw authority from precisely the same sources. Pledge, lending and consumer-credit law govern the conventional transaction, while *Ar-Rahnu* must also meet religious requirements. Malaysia consequently uses two supervisory paths. The Pawnbrokers Act 1972 and licensing by the Ministry of Housing and Local Government apply to conventional providers; Islamic financial institutions offering *Ar-Rahnu* also operate under the Islamic Financial Services Act 2013 and Bank Negara Malaysia's Shariah requirements. A similar secured transaction may therefore carry different protection depending on the provider. The literature raises, but does not yet resolve, the resulting questions of regulatory arbitrage and consistency.

## *3.3 How trust has been conceptualised, operationalised and examined (RQ2)*

Trust-related material turned up in 13 of the 87 studies. That figure is deliberately generous: it takes in studies that measured trust outright, studies that leaned on a clearly linked proxy or neighbouring construct, and studies that merely mentioned trust without probing it. The rest of the literature dealt with regulation, services or borrower outcomes and never made trust an object of analysis. Constructs such as satisfaction, reputation, perceived risk, loyalty, acceptance and intention to use can all be present where trust is not, so none of them was counted as a direct trust measure unless a study had defined and measured that link for itself.

The object of trust held steadier than the words used for it. Where trust did appear, it was usually trust in a particular pawnbroker, in the shop as an organisation, or in the service platform, far more often than trust in a regulator, a complaint body or the supervisory system behind them. Those institutions surfaced mostly as background or as something implied; not one included study measured trust in them directly. That gives a clear answer to the comparative half of RQ2. The corpus sees customer-facing trust much more sharply than institutional trust, which is not at all the same as showing that distrust is what leaves regulatory protection weak.

How trust was operationalised varied too. In some studies it was a named survey construct in its own right; in others the authors were really measuring service quality, satisfaction, perceived risk, acceptance or intention to use. Those latter measures were logged as adjacent constructs, and treated as trust only where an author drew the connection explicitly. Qualitative references to reliability, honest dealing or confidence were coded as trust-related evidence only when the study used them to describe a judgement about an identifiable person or institution. This distinction prevents a favourable service rating or willingness to return from being reported as regulatory trust.

The three dimensions from Mayer et al. (1995), ability, integrity and benevolence, were used as sensitising ideas rather than as variables assumed present in every study. Ability, in this setting, means competence in valuing and safekeeping the item; integrity, keeping to the agreement; benevolence, some genuine regard for the borrower's side of things. Their legal counterparts are only a partial fit. Skill and care can resemble ability, and duties of good faith may overlap with integrity, but the pawnbroker–borrower relationship is not generally fiduciary (Goode & Gullifer, 2017). Statutory consumer-protection and responsible-lending duties therefore provide a more defensible legal reference point than a general obligation of loyalty.

Taken together, the coding reveals both a conceptual and an evidential gap. Trust is sometimes measured directly, but neighbouring service and behavioural constructs are more common and are not interchangeable with it. The object of trust usually sits close to the transaction: the employee, the shop, the platform. The institutions responsible for supervision, enforcement and redress stay largely outside measurement. This finding supports the distinction made in the Introduction, while leaving open the empirical relationship between regulatory performance and borrower trust.

Table 8. Trust-coding results for RQ2

| Coding field | Result reported from the corpus | Interpretive boundary |
|---|---|---|
| Trust status | Trust-related material was identified in 13 of 87 studies; the category includes direct measures, explicit proxies/adjacent constructs and mention without examination. | A trust-related reference is not necessarily a direct measure. |
| Object of trust | Evidence concentrates on pawnbrokers, pawnshop organisations and service platforms. Regulatory institutions appear mainly as background or implication. | No included study directly measured trust in a regulator, complaint mechanism or supervisory system. |
| Operationalisation | Named trust constructs coexist with satisfaction, service quality, reputation, perceived risk, loyalty, acceptance and intention to use. | Adjacent constructs remain separate unless the authors explicitly define and measure them as trust. |
| Dimension | Ability, integrity and benevolence organise the interpretation of perceived trustworthiness. | These are sensitising categories, not assumed variables in every included study. |
| Measurement boundary | Direct regulatory-trust measurement was absent from the included corpus. | The review identifies a measurement gap; it does not infer that borrowers distrust regulators. |

### *3.3.1 Comparative regulatory frameworks*

The governance themes operate within legal frameworks that differ across jurisdictions. Table 9 identifies the principal statutory instruments and regulatory authorities in five jurisdictions frequently discussed in the literature. These primary legal sources provide comparative context for the corpus findings; they are not presented as studies retrieved through the systematic search.

