

## STRENGTHENING CONSUMER RIGHTS: CHALLENGES AND SOLUTIONS IN THE DIGITAL TRANSACTION ERA

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### Abstract

The growth of e-commerce and online transactions has changed the trade landscape, but has also raised a number of legal challenges regarding consumer rights. Through a juridical approach, this research explores various aspects of legal protection provided to consumers in online transactions, including applicable regulations, obligations of business actors, and dispute resolution mechanisms. The aim of this study is to analyze juridically the legal protection of consumers in online transactions and steps to prevent illegal practice procedures. Method The research was conducted qualitatively with normative juridical and utilized journals and relevant books. The study results show that Indonesia has several foundations laws that protect consumer rights in online transactions, namely legislation consumer protection, trade legislation, Ministerial Regulations Trade Number 53 of 2018 concerning Procedures for Resolving Consumer Disputes Electronically and Government Regulation Number 99 of 2018 concerning Protection Consumers Through Electronic Commerce. Consumers who feel disadvantaged online transactions can take legal steps to protect rights them, including reporting the case to the Consumer Dispute Resolution Agency (BPSK) or the online platform used. It is recommended for consumers to understand understand their rights when making online purchases and read the terms and conditionsonline transaction terms before making a purchase.

Keywords: Online Transactions, E-Commerce, Legal Protection, Consumers.

### INTRODUCTION

The high number of online transactions carried out by consumers in Indonesia shows changes in consumer behavior in shopping. Nowadays, consumers are more likes doing quick and easy activities, one of which is shopping online. There are many e-commerce, financial services, credit payments and other needs can be done online. Apart from making it easy, online transactions are also fast and economical because it doesn't require travel costs or energy to queue when going make purchases of certain products or services (Hidayag & Witasari, 2022). However, transactions Online also has disadvantages, namely being vulnerable to fraud and product counterfeiting detrimental to consumers (Anggraeni et al., 2022).

Based on the ITE Law, electronic commerce through e-commerce is trading activities that are recognized by law and whose operational aspects have been regulated such as legal recognition of electronic transactions, electronic signatures, and aspects personal data protection (Ribka & Wangkar, 2023). Indonesia also has a law Consumer Protection which aims to protect the rights of consumers who shop online such as consumer rights, product information that must be provided by sellers, and dispute resolution procedures (Kristiyanti, 2019). So, every business person Those who market

products or services via e-commerce must comply with regulations valid, ensure transaction security, and comply with trading regulations applicable electronics.

Based on a study conducted by Wartiani et al. (2022) reported that since From 2017 to 2020 there were 7,047 cases of online transaction fraud or 1,409 cases each year. Identity fraud, sale of counterfeit or inauthentic goods, and Fake online investments are several examples of cases of fraud in online transaction often occur. Apart from that, online transaction fraud where the seller asks for payment in advance but do not deliver goods or services after payment is received as well is a case that occurs and is experienced by several consumers, even in large numbers large purchase nominal (Benny et al., 2020). Therefore, it is necessary for consumers to know the protection of laws and laws that protect their rights in online transactions so that consumers can determine what rights they receive. Most consumers are not fully aware of the legal steps which can be taken if they experience fraud in online transactions (Ranto, 2019).

Meanwhile, in a study conducted by Saragih et al. (2023) stated that Understanding legal rights and actions is very important for consumers to know protect yourself and get justice. Different types of fraud, number of transactions, and differences in e-commerce used can cause differences in treatment case handling. In Indonesia, consumer rights and protection are regulated by several different laws. Some of these laws include provisions which protects consumer rights and establishes producer responsibilities as well traders such as Law Number 8 of 1999 concerning consumer protection, Through Electronic Commerce (Agustina et al., 2022).

