

Efforts to Improve Legal Protection for Consumers in Electronic Transactions



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ABSTRACT: The field of business law is evolving rapidly, driven by technological advancements. As technology progresses, the law must also adapt to keep pace with the changing times. In Indonesia, the concept of online sales and purchase transactions (e-commerce) has begun to emerge, potentially leading to legal challenges. Consumer protection in Indonesia is governed by Law No. 8 of 1999 on Consumer Protection. This article will provide a brief discussion on consumer protection in e-commerce transactions and explore how Indonesia's legal framework regulates relevant consumer protection laws to address issues between consumers and businesses.

KEYWORDS: E-commerce; consumer; protection.

A. INTRODUCTION

The rapid development of information technology and electronic transaction systems has made the information technology industry a leading sector. In addition to providing convenience and time efficiency, information technology also provides other benefits, namely expanding market reach throughout the world without the need to send people to other countries to market them. The significant progress of the internet has given rise to a trading system in cyberspace or what is called e-commerce (electronic commerce) as a foundation for various types of buying and selling transactions. There are four components in an electronic commerce system that are needed in electronic commerce transactions, namely the shop, seller and buyer, delivery service. Electronic commerce transactions have parties that are legal subjects and have a legal relationship between business actors or sellers (online stores) and consumers, as well as added to the online shopping application service providers. (Firman Turmantara, 2016)

By conducting electronic commerce transactions, consumers can easily conduct buying and selling transactions through e-commerce and have the ability to collect and compare product and service information more widely without regional restrictions. In its implementation, electronic commerce does not require face-to-face or physical meetings when conducting transactions. Electronic trading has more complex terms and conditions compared to traditional trading (Putu Dina Marta Ratna Sari., & I Made Dedy Priyanto, 2008).

Consumer Protection Law Number 8 of 1999 is the main legal basis that provides guidelines related to consumer protection in online buying and selling transactions (Novita, Y. D., & Santoso, B. 2021). This regulation regulates consumer rights, seller obligations, and dispute resolution mechanisms related to online transactions. In addition to the law, Government Regulation No. 80/2019 on Trading Through Electronic Systems is also an important reference in protecting consumers in online buying and selling transactions (Rahayu, A. C., Dewantara, R., & Syafi'i, R. I. R. 2021). This regulation regulates the use of electronic systems in trade, including buying and selling goods through e-commerce platforms. A number of previous studies have also been conducted in the context of consumer legal protection in online buying and selling transactions in Indonesia. Research by Suryani (2018) found that consumers' awareness and understanding of their rights in online transactions is still low. Research by Azizah (2019) highlights the crucial role of e-commerce platforms in providing consumer legal protection, including through fair and effective return policies. The purpose of this study is to analyze in depth the legal protection provided to consumers in online buying and selling transactions in Indonesia. This research will examine the legal protection that can be provided to consumers, its application in online transactions, and the role of law enforcement institutions in handling disputes that arise.

The results of this study are expected to make an important contribution in deepening understanding and improving consumer protection in the context of online transactions in Indonesia. This study will be an important reference for consumers themselves in improving security, trust, and legal protection in online transactions in Indonesia.

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B. DISCUSSION

1. Ideas on efforts to protect consumers legally in the context of buying and selling goods through digital platforms in Indonesia

Conventionally, a contract is entered into based on the principle of freedom of contract between two equal parties. Both parties endeavor to reach the agreement necessary for the contract to come into existence through negotiations between them. However, current trends show that many contracts in business transactions do not occur through a balanced negotiation process between the parties. Instead, contracts are entered into by way of one party having prepared standard terms on a pre-printed contract form and then being presented to the other party for approval without allowing any freedom to negotiate on those terms. This kind of contract is called a standard contract or standardized contract. (Viola Annisa Ikhsan. 2022)

While the validity of a standard contract is not in question, it is important to note that the contract is not one-sided and does not contain clauses that are unreasonably onerous for the other party, making it an oppressive and unfair contract. In a transaction, the absence of balance in bargaining causes the consumer's bargaining position to lose out to the business actor's position, because the consumer is not in a position to bargain have a dominant position like business actors and have no other choice but to follow the wishes of business actors.

One of the advantages in e-commerce is the diverse and detailed information that consumers can obtain compared to conventional trade without having to go to many places. However, e-commerce also has disadvantages. Electronic transaction methods that do not bring together business actors and consumers directly and the inability of consumers to directly see the goods ordered have the potential to cause problems that harm consumers.

Various cases that arise related to the implementation of transactions, especially the security factor in e-commerce, are certainly very detrimental to consumers. In fact, guaranteeing the security of e-commerce transactions is very necessary to foster consumer confidence in its users. Ignoring this will result in a shift from the philosophy of efficiency contained in e-commerce transactions towards uncertainty which will hamper efforts to develop e-commerce institutions.