Although the reviewed studies consistently identify governance, regulation, consumer protection, and institutional trust as central themes, their implementation is shaped by the legal and regulatory environments of individual jurisdictions. Differences in statutory provisions, supervisory authorities, licensing requirements, and consumer protection mechanisms influence how pawnshop services are organized, monitored, and evaluated. Consequently, similar governance challenges may produce different regulatory responses depending on the institutional and legal context of each country.

To provide an appropriate contextual foundation for interpreting the thematic findings, this review complements the evidence synthesized from the systematic literature with a comparative overview of the principal regulatory frameworks governing pawnshop operations in selected jurisdictions. Rather than constituting additional evidence within the systematic review, these legal instruments serve as primary reference sources that clarify the statutory basis underpinning governance arrangements discussed throughout the literature. This contextual comparison facilitates a more meaningful interpretation of similarities and differences in regulatory approaches across countries.

Table 9 summarizes the principal legislation, responsible regulatory authorities, and key legal doctrines governing pawnshop services in five jurisdictions that are frequently represented in the reviewed literature: the United Kingdom, the United States, Indonesia, Malaysia, and the Philippines. These jurisdictions illustrate diverse regulatory models, ranging from comprehensive consumer-credit legislation and central-bank supervision to civil-law pledge systems and dual regulatory frameworks accommodating both conventional and Islamic pawnbroking. Together, these legal contexts provide an important comparative backdrop for understanding how governance mechanisms, consumer protection measures, and institutional accountability are implemented across different legal systems.

Table 9. Comparative Regulatory Frameworks (Primary Sources)

| Jurisdiction | Primary Statutory Instrument | Regulatory Authority | Key Legal Doctrine / Mechanism |
|---|---|---|---|
| United Kingdom | Consumer Credit Act 1974 (ss. 114–122); Financial Services and Markets Act 2000 | Financial Conduct Authority (FCA) | Statutory redemption period; burden on the pawnbroker to prove reasonable care in obtaining true market value (s. 121(6)); Consumer Duty for retail customers (Principle 12 and PRIN 2A, in force 2023) |
| United States | Truth in Lending Act 1968 (15 U.S.C. §§ 1601–1667f), implemented through Regulation Z (12 C.F.R. pt. 1026); state-specific licensing statutes | State regulatory bodies; Consumer Financial Protection Bureau for applicable federal law | Disclosure of the annual percentage rate and finance charges under Regulation Z; separate state-law controls, including unconscionability under the UCC and state statutes |
| Indonesia | Civil Code (Arts. 1150–1160); OJK Regulation No. 39 of 2024 (as amended by No. 29 of 2025), replacing No. 31/POJK.05/2016 | Financial Services Authority (OJK) | Civil-law pledge (pand); written agreements, appraisal requirements and administrative licensing |
| Malaysia | Pawnbrokers Act 1972 (Act 81); Islamic Financial Services Act 2013 | Ministry of Housing and Local Government; Bank Negara Malaysia for Islamic financial institutions | Dual regime for conventional pawnbroking and Sharia-compliant ar-rahnu offered by Islamic financial institutions |
| Philippines | Presidential Decree No. 114, Pawnshop Regulation Act (1973) | Bangko Sentral ng Pilipinas (BSP) | Central-bank licensing and supervision of pawnshops as non-bank financial institutions |

Note: The table draws on primary legislation and regulatory-agency documentation to contextualise the findings from the systematic corpus.

Table 9 demonstrates that, despite sharing the common objective of regulating secured short-term lending, the selected jurisdictions employ distinct legal and institutional approaches. Common elements include licensing requirements, regulatory oversight, and consumer protection obligations, whereas substantial variation exists in the legal doctrines governing collateral valuation, redemption rights, disclosure obligations, and the integration of Sharia principles. These differences help explain the institutional diversity observed in the systematic review and provide an important legal context for interpreting variations in governance practices, regulatory effectiveness, and public trust across pawnshop systems.

