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Consumer Legal Protection in E-Commerce Transactions in Indonesia: A Study of Rights, Obligations, and Legal Certainty

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Abstract

The development of digital technology has driven the growth of e-commerce and shifted trade transaction patterns from conventional to electronic. These changes provide convenience for consumers, but also give rise to various legal issues, such as information imbalances, product mismatches, electronic contracts, business actor liability, and dispute resolution. This study aims to analyze consumer legal protection and the legal aspects of e-commerce transactions in Indonesia. The study uses a normative juridical method by examining primary, secondary, and tertiary legal materials. Primary legal materials include Law Number 8 of 1999 concerning Consumer Protection, Law Number 7 of 2014 concerning Trade, the Electronic Information and Transactions Law, and Government Regulation Number 80 of 2019 concerning Trade Through Electronic Systems. The results show that Indonesia already has a legal framework that protects consumer rights, business actors' obligations and responsibilities, the validity of electronic contracts, and dispute resolution mechanisms. However, the development of digital commerce still presents challenges in the effectiveness of law implementation and enforcement. Therefore, strengthened oversight and regulatory adjustments are necessary to ensure safe, fair, and legally certain e-commerce transactions.

Keywords

Consumers; E-Commerce; Electronic Contracts; Electronic Transactions; Legal Protection.

1. Introduction

The development of information and communication technology has brought fundamental changes to social interaction patterns and economic activities. The internet no longer functions solely as a means of communication and information exchange, but has evolved into a key infrastructure for modern trade activities. This change has driven the growth of electronic commerce (e-commerce), namely trade activities conducted through electronic systems, allowing sellers and consumers to conduct transactions without having to meet in person. The ease of accessing products, comparing prices, making payments, and obtaining services quickly has made e-commerce an increasingly important form of trade in the digital economy. The development of consumer behavior, which is increasingly dependent on digital technology, has also strengthened e-commerce's position in commercial activities (Indahingwati et al., 2019).

E-commerce transactions are essentially legal relationships between consumers and businesses that give rise to rights and obligations for each party. Although conducted electronically, these transactions still possess the characteristics of a sales agreement like conventional transactions, including an element of agreement between the parties. However, the characteristics of digital transactions raise different legal issues because consumers cannot see, inspect, or touch the goods directly before making a purchase. This situation places consumers in a relatively vulnerable position, especially when product information displayed by businesses does not reflect the actual situation. Research by Nazran (2020) shows that e-commerce transactions pose risks for consumers because payments are often made before consumers can verify the authenticity or quality of the goods received.

These problems are further complicated by instances of default, misleading information, items not as ordered, refusal to return goods, misuse of personal data, or difficulties in resolving disputes. In this context, legal protection is necessary to ensure consumers receive certainty, security, and fairness in conducting digital transactions. Law Number 8 of 1999 concerning Consumer Protection (UUPK) serves as the primary basis for consumer protection in Indonesia, particularly regarding consumer rights as stipulated in Article 4 and business actors' obligations in Article 7. The UUPK also regulates business actors' responsibilities for consumer losses and dispute resolution mechanisms. Several studies have shown that the UUPK provisions remain a crucial instrument for e-commerce consumer protection, even though their implementation faces challenges with the evolving nature of digital transactions (Sari & Putrawan, 2021; Hamamah & Soekarno, 2021).

In addition to the Consumer Protection Act (UUPK), e-commerce transactions are also related to Law Number 11 of 2008 concerning Electronic Information and Transactions, as amended by Law Number 19 of 2016, which provides the legal basis for electronic transactions and documents. This legal framework was then strengthened through Law Number 7 of 2014 concerning Trade, specifically provisions regarding trade through electronic systems, and Government Regulation Number 80 of 2019 concerning Trade Through Electronic Systems (PP PMSE). The presence of PP No. 80 of 2019 is important because it specifically regulates the implementation of trade through electronic systems and provides a foundation for consumer protection in the digital trade ecosystem. Research by Firmansyah and Suraji shows that PP No. 80 of 2019 is closely related to the fulfillment of consumer rights in e-commerce activities.

