

# Hybrid User Research

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Mezo Borrow - Explorative +  
Iterative Study

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# Agenda

- Study Context & Methodology
- Explorative Insights
- Product Insights

# Study Goals

The goals of this study were to gather feedback on Mezo's borrowing application and to answer key research questions around borrowing mUSD against BTC.

Comprehensive goals, research questions and interview script can be found [here](#).

# Research Methods and Users

## WHAT WE DID

- We interviewed **10 users**.
- Two user profiles:
  - Yield Maximiser
    - All Yield Maximiser users had similar levels of on-chain experience.
  - Financial Planner
    - Four Financial Planners had moderate on-chain experience. One had minimal experience.
- All participants were from EU or North America.
- **60 minutes** video calls.
- Page tested:
  - [Matsnet](#)

# Research Methods and Users

## WHAT WE DID

### **Interview**

We spent the first half of the session interviewing users, addressing key research questions.

### **Usability test**

During the second half of the session, we asked users to use Mezo's borrowing application.

# Explorative Insights



**BTC-backed loan  
awareness.**

# Deep Learnings

## BTC LOAN FAMILIARITY

### **Yield Maximisers are familiar with DeFi BTC loans on established chains.**

INSIGHT

- Yield Maximisers were mostly familiar with BTC-backed loans mainly on prominent DeFi protocols like Aave or similar equivalents on other chains.
- Typically they described borrowing against a wrapped BTC or using other assets like Ethereum or Solana.
- Most of the time they borrowed stablecoins to take advantage of other yield opportunities, airdrops or to use the stablecoins for on-chain investments.
- Yield Maximisers view lending and borrowing as connected, mostly based on experiences with existing DeFi applications. There is an interest not only to borrow, but also to lend.



# Deep Learnings

## BTC LOAN FAMILIARITY

### Quotes

*“I did it on Aave on Polygon. I deposited my Bitcoin and then I took out a USDC loan.”*

# Deep Learnings

## BTC LOAN FAMILIARITY

### **Limited awareness of BTC backed loans in the Bitcoin ecosystem.**

INSIGHT

Most users lacked awareness of BTC-backed loans and general opportunities in the Bitcoin ecosystem.

Most participants were not familiar with BTC backed loans on Bitcoin L2s and had key knowledge gaps in:

- How they can bridge their BTC to BTC L2s.
- What wallets to use.
- How to manage the risk of liquidation from BTC.
- How they can off-ramp or bridge the borrowed assets.

There is a general sentiment that the ecosystem is still in its early stages.

# Deep Learnings

## BTC LOAN FAMILIARITY

### Quotes

*“My understanding so far has been that it really hasn't been built over there in Bitcoin yet. But if it is, I'm super open to learn about it.”*

*“I wouldn't say I'm knowledgeable when it comes to depositing Bitcoin because anything I've ever looked at wasn't appealing enough yet for me to change it from being stored in a cold wallet”*

*“I don't know off the top of my head.”*

**BTC-backed loan use  
cases and motivations.**

# Deep Learnings

## MOTIVATIONS AND USE CASES

### **Yield Maximisers borrow to take advantage of on-chain opportunities.**

INSIGHT

Most Yield Maximisers describe experiences and motivations borrowing against BTC to take advantage of DeFi and trading opportunities.

- Borrowing stablecoins against BTC in order to earn extra yield on them.
- Borrow stablecoins against BTC to take advantage of airdrop opportunities.
- Borrow stablecoins against BTC to invest in other tokens.

There is a common motivation to access liquidity without having to sell BTC. The end goal tends to be to grow their Bitcoin holdings.

Some users have a separate "cold storage stack" and a "trading stack".

# Deep Learnings

## MOTIVATIONS AND USE CASES

### Quotes

*"Mostly to be able to add some yield on top of it. So just to borrow against my Bitcoin to some other asset that has, uh, you know, some higher yield than whatever I'm borrowing against."*

*"I'm kind of in the degenerate space where I try to leverage crypto stablecoin to get more crypto."*

*"Sort of diversifying in case some other assets, in case it, goes to the moon or something like that. I maybe want a piece of that, but with always the possibility to go back to Bitcoin."*

# Deep Learnings

## MOTIVATIONS AND USE CASES

**Both user types described a desire to fund large purchases via a BTC backed loan - with some exceptions.**

INSIGHT

Many Yield Maximiser and Financial Planner users describe borrowing against BTC in order to:

- Fund significant purchases such as houses, cars and other value appreciating assets or to make business investments.
- To cover day to day living expenses.

There is also a general interest in using BTC as a foundation for broader financial strategies, often with a long term view.

# Deep Learnings

## MOTIVATIONS AND USE CASES

### Quotes

*"I'm a fan of it, especially when it comes to real world assets. I think putting up collateral for loans, both DeFi and IRL would be great."*

*"It's a nice way to just collateralize it, right? Like you would, I guess, in real life your house would be your collateral instead."*

*"I mean, if I had X amount of Bitcoin as enough collateral to either start a business or make a real estate investment, something like that, I mean, that would be pretty neat."*



# Deep Learnings

## MOTIVATIONS AND USE CASES

**Some Financial Planners with basic on-chain experience are more hesitant.**

INSIGHT

- One Financial Planner participant was less comfortable with funding larger purchases with a BTC backed loan.
- They were concerned by a high perceived risk of such loans and their inability to properly manage it.
- They wouldn't feel comfortable using it for something as important as a house or a car where there are a lot of things on the line.
- Another Financial Planner didn't see a current financial need but felt that in an emergency situation, borrowing against their BTC would be a viable option.