### *3.4 Integrative socio-legal discussion*

No single regulatory template is supported by the corpus. What emerges instead is a tension between lawful access and borrower protection. Nowhere do the studies pin down how strict licensing or inspection ought to be, or whether tightening the rules pushes borrowers toward informal lenders instead. The legal materials put both questions on the table; answering them is work that has to be done jurisdiction by jurisdiction.

Digital delivery raises a different problem. Customer information and interaction may move online, while the pledged item still requires physical appraisal and custody. The corpus documents this division but stops short of its consequences. Can an automated appraisal be relied on? The studies do not say. Nor do they say who stands behind the deal once a platform sits between the borrower and the pawnbroker. There is also the borrower who never makes it online at all, a group the literature barely notices. And when the company running the app is not the one that values the ring or locks it in a safe, a customer with a grievance can be left unsure whose door to knock on.

What counts as good regulation is a matter of fit, of putting each safeguard against the problem it was built for. An entry rule will not, on its own, make a complaints system work, and a disclosure duty at signing tells you nothing about how the firm conducts itself later. The corpus gives no basis for ranking these arrangements against one another across countries. What is left for empirical work is fairly concrete: what actually happens after a borrower complains, and whether tightening lawful supply simply moves demand into informal credit.

## 4. Conclusions

Much of what is known about pawnshop governance comes from rules on the books. The 87 articles published between 1996 and 2026 range across regulation, finance, technology and service delivery, but far less of this work follows those rules into practice. It remains difficult to see how misconduct comes to a supervisor's attention, what follows an inspection, or whether a borrower ultimately obtains redress. Available studies make statutory gaps visible, although they do not provide a basis for deciding which regulatory model protects borrowers more effectively across jurisdictions.

Trust presents a narrower gap. Trust-related material appeared in 13 studies, and several used neighbouring concepts such as satisfaction, reputation or intention to use rather than measuring trust itself. When trust was examined directly, its object was usually the pawnbroker, the organisation or the service platform. None of the included studies measured borrowers' trust in regulators, supervisory institutions or complaint mechanisms. Confidence in a provider therefore cannot stand as evidence of confidence in the institutions responsible for oversight.

Even when the customer side of things goes online, the pledged item still has to be valued and kept in the flesh. When those jobs fall to different hands, the studies reviewed here do not say who owns a borrower's complaint. Some limits of this review should be kept in view as well. Working from Scopus may have left out material held only in specialised legal databases or regional journals, and the spread of jurisdictions, designs and measures ruled out any statistical pooling. Criterion-level appraisal was used to temper individual findings, and the legal materials were there for context, not as a full doctrinal treatment. Even within these limits, formal rules, access to credit and favourable service assessments cannot by themselves show how pawnshop governance works for borrowers. That judgment requires evidence of what protection does during the transaction and of the institutions borrowers can trust when it fails.

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## Author Contribution

Conceptualization, DK and RN; methodology, DK; validation, DK, RN and FF; formal analysis, DK; investigation, DK and FF; data curation, DK and FF; writing original draft preparation, DK; writing review and editing, RN and FF; visualization, DK; supervision, DK; project administration, DK. All authors have read and agreed to the published version of the manuscript.

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As a systematic review of published literature, this study did not involve primary data collection from human participants and therefore did not require ethical approval. All reviewed studies were publicly available through standard academic channels. Proper attribution was maintained throughout, and no proprietary or confidential information was accessed or disclosed.

## Informed Consent Statement

Not available.

## Data Availability Statement

No new primary data were created in this study. All studies included in the review are listed in the reference list. The Scopus search records, screening decisions, and the data-extraction and coding matrices generated during the review are available from the corresponding author upon reasonable request.

## Conflicts of Interest

The authors declare no conflict of interest.

### Declaration of Generative AI Use

During the screening stage, the authors used Google NotebookLM as an assistive tool to summarise and aid comprehension of the full-text articles under review. The tool was not used to make eligibility decisions, extract or analyse data, or generate any part of the manuscript. All screening, eligibility judgments, coding, analysis, and writing were performed and verified by the authors, who take full responsibility for the content of this work.

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