Despite the availability of various regulations, the effectiveness of consumer protection in e-commerce still faces several challenges. Rotinsulu (2021) assessed that consumer protection in the Indonesian legal system still faces limitations, particularly related to transaction security, accurate information, privacy protection, and the effectiveness of consumer rights enforcement. The issue of false information is also a concern because businesses are obliged to provide accurate and complete information regarding the goods or services they offer (Irianti & Sarjana, 2021). Furthermore, the development of the digital economy has also strengthened the need for personal data protection, which is further reinforced through Law Number 27 of 2022 concerning Personal Data Protection.

Thus, the existence of these various legal instruments demonstrates that consumer protection in e-commerce transactions relates not only to the contractual relationship between consumers and businesses but also encompasses transaction security, information accuracy, business actor responsibility, personal data protection, and dispute resolution mechanisms. However, the rapid development of digital business models necessitates continuous evaluation of the adequacy and effectiveness of applicable regulations. Mazli (2021) emphasized that the development of e-commerce has created new issues that have not been fully resolved through the existing consumer protection framework. Therefore, a study of consumer legal protection in e-commerce transactions is crucial for analyzing the extent to which Indonesian regulations are able to provide legal certainty and effective protection for consumers in the development of digital commerce. Therefore, this study aims to answer two research questions: (1) How is legal protection for consumers in e-commerce transactions based on Indonesian laws and regulations? and (2) How are the legal regulations for e-commerce transactions related to the validity of electronic contracts, business actors' responsibilities, and dispute resolution designed to ensure legal certainty for consumers?

2. Methods

This research uses a normative juridical research method, namely legal research conducted by examining and analyzing legal norms related to consumer protection in e-commerce transactions. This research focuses on the study of laws and regulations, legal principles, legal concepts, and legal doctrines relevant to the research problem. The data used is secondary data obtained through a literature review of legal materials related to consumer protection and electronic transactions.

The legal materials used consist of primary legal materials, secondary legal materials, and tertiary legal materials. Primary legal materials include the Civil Code (KUHPerdata), Law Number 8 of 1999 concerning Consumer Protection, Law Number 7 of 2014 concerning Trade, Law Number 11 of 2008 concerning Electronic Information and Transactions, as amended by Law Number 19 of 2016 and most recently by Law Number 1 of 2024, and Government Regulation Number 80 of 2019 concerning Electronic Commerce. Secondary legal materials include law books, scientific journals, academic articles, research findings, and expert opinions related to consumer protection, contract law, and e-commerce transactions. Meanwhile, tertiary legal materials include legal dictionaries, language dictionaries, and other supporting sources that provide explanations of the legal terms or concepts used in the research.

Legal materials were collected through literature review by identifying, inventorying, and reviewing various legal provisions and literature relevant to the research object. The legal materials obtained were then analyzed through a normative juridical approach by examining the suitability of applicable legal provisions with consumer protection issues in e-commerce transactions. The analysis focused on provisions concerning the rights and obligations of consumers and business actors, the responsibilities of business actors, the validity of electronic transactions and contracts, and legal protection and dispute resolution in e-commerce transactions. The results of the analysis were used to gain an understanding of the application and adequacy of legal norms in providing protection and legal certainty to consumers in e-commerce transactions.

3. Results and Discussion

3.1. Aspects of Legal Protection for Consumers in E-Commerce Transactions

Legal protection for consumers in e-commerce transactions is an essential part of ensuring a balanced legal relationship between consumers and businesses. According to Article 1 number 2 of Law Number 8 of 1999 concerning Consumer Protection (UUPK), a consumer is any person who uses goods and/or services available in the community, whether for the benefit of themselves, their family, other people, or other living beings, and not for trade. Meanwhile, Article 1 number 3 of the UUPK defines a business actor as any individual or business entity conducting business activities within the jurisdiction of Indonesia. This definition demonstrates that the relationship between consumers and businesses is a legal relationship that gives rise to rights and obligations for both parties. In the context of e-commerce, this relationship remains within the scope of consumer protection even when transactions are conducted electronically.