# Deep Learnings

## MOTIVATIONS AND USE CASES

### Quotes

*"I think for me, with things as critical as a house, where that could make or break a lot, especially in America, I still currently feel like the more secure route. I feel like I wouldn't be so against in terms of purchasing furniture or maybe a car."*

**BTC-backed loan  
barriers.**

# Deep Learnings

## BARRIERS

**There were consistent emotional and practical barriers to adopting BTC-backed loans.**

## INSIGHT

- Aversion to debts and loans.
  - Some participants expressed a preference to stay debt-free, viewing BTC-backed loans with the same caution as conventional/traditional loans.
- Fear of their position getting liquidated due to BTC's volatile price movements.
- Perceiving a BTC loan as being too high risk across the board.
- Perceived immaturity of the BTC ecosystem.
  - Many felt it's still early and they prefer to wait until the ecosystem becomes more mature and battle-tested.
- Not trusting the platform providing the loan.
- Being preoccupied with other on-chain/financial opportunities.

# Deep Learnings

## BARRIERS

### Quotes

“I feel like I'm hesitant to take on like any types of loans or like I'm debt free at the moment. So I feel like I'd like to stay that way.”

“I'm not a big borrower to begin with. I really like to use what I have and borrowing for me is just leverage. And I really try to avoid any kind of leveraged situations.”

“Yeah, I'm not strictly opposed to it. I've been thinking about it. I'm still waiting for the projects to probably expand a little bit and become more verified.”

“I'm very cautious with making sure that I read exactly where I'm going to store my Bitcoin, just because I've had experiences in the past.”

# Deep Learnings

## BARRIERS

**There were consistent emotional and practical barriers to adopting BTC-backed loans.**

## INSIGHT

- Perceived complexity of the process
  - Potentially using a new wallet -> bridging -> getting a loan -> actively managing the loan -> repaying the loan.
- Lack of confidence in ability
  - Several users had a fear of making an error and losing funds.
- Lack of awareness of BTC-backed loan opportunities.
- Lack of familiarity with the BTC ecosystem.
- Lack of incentives.
- Poor experience trying to use the product.
- Perceived complexity of working out and reporting tax obligations.
- Previous experience getting liquidated on a DeFi loan.

# Deep Learnings

## BARRIERS

### Quotes

“There was exploit in Oracle and I lost what I lended and I had something I had to pay back.”

“The blocker is the requirement on the user to perform continuous actions.”

“I think it was mostly the low yield, to be honest with you. There wasn't extra incentives...You're not getting no points for maybe a platform airdrop.”

“It's fear, I guess, mostly. I'm worried that I will miscalculate things and I will end up being unable to easily fix the situation.”

**mUSD and related  
educational needs.**



# Deep Learnings

## STABLECOINS & mUSD

**Most participants preferred existing stablecoins and were cautious with adopting new ones.**

INSIGHT

- All users had a default preference for established stablecoins (USDC, USDT) for a number of key reasons.
  - Familiarity
  - Trust
  - High liquidity
  - Commonly used
- Most users were cautious with using a new stablecoin but are still open to it.
  - Hearing past stories of stablecoin issues or having direct experiences makes users cautious in adopting a new one.

# Deep Learnings

## STABLECOINS & mUSD

### Quotes

“If I had the option, I'd probably just select like USDC or, or tether one of the big ones like DAI or any of those three where I feel like they've kind of been in the game for super long.”

“If I have USDC or USDT, I know I where I can use it.”

# Deep Learnings

## STABLECOINS & mUSD

**Users want to know if mUSD is safe and how it can be used.**

INSIGHT

Users describe making key considerations based on:

- Access to transparent and easy to understand information on
  - The mechanism behind the stablecoin.
  - Reserves or any on-chain view of the assets.
- Knowing how the stablecoin can be used
  - Swapping/exchanging
  - Bridging
  - Cross-chain usage
  - Off-ramping
  - Yield opportunities

# Deep Learnings

## STABLECOINS & mUSD

### Quotes

"I'd first research what MUSD is, what the mechanism behind it is, you know, especially if there was a link explaining the mechanisms in the FAQ."

"I guess I would just want to know like where it's, you know, like where it's accepted, what it's exchanged for... Is it safe? Like, is it, you know, a hundred percent backed?"

"What kind of DeFi, because I'm more oriented towards DeFi, like what can I do DeFi-wise with that money? Because if I'm going to borrow it, I have to have a reason."

"If you're able to like say this is where you can spend your mUSD in real life."

**Incentives and taxes.**

# Deep Learnings

## INCENTIVES

### Incentives matter to varying degrees.

INSIGHT

- Several YM users find themselves incentivised by yield, points or gamification
- Two key attitudes to airdrops/points:

#### Product driven user

- Believes that the airdrop golden age is over.
- Prefers passive airdrop and yield opportunities.
- Doesn't actively seek incentives out.
- If they believe in the given platform's success, they'll assign a higher value to the incentive program.
- Low-medium motivating factor for choosing a platform.