The idea of legal protection for consumers involved in online trade activities in Indonesian territory is based on the principles of consumer assurance that cover consumer rights and seller responsibilities. This concept includes aspects of protection of accurate information, product quality, security, compensation, privacy, and dispute resolution. Efforts to legally protect consumers in online transactions in Indonesia are also supported by various regulations and laws that aim to protect consumers. One of the regulations related to consumer protection in online buying and selling activities in Indonesia is Law Number 8 of 1999 concerning Consumer Protection UUPK (Erlinawati, M., & Nugrahaningsih, W. 2017). This law protects consumers in all forms of transactions, including online buying and selling transactions.

In the PK Law, there are several subchapters related to legal protection for consumers in online transactions, namely the Consumer Protection Law emphasizes the right of consumers to obtain transparent, accurate, and honest information about products or services offered by sellers. In online transactions, this includes information related to product descriptions, specifications, prices, terms and conditions, payment methods, and return policies.

Consumers also have the right to be educated about their rights through campaigns, seminars, and public information. GCPL The regulation mandates that goods or services traded must meet established quality standards. In online transactions, this means that the products sold must match the seller's description and be of the quality consumers expect. If there are defects or discrepancies, consumers have the right to file a complaint and request a return or replacement of the product; the GCPL contains special provisions that apply to online transactions. For example, sellers must provide proof of transactions to consumers, such as payment receipts or proof of electronic transactions. Sellers must also maintain the confidentiality of consumers' personal data and information obtained during online transactions; GCPL stipulates that sellers have the responsibility to protect consumers from harmful practices. Sellers must maintain quality standards for goods or services, maintain transaction security, provide compensation in the event of losses, and have responsive customer service. (Satrio Budi Pramono., & Grasia Kurniati. 2023) There are several forms of violations that harm consumers, including (Mutia Rahma Wardani, Joko Priyono, & Fifiana Wisnaeni. 2020):

a. Goods received do not match what was ordered

Consumers can sue business actors who commit fraud by providing goods that do not match the photos in the online shop advertisement, which is explained in Article 49 paragraph (3) of Government Regulation Number 82 of 2012 concerning the Implementation of Electronic Systems and Transactions which explains that business actors are obliged to give consumers a time limit to return the goods sent if they are not in accordance with the agreement or there are hidden defects (Government Regulation Number 82 of 2012 concerning the Implementation of Electronic Systems and Transactions).

b. Goods in a state of disrepair

Receiving products, whether in good or damaged condition, reflects that the quality of goods is a major concern for consumers. The state of the goods received by consumers is an important aspect, where the receipt of defective or damaged products can harm consumers. This is explained in Article 4 letter a of the Consumer Protection Law, which states the right to comfort, security, and safety in consuming goods and/or services. This provision guarantees comfort, security and safety for consumers involved in buying and selling transactions.

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c. Delayed delivery by business actors

One of the crucial aspects in transactions through social media is the delivery process by the seller, where the timeliness of delivery is a satisfaction factor for customers. The guarantee obtained by consumers is a commitment that must be fulfilled by the seller to provide comfort, which is the right of consumers. This is done to maintain the seller's commitment in running his business. The obligation for both parties, both consumers and sellers, is to fulfill the guarantee or warranty that has been mutually agreed upon. If one party feels aggrieved because the guarantee or warranty is not fulfilled, then the aggrieved party has the right to claim his rights back.

Referring to Article 19 of Law Number 8 Year 1999, there are several provisions related to the responsibility of business actors in providing compensation to consumers. First, business actors are obliged to provide compensation for damage, pollution, or losses suffered by consumers as a result of consuming goods or services produced or traded. Second, the compensation may be in the form of a refund, replacement of similar goods or services of equivalent value, or health care and/or compensation in accordance with applicable regulations. Third, the provision of compensation must be carried out within 7 days after the date of the transaction. Fourth, the provision of compensation does not eliminate the possibility of criminal prosecution based on further proof of the existence of elements of fault. Fifth, this provision does not apply if the business actor can prove that the fault was caused by the consumer.

"Any person who, with intent to unlawfully benefit himself or another, by means of a false name or false dignity, deceit or a series of falsehoods, induces another person to deliver any property to him, or to incur a debt or to cancel a debt, shall, being guilty of fraud, be punished by a maximum imprisonment of four years." (Article 378 of the Penal Code)

To implement consumer legal protection in online buying and selling transactions in Indonesia, consumer dispute resolution institutions also play an important role. This institution was established to resolve consumer disputes in a non-litigation manner. Consumers can file a complaint with the institution in the event of a dispute or lack of resolution with the seller in an online transaction. Consumer awareness and literacy are also important factors so that consumers understand their rights, maintain personal data security, and take the necessary precautions to protect themselves in online transactions. With the concept of consumer legal protection and related regulations, it is hoped that consumers in Indonesia can feel safe and comfortable in buying and selling goods online. The government, regulators, and business actors need to be committed to implementing, strengthening, and improving consumer legal protection in online transactions, so as to create a trusted and sustainable online business environment.

2. How effective are the existing legal provisions in ensuring protection for consumers in the context of online buying and selling transactions in Indonesia?

Difficulties in law enforcement against violations committed by electronic entrepreneurs. Although there are statutory provisions governing, law enforcement against violations in online buying and selling transactions is still limited.