Consumer protection in digital transactions is becoming increasingly important due to the information imbalance between consumers and businesses. Consumers generally only obtain product information through images, descriptions, prices, reviews, and digital information provided by sellers. Consumers cannot inspect the goods directly before making payment. This situation can increase the risk of mismatched goods, inaccurate information, delayed delivery, or even non-delivery of goods after payment has been made. Research by Krisnayanti and Putrawan shows that the characteristics of e-commerce transactions, which do not directly bring consumers and businesses together, can give rise to problems that have the potential to harm consumers.

Normatively, Article 4 of the Consumer Protection Law (UUPK) grants consumers several rights, including the right to comfort, security, and safety when consuming goods and/or services; the right to receive correct, clear, and honest information regarding the condition and guarantees of goods and/or services; and the right to compensation or replacement if the goods and/or services received do not match the agreement. These provisions are directly relevant to e-commerce transactions, particularly when consumers receive products that differ from the information provided by the business. Irianti and Sarjana found that false information in e-commerce transactions can be detrimental to consumers, and therefore, the obligation to provide accurate information is a fundamental aspect of consumer protection.

In addition to consumer rights, Article 7 of the Consumer Protection Law obligates businesses to act in good faith in conducting their business activities, provide accurate, clear, and honest information regarding the condition and guarantees of goods or services, and provide compensation if the goods or services received by consumers do not comply with the agreement. Therefore, e-commerce businesses cannot absolve themselves of responsibility simply because transactions are conducted through a digital platform. This principle of responsibility is also reinforced by Article 19 of the Consumer Protection Law, which regulates the obligation of businesses to provide compensation for damage, pollution, and/or consumer losses resulting from consuming goods and services produced or traded.

However, there are issues in the application of the Consumer Protection Law (UUPK) to the development of e-commerce. The UUPK was enacted in 1999 when digital trade patterns had not yet developed to their current level. Krisnayanti and Putrawan believe that the UUPK has not fully accommodated the characteristics of e-commerce transactions, including issues regarding the position of business actors in digital transactions and the forms of consumer protection. Accordingly, Mazli emphasized the urgency of updating consumer protection laws to adapt to the development of e-commerce and digital business models.

Legal protection was then strengthened through Law Number 11 of 2008 concerning Electronic Information and Transactions, as amended by Law Number 19 of 2016. The ITE Law recognizes electronic information and documents, as well as electronic transactions, as part of legitimate legal activities. In the context of consumer protection, the provisions of the ITE Law can be used to provide a legal basis for unlawful acts committed through electronic systems. This protection was further strengthened through Government Regulation Number 80 of 2019 concerning Commerce Through Electronic Systems (PP PMSE), which specifically regulates commerce activities through electronic systems. Thus, e-commerce consumer protection does not only rely on the UUPK, but is a system that involves the UUPK, the ITE Law, the Trade Law, and the PP PMSE.

3.2. Legal Aspects of E-Commerce Transactions

E-commerce transactions are essentially buying and selling activities conducted using electronic means, primarily the internet. The main difference from conventional transactions lies in the medium used and the absence of a physical meeting between the seller and buyer. Nevertheless, electronic transactions still create a legal relationship between the parties. Therefore, e-commerce transactions cannot be viewed solely as economic activities but must also be analyzed based on contract law and specific regulations regarding electronic transactions.From a contract law perspective, the validity of e-commerce transactions remains linked to Article 1320 of the Civil Code (KUHPerdata), which stipulates four requirements for a valid agreement: agreement of the parties, capacity to enter into an agreement, a specific matter, and a lawful cause. The application of these provisions demonstrates that the electronic form of a transaction does not diminish its contractual nature. Agreements can be formed through an electronic offer and acceptance process. Putri's research shows that electronic contracts are a consequence of technological developments and require certainty regarding their valid conditions and legal force.