#### Incentive driven user

- Actively seeks out airdrops/incentives
- Actively speculates about airdrops/incentives
- Strong motivating factor for choosing a platform

# Deep Learnings

## INCENTIVES

**Financial Planner users with minimal on-chain experience think of traditional incentives.**

INSIGHT

- Some less experienced Financial Planner users spoke about incentives they'd expect that are similar to the ones offered by credit card providers.
- They were not familiar with points and airdrops to the same extent as Yield Maximiser users.

# Deep Learnings

## TAXES

**Attitudes on taxes were somewhat inconsistent.**

INSIGHT

- Several users noted that a loan wouldn't be liable for capital gains tax in their situation, making it a highly attractive option to access liquidity.
- Other users were not sure what the exact tax implications are and whether they'd benefit from limited or no tax obligations.
- There was a general perceived complexity of reporting a BTC-backed loan



# Deep Learnings

## TAXES

### Quotes

"Wonder like the tax implications, because like obviously when you sell, you get hit with a big tax and I don't know if they count like putting it up for lending as a transaction and you still get dinged."

"The amount of paperwork it takes from a tax perspective."

**Trust.**

# Deep Learnings

## TRUST

### **Consistent factors emerged around trust.**

Platform reputation and history

- Track record
- Team background
- Historical reliability

The level of adoption

- Amount of users
- Amount of TVL

INSIGHT

# Deep Learnings

## TRUST

### Quotes

“When I think of the platform, I think of the, like, has there been an exploit? Has there been a hack? Is the team good?”

"Pretty much who's backing up the company to see who's the creator, what are the founders, kind of being able to get more information on who's behind the product."

“TVL is like, hey, there's enough amount of people that are trusting this.”

# Deep Learnings

## TRUST

**Consistent factors emerged around trust.**

INSIGHT

Transparency

- About how the platform works
- On-chain verifiable assets
- Access to satisfactory educational resources
- Audits

Legitimate presentation

- Professional/clean/appealing design
- Attention to detail
- Error-free content
- Frictionless user experience

# Deep Learnings

## TRUST

### Quotes

"Proof of reserves, having on-chain verifiable proof of reserves. That would be one thing for me that I go, this is convincing me... I mean, even if it's just like a little dashboard."

"Going to the site and just looking at kind of the vibes of it and seeing if it looks sketchy or not."

"Once you go into giving somebody the trust of holding your Bitcoin, then I would want to know, okay, who's behind it or what's going on? They're not really out there. Is there a white paper? Is it open source? Can I look at the code?"

# Deep Learnings

## TRUST

### **Consistent factors emerged around trust.**

Preference for decentralised mechanics for majority of users

- Smart-contract over centralised risk
- Transparent code

Social proof

- Recommendations from trusted sources

INSIGHT

# Deep Learnings

## TRUST

**Decentralised mechanics may be less appealing to users with very limited on-chain experience.**

## INSIGHT

Decentralised mechanics were appealing to more experienced users.

- Hypothesis: The less on-chain experience one has, the higher the perceived security risk of adopting a decentralised platform for a BTC-backed loan.



**Jobs to be done.**

# Deep Learnings

## YIELD MAXIMISER JTBDs

- As a yield maximizer, I want to borrow stables against my BTC, so that I can deploy them in high-yield DeFi protocols.
- As a yield maximizer, I want to maintain my BTC exposure while accessing liquidity so that I can grow my overall BTC stack through yield or investment returns.
- As yield maximiser, I want to compare borrowing rates and fees against potential yields so that I can ensure profitable strategies.
- As yield maximiser, I want to borrow against BTC to participate in new protocols so that I can capture potential token airdrops.
- As a yield maximiser, I want to borrow stables against my BTC so that I can take advantage of token investment opportunities.

INSIGHT

# Deep Learnings

## LARGE INVESTMENT JTBDs

- As a BTC holder, I want to use my BTC as collateral for a home purchase so that I can maintain my crypto position while acquiring real estate.
- As a BTC holder, I want to borrow against BTC for value-appreciating assets so that I can grow my overall wealth without liquidating my crypto.
- As a borrower, I want to understand the risks of using BTC-backed loans so that I can feel safe when making significant investments.

INSIGHT

# Deep Learnings

## LIMITED ON-CHAN EXPERIENCE JTBDs

- As a BTC holder with limited on-chain experience, I want to understand all potential risks of BTC-backed loans so that I can avoid putting my important assets at risk.
- As a BTC holder with limited on-chain experience, I want to feel confident in my ability at managing the potential risks of a BTC-backed loan, so that I can avoid a potential loss of funds when borrowing.
- As someone with limited DeFi experience, I want clear education about loan management, so that I can assess my ability to handle the responsibility.

INSIGHT

# Deep Learnings

## mUSD JTBDs

- As an mUSD borrower, I want to understand mUSD's backing mechanism, so that I can trust its stability.
- As an mUSD borrower, I want to see proof of reserves and wallet links so that I can verify mUSD's backing in real-time.
- As an mUSD borrower, I want to know which major exchanges accept mUSD, so that I know I can exchange it.
- As an mUSD borrower, I want to compare mUSD with established stablecoins so that I can evaluate if it meets my needs.
- As an mUSD borrower, I want to see mUSD's peg history so that I can evaluate its stability over time.

INSIGHT

# Deep Learnings

## mUSD JTBDs

- As an mUSD borrower, I want to understand depeg protection measures so that I can trust mUSD during market stress.
- As an mUSD borrower, I want clear paths to convert mUSD to fiat so that I know I can use it for off-chain purchases.
- As a DeFi user, I want to know about on-chain mUSD opportunities, so that I can earn yield on my borrowed assets.
- As a DeFi user, I want to know how bridge mUSD to other chains so that I can take advantage of a wide range of opportunities.