Every law has articles that regulate rights and protection for consumers as an effort to reduce cases of fraud in online transactions. Apart from online fraud through e-commerce, there is also fraud in financial transactions There are many cases, one of which is fraudulent investment and online loans (Sinaga & Alhakim, 2022). It's easy to manipulate data to make consumers believe it causing fake investment fraud and online loans to become one of the cases fraud in online transactions that often occurs. Usually, consumers can lose large amounts of money and knowing exactly what steps can be taken to handle the cases experienced (Deliarnoor, 2020). Fraud via financial applications and ATM skimming is also a type of online transaction fraud that has recently become widespread swallowing victims (Ranto, 2019). Skimming is the act of stealing information from a card credit or debit using a recording device illegally installed on ATM machine or payment terminal (Sinaga & Alhakim, 2022). Stolen information then used to commit financial fraud. Therefore, in this study an analysis of the juridical review of consumer protection in online transactions will be carried out in Indonesia.

## **METHODOLOGY**

The method used in this study is qualitative research, namely research is descriptive and focuses more on a deep understanding of context, processes, and experiences involving participants (Anggito & Setiawan, 2018). Normative juridical studies also applied in the problem solving process. Normative juridical studies are a legal research approach that is more focused on the analysis of legal regulations and applicable

norms such as applicable laws (Hartiwiningsih et al.,2019). The aim of normative juridical studies is to analyze and evaluate legal systems norms, and rules that exist to produce in-depth understanding about certain legal concepts so that they are considered appropriate to use (Ali, 2021). Technique Data collection was carried out using literature studies, namely utilizing data sources secondary for data and analysis materials.

## **RESULTS AND DISCUSSION**

### **Concept of Consumer Protection for Online Transactions**

The number of cases of consumer rights violations in online transactions has led to It is important for consumers to know the concept of consumer protection in online transactions. The legal concept of consumer protection in online transactions includes a set of principles and provisions established to protect consumer rights who carry out transactions via the internet or electronic trading platforms (Barkatullah, 2019).

In Indonesia, this concept is regulated by several laws and regulations government, and consumer protection policies. Based on literature studies conducted in Hidayag & Witasari (2022), Nurmalita & Pura (2022). and Ranto (2019) below are several legal concepts that are relevant in consumer protection in transactions on line:

1. **Electronic Information and Transactions Law (UU ITE)**

The ITE Law recognizes electronic transactions and provides a legal basis for activities electronic commerce. The ITE Law contains regulations regarding electronic signatures, the validity of electronic transactions, and consumer protection in the context of transactions on line.

2. **Consumer Protection Law**

There are various versions of consumer protection laws in Indonesia, including Law Number 8 of 1999 and Law Number 19 of 2016, which aims to provide consumer rights and obligations in the context of trade electronic. This includes the right to clear information, the right to obtain goods/services in accordance with the requirements, and the right to obtain compensation if this occurs loss.

3. **Government Regulation Number 80 of 2019 concerning Trading Through Systems Electronic**

Government Regulations regarding Trading Through Electronic Systems regulate carrying out trade through electronic systems, including responsibilities organizers, dispute resolution procedures, and consumer protection aspects in online transactions.

4. **Personal Data Protection**

Although there is no specific law on personal data protection in Indonesia, but rights related to privacy and personal data protection are increasingly being recognized as part of consumer rights. Several regulations related to personal data protection, such as Minister of Communication and Information

Technology Regulation Number 20 of 2016, can impact on consumer protection in online transactions.

Most of the laws above explain the obligations of service providers (organizer), dispute resolution mechanisms in online transactions, existence of rights consumer to cancel the order, the organizer's obligation to provide honest information, and the organizer's obligation to provide clear confirmation regarding this the process of sending products or services in online transactions.

Benny et al. (2020) stated in Government Regulation Number 80 of 2019 it is stated that the organizer Electronic trading services have the task of providing clear and clear information accurate, protect consumer personal data, and ensure the security and reliability of services they. Meanwhile, Ranto (2019) in the Consumer Protection Law, namely Law Number 8 of 1999 regulates provisions regarding settlement mechanisms consumer disputes, including online dispute resolution through arbitration bodies or recognized mediation. Meanwhile, in Law Number 19 of 2016 it is stated that consumers have the right to withdraw or cancel orders in certain period of time in accordance with legal provisions, especially if there are internal problems online transactions (Wartiani et al., 2022). Apart from that, the regulations also regulate e-commerce service providers are required to provide transaction confirmation to consumers, which includes transaction details, prices, and other relevant information.