To improve the effectiveness of legal guarantees to consumers involved in online buying and selling transactions in Indonesian territory, several steps can be taken, including: The government needs to improve consumer education and understanding of their rights as consumers in online transactions. This can be done through educational campaigns and the provision of easily accessible information for consumers; Regulatory enforcement of violations in online buying and selling activities needs to be improved. The government should work with law enforcement agencies to strengthen their capacity to collect evidence and investigate cases of violations; Online dispute resolution mechanisms need to be improved. The government needs to ensure that dispute resolution mechanisms provided by e-businesses are effective, transparent and reliable. In addition, the protection of consumers in obtaining proper compensation needs to be emphasized.

Efforts to legally guarantee consumers in online buying and selling transactions in Indonesia are regulated by several regulations, but there are still challenges such as lack of consumer understanding, difficulties in law enforcement, and dispute resolution problems. To improve legal protection, it is necessary to increase consumer education, more effective law enforcement, and improve online dispute resolution mechanisms. With these efforts, it is expected that legal guarantees to consumers in online buying and selling activities can be more effective and adequate.

3. Law enforcement in the process of consumer protection in electronic transactions

In Indonesia, the law related to electronic transactions allows the pouring of such transactions in the form of electronic contracts. In this electronic contract, the parties can determine the choice of law to be used in resolving disputes. If the choice of law is not made, the applicable law will be based on the principles of international civil law. The same applies to the choice of authorized court forum. The parties to an e-commerce transaction can choose a court forum, arbitration, or other alternative dispute resolution institution in the electronic contract. However, if there is no forum selection, dispute resolution will revert to the principles of international civil law.

The provisions of Article 23 of GCPL states that business actors who refuse and/or do not provide and / or do not fulfill compensation for consumer demands can be sued through the Consumer Dispute Resolution Agency (BPSK) or submit to the judicial body at the consumer's domicile. Settlement of consumer disputes can be pursued through the court or out of court based on the voluntary choice of the parties to the dispute (Article 45 UUP).

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So that if there is a dispute / conflict between business actors and consumers in a trade, there are several ways that can help resolve disputes between business actors and consumers, the dispute resolution process is:

a. Litigation

Litigation Dispute resolution carried out through the court is a dispute resolution carried out by a court process where the authority to regulate and decide is exercised by the judge. This dispute resolution process results in all parties to the dispute facing each other to defend their rights before the court. The end result of a dispute resolution through litigation is a decision that states a win-lose solution (Hilda Ananda and Siti Nur Afifah 2023).

b. Non Litigation

Non Litigation is by filing a lawsuit through BPSK (Consumer Dispute Settlement Agency), through BPSK can be reached through 2 ways, namely: Mediation and Arbitration. With the concept of consumer legal protection and related laws, it is hoped that consumers in Indonesia can feel safer and more comfortable in buying and selling goods online.

In order to uphold legal protection for consumers in online buying and selling transactions in Indonesia, the National Consumer Dispute Resolution Agency (BPSK) has a significant role. BPSK is an institution established to resolve consumer disputes through non-litigation channels. Consumers can file a complaint to BPSK if there is a dispute or unsatisfactory settlement with the seller in an online transaction. In the context of consumer legal protection in online transactions in Indonesia, consumer awareness and literacy are also important factors. Consumers need to understand their rights, maintain personal data security, and take the necessary precautions to protect themselves in online transactions. (Saragih, A. E., & Bagaskara, M. F. 2023)

Mediation conducted by BPSK aims to reach an agreement between the two parties in dispute by negotiating in a peaceful and balanced manner. One of the main advantages of BPSK's role is the faster dispute resolution process compared to traditional legal channels. BPSK has a target completion time that is set in order to provide certainty and speed in resolving disputes. In some cases, BPSK can resolve disputes within a relatively short period of time, namely 30 working days from the time the request is received. This provides benefits to consumers and business actors by avoiding greater costs and time in other dispute resolution channels. In addition, the role of BPSK is also carried out through an informal and non-adversarial approach. Through this approach, BPSK creates a conducive environment for both parties to communicate and find adequate solutions.

C. SUMMARY

Consumer protection guarantees legal certainty for consumers who feel harmed so that the objectives of consumer protection can be realized, if there is a dispute or conflict between business actors and consumers, it can be resolved through: Litigation and Non-litigation.

Electronic commerce is a transaction model with different characteristics from conventional trade. Its reach is not only local but also global so that in electronic transactions or e-commerce. Dispute Settlement Body BPSK is an institution that has an important role in resolving consumer disputes in online buying and selling transactions in Indonesia. In this discussion, we will evaluate the role of BPSK in consumer dispute resolution. The main role of BPSK in resolving consumer disputes is as a mediator or arbiter. BPSK has a target settlement time set in order to provide certainty and speed in resolving disputes. In some cases, BPSK can resolve disputes in a relatively short period of time, namely 30 working days from the time the request is received.

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- 2) Law No. 8 Year 1999 on Consumer Protection.



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