INSIGHT

# **Screen by Screen Walkthrough**

# Overview

Average rating: **3.5**

## What worked well

- The visual style was appealing to participants and generally inspired trust.
- Users were able to easily discover the Borrow app and go through the flow.
- All users were able to take out a loan.

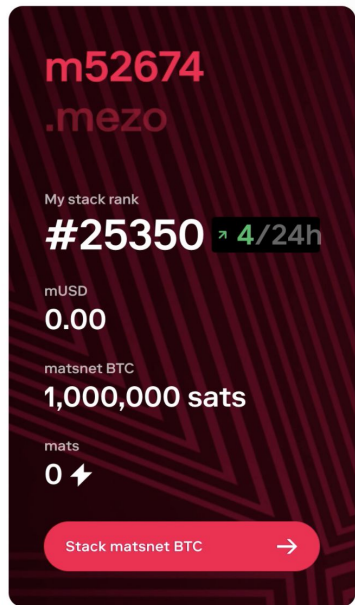
## Problematic areas

- Education and information around fees, mUSD and how to borrow safely & manage risk.
- Users had some confusion filling out the Collateral and Borrow amounts.
- Some minor navigation issues.



# Some users struggled with unfamiliar terms.

## MATSNET PAGE



Block explorer



Add matsnet chain to wallet



## FINDING

Less experienced users were unsure of what many of the terms and actions here meant

- Some didn't know what stacking matsnet BTC means.
- Users who were unfamiliar with adding new networks to their wallet didn't know why that action was required and what would happen if they went ahead with it.

## RECOMMENDATION

Consider adding tooltips for terms and actions that less experienced users may not be familiar with.

# Usability quotes

MATSNET PAGE

## Quotes

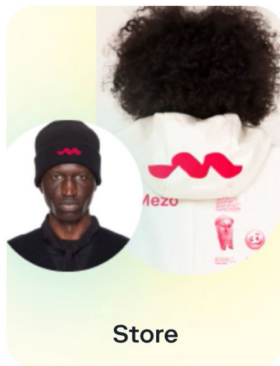
*“So I don't love tool tips, However, I feel like I would really like something around here because I'm trying to figure out what are mats? I feel like I need to go back to the dictionary.”*

*“Don't understand what stack matsnet BTC means like, what does it mean? Like, is it like a swap? Is it a stake?”*

# Users were able to easily find the borrow application.

MATSNET PAGE

Featured  
apps



## FINDING

Some users expected that the grey arrow below “Featured apps” would take them to a page that displays more applications.

## FINDING

Users were able to find their way to the Borrow application without any issues.

# Parts of the Stack Rank component were misunderstood

MATSNET PAGE

## Stack Rank

25,354 ranked users

#1	ahilis.mezo	0
#2	beemeeupnow.mezo	0
#3	m24539.mezo	0
#4	m23270.mezo	0
#5	m0065pro.mezo	0
#6	m50249.mezo	0

### FINDING

Users consistently misunderstood what the zeros meant on the rank cards.

- There was a consistent expectation that the number is referring to the amount of points each user has as opposed to the ranking changes.
- Seeing 0 made some feel that the website is not working properly and that the UI is incomplete.

Several users noted that the stack rank component was too long and scrolling through it felt awkward.

### RECOMMENDATION

Consider clarifying what the columns mean to prevent user misattributions. Although this will only be a problem if none of the top ranked users moved in the past day.

# Usability quotes

MATSNET PAGE

## Quotes

*“Overall, I don't know if this is not pre-populated, but seeing all the zeros here, this would not make me very happy to see.”*

*“This is just a rank, but because of this zero, I'm confused.”*

# FAQ was helpful for Yield Maximisers

## MATSNET PAGE

### FAQ

What are mats?

What is matsnet?

Should I convert mats to sats?

What is the Stack Rank leaderboard?

Can I convert sats back to mats?

Will there be dApps on matsnet?

How do I connect to matsnet?

Can I deploy contracts?

What happens to my Bitcoin, other deposits, and boosts?

### FINDING

FAQs on the matsnet page were easily found and frequently explored.

More experienced users were able to easily orient themselves and found the information generally satisfactory. The easy access to more information through Docs was appreciated.

# Financial Planners had more trouble with the FAQs.

MATSNET PAGE

## FAQ

What are mats?

What is matsnet?

Should I convert mats to sats?

What is the Stack Rank leaderboard?

Can I convert sats back to mats?

Will there be dApps on matsnet?

How do I connect to matsnet?

Can I deploy contracts?

What happens to my Bitcoin, other deposits, and boosts?

### FINDING

Less experienced users had trouble understanding many of the terms and concepts here.

They described themselves lacking too much context and expressed a need for a more structured and simple learning experience.

### RECOMMENDATION

If Financial Planners are an immediate target group, consider testing how they can be best educated about Mezo.