### **Legal Basis for Resolving Disputes in Online Transactions**

Kristiyanti (2019) explains that the legal basis for completing transactions online is implemented in Law No. 8 of 1999 concerning Consumer Protection and Regulations Government Number 80 of 2019 concerning Trading Through Electronic Systems. Explained in article 50 of Law Number 8 of 1999 concerning dispute resolution consumers through deliberation or mediation efforts (Saragih et al., 2023). If effort If this does not produce results, the dispute can be submitted to the Dispute Resolution Body Local consumers (BPSK). Meanwhile, in Article 35 and Article 36 of the Government Regulation Number 80 of 2019 regulates dispute resolution in trade through electronic system (Nurmalita & Pura, 2022). E-commerce organizers are required provide an online consumer dispute resolution mechanism, either through an agency arbitration, mediation, or other consumer dispute resolution institutions. Below are several examples of consumer dispute resolution cases online transactions:

1. Online Arbitration Cases

A consumer purchases a product through an e-commerce platform and submit a dispute regarding product quality. The e-commerce platform provides dispute resolution services through online arbitration mechanisms. In arbitration, the consumer and seller present their arguments, and the arbitration decision given as a final settlement that is binding on both parties.

2. Online Mediation Cases

A consumer and a financial services provider are involved in a dispute regarding a transaction online loans. Both parties agree to take part in the online mediation process provided by consumer dispute resolution institutions. Mediators help both parties reach an agreement that is acceptable to both without having to involve a judicial process.

### 3. Case of Local Consumer Dispute Resolution Bodies

A consumer who is dissatisfied with the service he received in a transaction online can submit a dispute to the Consumer Dispute Resolution Agency (BPSK) local. BPSK will provide opportunities for both parties to reach an agreement through deliberation or mediation. If there is no agreement achieved, BPSK will provide a final decision.

In general, dispute resolution in online transactions varies depending on the policy of the platform organizer and the type of dispute that occurs. In regulations which applies in Indonesia, every e-commerce operator is required to provide an effective and fair dispute resolution mechanism in accordance with applicable regulations applies. Therefore, consumers are advised to read and understand the terms and conditions provisions and dispute resolution mechanisms provided by the platform they use.

## **Sanctions for Business Actors Who Do Not Comply with Agreements in Transactions Online**

Sanctions for business actors who do not comply with the agreement in the transaction online is regulated based on legislation No. 8 of 1999 concerning Consumer protection based on electronic systems is as follows (Saragih et al., 2023)

### 1. Administrative Sanctions

Business actors who violate consumer protection regulations, including provisions in online transactions, administrative sanctions may be imposed. These sanctions can take the form of: warning, administrative fine, or revocation of business license if violations continue continues.

### 2. Fines and Compensation

Business actors who do not fulfill their obligations or cause losses to Consumers may be subject to fines and are required to pay compensation. The amount of the fine and Compensation can be determined based on the amount of loss experienced by consumers.

### 3. Site or Platform Closure

If business actors violate trading regulations via electronic systems, e-commerce organizers can impose sanctions in the form of site closure or the platform temporarily or permanently. One of the cases the recent closure of online shopping platforms in Indonesia is a closureTikTok Shop because it is considered not to meet the requirements as a safe platform used in buying and selling transactions and violates its function as social media.