Recognition of electronic contracts is also contained in Article 18 paragraph (1) of the ITE Law, which states that electronic transactions formalized in electronic contracts are binding on the parties. This provision demonstrates that contracts made through electronic media have legal consequences like contracts in general. Hasanah and Basarah explained that online transactions are recognized in the Indonesian legal system, but several aspects regarding their validity and technical implementation still require more stringent and specific regulations.Legal issues also arise because e-commerce transactions generally use standard contracts. Consumers are usually only given the option to agree to the terms and conditions set by the business or platform. This situation has the potential to create an imbalance if the clauses created reduce or shift the business's responsibilities. Article 18 of the Consumer Protection Law prohibits businesses from including standard clauses that could, in principle, harm or reduce consumer rights. Therefore, electronic contracts should not be used as a means to avoid business actors' legal obligations. Kapoh emphasized that the use of standard contracts in e-commerce transactions must still comply with consumer protection provisions and regulations regarding standard clauses.

In addition to contractual issues, the legal aspects of e-commerce also relate to the obligation to provide accurate information. Article 9 of the ITE Law stipulates that businesses offering products through electronic systems must provide complete and accurate information regarding the terms of the contract, the manufacturer, and the products offered. This provision is crucial because consumers rely heavily on electronically provided information in digital transactions. If such information is inaccurate or misleading and causes harm, consumers can use the legal instruments available in the Consumer Protection Law and the ITE Law. Research on consumer protection against false information in e-commerce shows that information accuracy is a crucial component of fulfilling consumer rights.The legal framework for e-commerce is also strengthened by Law No. 7 of 2014 concerning Trade, specifically provisions concerning trade through electronic systems, and Government Regulation No. 80 of 2019 concerning Trade Through Electronic Systems.

The PMSE PP provides a more specific framework for conducting trade through electronic systems, including business actors' obligations, consumer protection, and dispute resolution. Putri and Dwijayanthi found that the existence of regulations regarding e-commerce provides a basis for legal certainty for consumers, although some provisions are still relative, making their implementation less clear.

In the event of a violation or breach of contract, consumers have several dispute resolution options. Article 45 of the Consumer Protection Law grants consumers the right to sue business actors through consumer dispute resolution institutions or through general courts. Furthermore, Government Regulation No. 80 of 2019 opens up the possibility of resolving disputes through electronic mechanisms or online dispute resolution. Research by Sekarini and Utami shows that when a breach of contract occurs in an electronic transaction, consumers can pursue litigation or non-litigation. Thus, the legal aspects of e-commerce transactions show that electronic transactions have binding force, but their implementation must remain subject to contract law, consumer protection, trade law, and special provisions regarding electronic transactions.

4. Conclusion

Based on the results of normative legal research, it can be concluded that legal protection for consumers in e-commerce transactions in Indonesia has a fairly comprehensive legal basis through various laws and regulations, particularly Law Number 8 of 1999 concerning Consumer Protection, Law Number 7 of 2014 concerning Trade, the Electronic Information and Transactions Law, and Government Regulation Number 80 of 2019 concerning Trade Through Electronic Systems. These provisions provide a legal basis for consumer rights, the obligations and responsibilities of business actors, the provision of accurate information, transaction security, and consumers' rights to compensation in the event of violations or non-conformity of goods and services. However, the rapid development of digital commerce models still poses challenges in the implementation of consumer protection, particularly related to information imbalances, transactions without face-to-face meetings, and the consumer's position in contractual relationships.

Furthermore, e-commerce transactions are legally binding as long as they comply with the provisions regarding the validity of agreements and electronic transactions. The existence of electronic contracts is recognized in the Indonesian legal system and is binding on all parties. However, their implementation must still comply with provisions regarding agreements, transparent information, standard clauses, business actor responsibilities, and dispute resolution. Therefore, consumer protection in e-commerce transactions depends not only on the existence of regulations but also on consistent implementation and enforcement. Strengthening oversight of business actors, increasing consumer legal awareness, and adapting regulations to developments in digital technology are necessary to realize safe, fair e-commerce transactions that provide legal certainty for all parties.

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