# Usability quotes

MATSNET PAGE

## Quotes

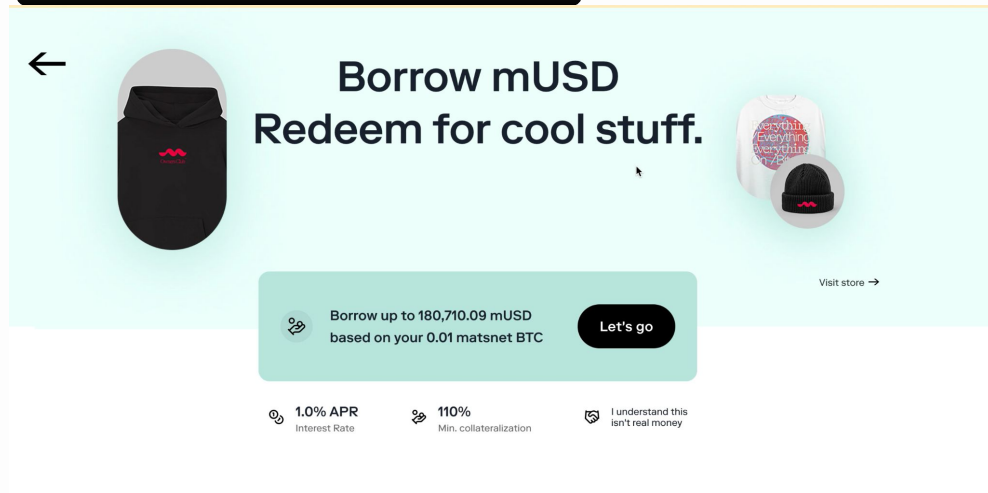
*“I think I've probably spent some time here knowing my first instinct. Cause right now, I don't think I have an easy way to understand these terminologies right away as someone who is immediately thrown into this space at the moment and doesn't have any context to work off of.”*

*“I'd like to see more tangible data on there or more tangible content that would allow me to go and visualise it or experience it.”*



# Several users missed crucial FAQs on the Borrow page.

## BORROW PAGE



## FINDING

All users had accurate expectations at this point in that they would be able to start the borrowing process by clicking on “Let’s Go”.

However, users at this point had key questions about the borrowing process. The FAQs at the bottom of this page were often missed - many users just didn’t scroll far enough.

## RECOMMENDATION

All users found the FAQ items to be crucial - consider making the section more prominent or easier to find.

# There was strong interest in the FAQ items.

## BORROW PAGE

### FAQ

What is mUSD?



How does collateral work



Can I get my Bitcoin back if I return mUSD?



What is APR?



What are the fees?



Can I spend mUSD in the real world?



Is my Bitcoin safe?



### FINDING

Once users found this section (either by themselves or through a moderator prompt), most consistently explored all questions.

There was specific interest in

- What is mUSD
- How does collateral work
- What are the fees?
- Can I spend mUSD in the real world?

Users still expected to be able to click off into more detailed guidance and information about borrowing and mUSD from this page.

# Users expect access to more detailed mUSD content.

## BORROW PAGE

### What is mUSD? ^

mUSD is Mezo's native stablecoin, 100% backed by Bitcoin reserves and designed to maintain a 1:1 value with the US dollar. mUSD loans are secured by bitcoin collateral.

mUSD will allow users to obtain loans with a minimum collateral ratio of 110%, meaning the value of the BTC collateral must be at least 110% of the borrowed amount of mUSD. If the collateral ratio falls below the 110% threshold, the loan becomes subject to liquidation. This is advantageous compared to other DeFi lending platforms because of the lower collateralization requirement, which allows for more cap-efficient borrowing compared to Aave (82.5% for ETH) and Compound (80% for WBTC).

To ensure that the entire stablecoin supply remains fully backed by collateral, if a position falls under the minimum collateral ratio of 110% it will be closed (liquidated). This ensures the health and stability of the mUSD model.

## FINDING

Users expected to be able to click off to a page where they can learn more about mUSD.

Experienced users were content with the information here at a high level.

Less experienced users however had trouble comprehending beyond the first paragraph. They were not able to gain much confidence nor in their understanding or in mUSD.

They express a strong need for more hand-holding and education about the end-to-end process.

## RECOMMENDATION

Experiment with educational approaches for less experienced users if they are an immediate target group.

# Usability quotes

[BORROW PAGE](#)

## Quotes

*“Right now, it doesn't tell me much, but that's kind of just because I haven't, you know, like directly worked with these two things to understand what cap efficient means in this context, right? So, I just glance over this part mostly because, you know, it's just some numbers that I don't know enough about.”*

*“So liquidation is a major issue and I'd need a lot more hand holding to go and feel comfortable in moving forward with that. I appreciate that they are trying to make some efforts to rationalize it on there, but it seems quite poorly done.”*

# Financial Planners had more trouble with the collateral.

BORROW PAGE

## How does collateral work

To borrow mUSD, you need to provide Bitcoin as collateral. Currently you can only borrow mUSD once on matsnet.

- **Minimum Collateral Ratio:** 110% (e.g., \$110 worth of BTC for \$100 mUSD).
- Borrowers should monitor their collateralization ratio to avoid liquidation (if the ratio falls below 110% you will be liquidated, and your collateral will be sold off and your loan will be closed)

BTC is a highly volatile asset and a sudden price drop could push the collateral ratio below 110%, triggering liquidation. To minimize liquidation risks, borrows could consider collateralizing above the 150% threshold (e.g., 250%+) to create a safety buffer against price fluctuations; or (2) use tools or bots to set alerts for price movements.

## FINDING

Yield Maximisers were able to get a satisfactory high-level overview of how the collateral works. After reading through this, a prominent need emerged to be able to easily monitor their loan and to be able to act fast.