**Figure 1.** Closing of TikTok Shop in Indonesia  
 (Sumber: <https://www.cnbcindonesia.com/>, 2023)

4. Confiscation of Goods or Business Results

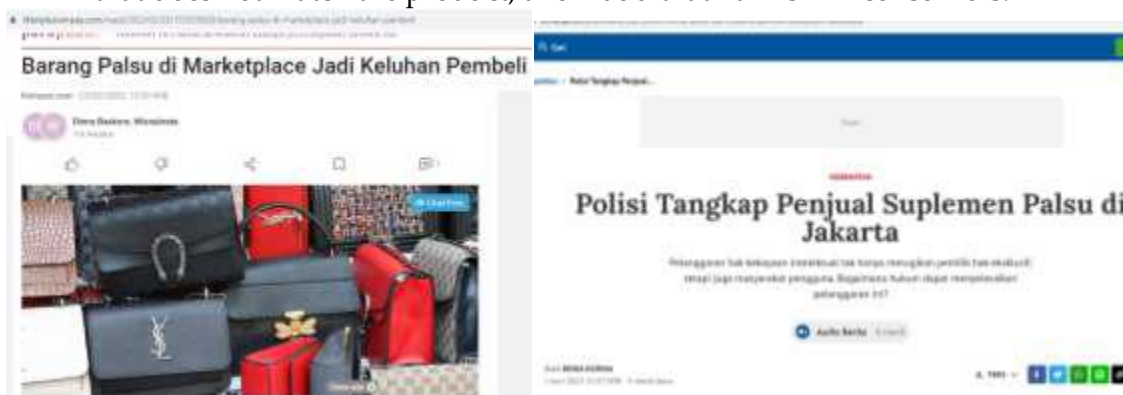
In some cases, goods or business results related to the violation may be confiscated by the competent authorities. For example, if a business actor sells fake products or do not match the description, the items may be confiscated.

5. Criminal

Serious or structured violations may result in criminal action. Law The Consumer Protection Law gives law enforcers the authority to take action against business actors involved in fraudulent practices or acts against other laws.

6. Additional Sanctions According to Other Regulations

In addition to sanctions regulated in the consumer protection law, business actors may also be subject to sanctions in accordance with other laws and regulations, depending on the type of violation committed. Several news platforms in Indonesia have reported various types of violations online transactions carried out by sellers, including selling fake goods, information that does not match the product, and fraud that harms consumers.



**Figure 2.** Cases of Violations in Online Transactions  
 (Sumber: Kompas.com, 2023)

The above case can be resolved based on the Protection Law consumers with lawful steps. What is the punishment given? in the form of administrative fines from consumer supervisory authorities or e-commerce operators give administrative fines to sellers as direct sanctions, revocation of business permits, and temporary or permanent closure of existing online stores proven to be marketing fake and dangerous products for consumers. In this case, Consumers can complain to the e-commerce organizer or to other parties authorized to be given sanctions in accordance with applicable regulations.

### **Steps to Prevent Illegal Practice Procedures**

Billing practices that do not comply with procedures can have a negative impact on borrowers and harm consumers. Therefore, it is important to take steps necessary to protect your rights and report situations like this to the competent authorities so that corrective action can be taken against the company which are involved. The following are steps to prevent loan practice procedures illegal online services that consumers can apply: (Triasih & Muryati, 2021)

1. Record evidence

It is important to record evidence of all interactions with online loan companies, including text messages, emails, or conversation notes. It can be used as evidence if you need to file a complaint or report an unethical practice.

2. Ask for details

Ask the online loan company to provide written details about amount owed, due date, and fee details. Be sure to check whether there are any discrepancies with the original agreement.

3. Contact the company

Try to communicate with the online loan company in writing or through their official communication channels.

4. Report to OJK

If online loan companies continue with questionable practices, you can report it to the Indonesian Financial Services Authority (OJK). OJK is responsible for supervising financial companies, including online loan companies, and can investigate and take action if necessary.

5. Ask for Legal Help

If a consumer rights violation occurs, consider contacting someone attorneys or consumer organizations who may be able to help with collection cases which does not comply with procedures.

6. Report to the Consumer Agency

Billing problems that do not comply with procedures can also be reported to the institution consumer protection or consumer associations in Indonesia, such as the Agency National Consumer Protection (BPKN) or Indonesian Consumers Foundation (YLKI).

### **CONCLUSIONS AND RECOMMENDATIONS**

The conclusion obtained from the study carried out is that Indonesia has several legal bases that protect consumer rights in transactions online, namely legislation No. 8 of 1999 concerning protection of consumers then legislation No. 7 in 2014 concerning trade. Minister of Trade Regulation Number 53 of 2018 concerning Settlement Procedures Electronic Consumer Disputes and Government Regulation Number 99 of 2018 on Consumer Protection Through Electronic Commerce. Consumers who feel harmed in online transactions can take legal steps to protect their rights, including reporting the case to the Settlement Body Consumer Disputes (BPSK) or online platform used. Recommended for consumers to understand their rights when making online purchases and Read the terms and conditions of online transactions before making a purchase.

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