Financial Planners had more trouble grasping what it would take to borrow safely. They were often concerned about whether they had the ability to safely take out a BTC-backed loan.

# Usability quotes

[BORROW PAGE](#)

## Quotes

*“So, at this point, I would be interested in how exactly I monitor this and how fast I can act in case I need to be, I need to put in more collateral.”*

*“I don't know what this exactly means without more demonstration. I feel like a demonstration through even just an online calculator and seeing how that kind of works would be really good at me understanding this sooner.”*

*“I'd love to see a calculator where I can go and play around with it.”*

# There was consistent uncertainty about the fees.

BORROW PAGE

## What are the fees? ^

There are four main types of fees:

- **Issuance Fee:** 0.5%–5% of borrowed mUSD (paid in mUSD).
- **Redemption Fee:** 0.5%–100% when exchanging mUSD for BTC (paid in BTC).
- **Refinance Fee:** 0.1% of the total refinanced mUSD amount (paid in mUSD). This fee is incurred when a mUSD loan holder extends their line of credit or reduces the amount of collateral backing their loan.
- **Gas Deposit:** \$200 deposit that is used to ensure liquidations are viable, this is returned when your loan is closed.

Large borrow or redemption transactions may temporarily increase fees before returning to base levels.

## FINDING

While users were generally pleased with the overview, several consistent patterns emerged.

- Both users groups were concerned by the wide range in Issuance Fee and Redemption Fee.
  - The supporting information was not adequate at clarifying why this range exists, leaving users confused.
- Understanding the full end-to-end cost of a loan on Mezo is a key consideration point, and not being able to do this can be a potential barrier.

# Users had to work hard to imagine the end-to-end costs.

BORROW PAGE

## What are the fees? ^

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Large borrow or redemption transactions may temporarily increase fees before returning to base levels.

## FINDING

Users sometimes had to put in significant mental effort to fully visualise the fees and collateral mechanism.

Both groups expressed a need for an interactive way to be educated about the fees and collateral. The two most prominent examples given were an interactive calculator or a mock scenario.

## RECOMMENDATION

Consider interactive or easily digestible approaches to educate users about mUSD, safe collateral setup, and end-to-end borrowing costs. Commonly mentioned approaches by participants include a calculator, examples of high and low risk borrowing setups, mock scenarios or tables.



# Usability quotes

BORROW PAGE

## Quotes

*“So, at this point, I would be interested in how exactly I monitor this and how fast I can act in case I need to be, I need to put in more collateral.”*

*“It's weird that it says, it's going to charge me 100%, up to 100%. That throws me off.”*

*“So, here, what I would find useful is some example like you had here, you know, like 110 worth of BTC for 100 MUSD, right? But in the case of fees, maybe some small story like Alice borrows this and that. She pays this amount in interest fee, like issuance fee.”*

*“One thing that makes me go like, oh, wait, what's 100% redemption fee? Is that because of liquidations?”*

*“Kind of give an example of what the realistic percentages would assure me more to use the product.”*

# Users expected automatic interactions.

## BORROW PAGE

How much would you like to borrow and set as collateral?



**Max Borrow Amount**

180,710.09 mUSD

**Available Collateral**

0.01 matsnet BTC

Borrow amount

2300

Collateral amount

0.0003

✓ Collateralization 238% - This is a safer way to borrow ⓘ

**Review loan →**

## FINDING

All users expected some degree of automatic interaction to happen to help them fill out the fields. All users were surprised at having to fill in both fields.

Typical expectation was for when either fields are filled out, the other field would populate.

There was an expectation to see max borrow amount and collateral amount right next to their respective fields.

Users consistently didn't think to leave enough BTC for the subsequent transaction fees.

# Users expected automatic interactions.

## BORROW PAGE

How much would you like to borrow and set as collateral?



**Max Borrow Amount**

180,710.09 mUSD

**Available Collateral**

0.01 matsnet BTC

Borrow amount

2300

Collateral amount

0.0003

✓ Collateralization 238% - This is a safer way to borrow ⓘ

**Review loan →**

## FINDING

Users expected to see risk guidance to be displayed without having to first fill out both “Borrow amount” and “Collateral amount”. This meant they would often fill in one field, and then start wondering about what is a safe amount to put in the remaining field.

Several users expressed a need to be better guided through the risk management process - they want to know how to borrow safely.

# Usability quotes

BORROW PAGE

## Quotes

*“Oh, I kind of assumed that this will get calculated now. Oh, I have to define both. It's not defined for me.”*

*“So I would almost expect that to kind of populate, automatically.”*

*“Once I put how much I want to borrow for it to let me know how much collateral, or when I put how much collateral for it to automatically let me know how much I borrow.”*

*“Like this is a safer way to borrow, but you're really like not too far out of the high risk, uh, range.”*

# The risk pop-up was appreciated but was limited.

BORROW PAGE

110% > 150% - High risk

150% > 240% - Median risk

240% > 400% - Low risk

Read more about risks in our FAQ section bellow

## FINDING

The tooltip was often missed by participants despite containing what they felt was generally important information. There was a consistent need to see these risk levels by default.

Some users were confused by the “>” signs, thinking that it’s a greater than sign, rather than a sign representing a range.

Users were not able to navigate to the FAQ section below since there wasn’t one.

Some users felt the guidance here to be limited, especially when close to thresholds that would be less safe (for example 150% being both high risk and median risk).

# The risk pop-up was appreciated but was limited.

BORROW PAGE

110% > 150% - High risk

150% > 240% - Median risk

240% > 400% - Low risk

Read more about risks in our FAQ section bellow

## RECOMMENDATION

- Participants highly value what this component intends to convey. Consider making it either more visible or permanently visible.
- Consider including more nuanced information around risk levels.
- Consider switching out the “>” symbol for something that more intuitively represents a range.
- Allow easy access to an FAQ and further documentation about risks.

# The summary modal was generally satisfactory.

## BORROW PAGE

### Summary

Borrow amount	2,300.00 mUSD
Collateral	0.0004 matsnet BTC
Collateral ratio	318%
Interest rate (APR)	1.0%
<b>Fees</b>	
Issuance fee 0.5% ⓘ	11.5
Liquidation reserve	200



I understand this isn't real money and I accept Mezo's  
[Terms of Use](#)

Waiting for transaction...

## FINDING

Users felt this modal gave a generally satisfactory summary of their loan.

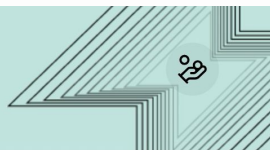
After looking at the Issuance fee tooltip, several users were confused if it's the Issuance fee or the Liquidation reserve that would be returned to them.

Several users couldn't remember what exactly the liquidation reserve is.

# The summary modal was generally satisfactory.

BORROW PAGE

## Summary



Borrow amount 2,300.00 mUSD

Collateral 0.0004 matsnet BTC

Collateral ratio 318%

Interest rate (APR) 1.0%

### Fees

Issuance fee 0.5% ⓘ 11.5

Liquidation reserve 200



I understand this isn't real money and I accept Mezo's

[Terms of Use](#)

Waiting for transaction...

## FINDING

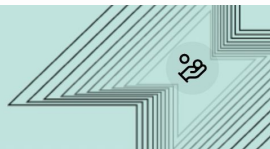
Some users expressed a need to be reminded of the risk level of their collateral ratio.



# The summary modal was generally satisfactory.

BORROW PAGE

## Summary



Borrow amount 2,300.00 mUSD

Collateral 0.0004 matsnet BTC

Collateral ratio 318%

Interest rate (APR) 1.0%

### Fees

Issuance fee 0.5% ⓘ 11.5

Liquidation reserve 200

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[Terms of Use](#)

Waiting for transaction...

## RECOMMENDATION

Consider highlighting the risk level of the collateral ratio.

Consider adding a tooltip or Liquidation reserve.

Consider adding information about liquidation price.

# Usability quotes

BORROW PAGE

## Quotes

*“ I don't know, maybe I'm wrong, but I vaguely remember the liquidation reserve. Maybe it gets returned to you too.”*

*“What it doesn't tell me is the liquidation price at this stage or anything like that. At what point would I get liquidated here? That's one thing I am wondering.”*

*“Liquidation reserve is the \$200 and issuance fee will be returned. Oh, I thought both of these are returned, but they say it on this one and not on this one. Maybe I didn't read properly the FAQ then.”*

*“I understand that collaboration ratio above 110 is pretty good, but what does it actually mean, like 160 How safe is it?”*

# The CTA to the market didn't align with priorities.

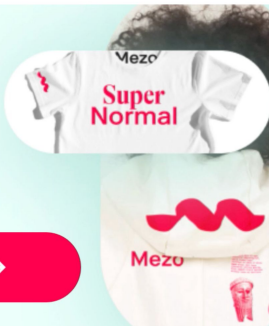
BORROW PAGE



Successfully borrowed

**2,300.00 mUSD**

**Congratulations!**  
Soon you can spend your  
mUSD at the Mezo Market!



**Visit Market →**

## FINDING

At this point, users had a higher priority to be taken to a page to

- Assess their loan position
- Explore opportunities with mUSD

rather than to visit the market.

The CTA to buy merchandise after securing a loan was off-putting to some users.

# The later version of the modal was well received.

BORROW PAGE



Successfully borrowed

**25,000.00 mUSD**

Claim your reward! 🎁

**+250 ⚡ mats**

**Claim 250 mats**

## FINDING

This version aligned much better with the priorities that users had. After claiming their reward, they were taken to the loan overview page.

# Usability quotes

BORROW PAGE

## Quotes

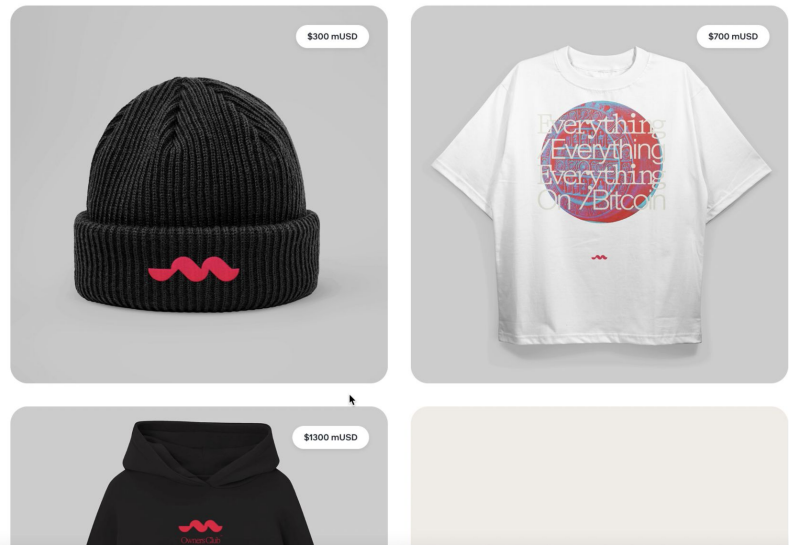
*“I think like the emphasis on the store is kind of frustrating, especially like in a real life setting, I would be like, especially frustrated by that probably.”*

*“I think the most untrustworthy thing to me is going from bar collateralizing Bitcoin, and then going to like a merch shop.”*

*“The store would be secondary to whatever my primary objective is.”*

# Users could easily collect items from the store.

## STORE



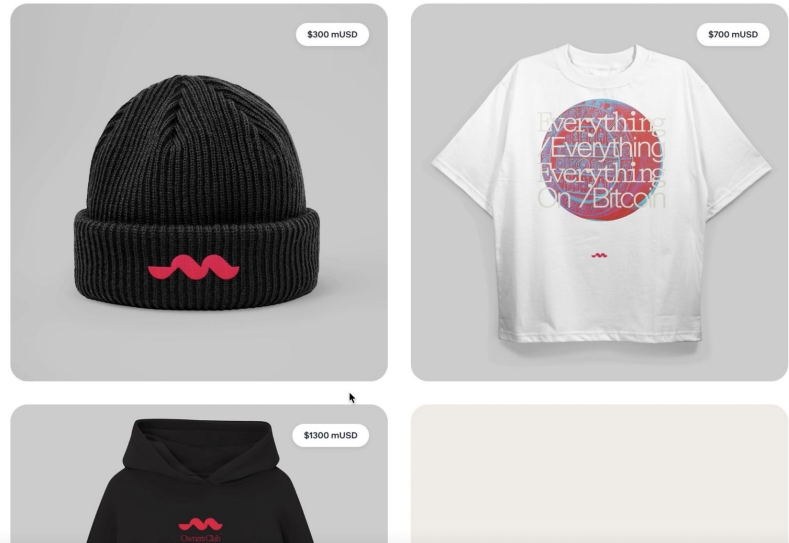
## FINDING

Buying an item from the store was straight forward for all users and there were no significant usability issues to note.

The appeal of the store with the current items was limited. Some users felt that if it had products they were personally interested in, the appeal could be higher.

# There were some navigation issues from the store.

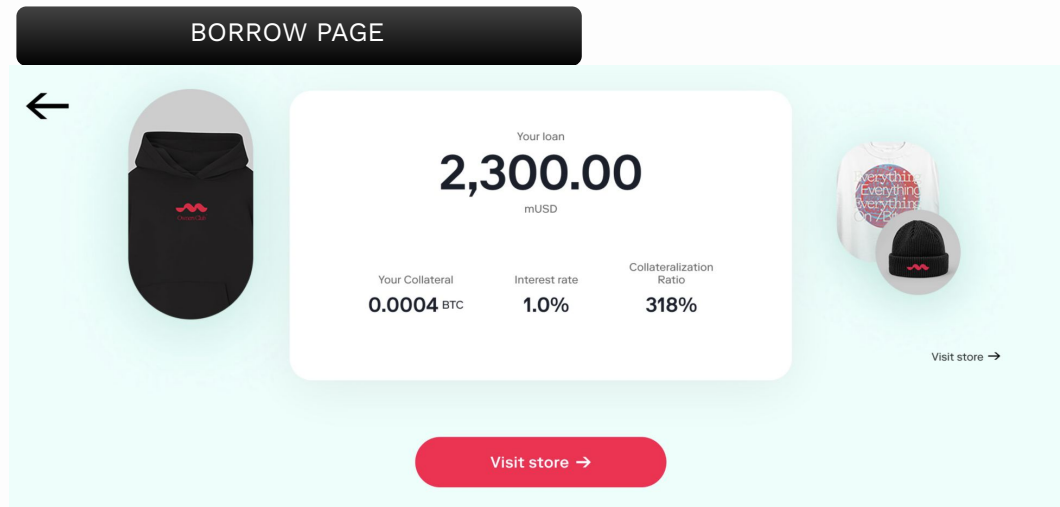
## STORE



## FINDING

When users visited the store immediately after taking out a loan, some had significant trouble navigating back to their loan position. Users had an expectation that their loan would be accessible from the top navigation bar and didn't think to re-enter the Borrow flow to assess their position.

# There was a need for more information on the loan page.



## FINDING

Collateralization ratio may not give all users the ability to assess risk at a glance. Users express a need to see:

- Liquidation price (current BTC price, what their liquidation price is and how far they are from it)

Users also express a strong desire to see information about

- How they can manage their loan
- How they can use mUSD and what for
- DeFi opportunities using mUSD
- How they can bridge or swap mUSD
- How they can off-ramp mUSD



# Overview

Average rating: **3.5**

## What worked well

- The visual style was appealing to participants and generally inspired trust.
- Users were able to easily discover the Borrow app and go through the flow.
- All users were able to take out a loan.

## Problematic areas

- Education and information around fees, mUSD and how to borrow safely & manage risk.
- Users had some confusion filling out the Collateral and Borrow amounts.
- Some minor navigation issues.