JURIDICAL REVIEW OF CONSUMER PROTECTION IN BUYING AND SELLING TRANSACTIONS USING ELECTRONIC MEDIA

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Abstract

With the advanced digital technology, there are a lot of changes in how people interact and do businesses. E-commerce growth has been stimulated by the rise of internet usage and electronic systems in Indonesia. This change, propelled by development in information technology, has enabled trading to take place through online platforms instead of face-to-face meetings. The purpose of this study is to look at consumer legal protection within e-commerce transactions in Indonesia. The research employs a normative legal approach which explores laws regulating e-commerce such as Law Number 8 of 1999 regarding consumer protection and its amendment. It was established that although there is a comprehensive legal framework for consumer protection; however, some of the challenges include lack of consistency in law enforcement as well as inadequate consumers education among others making it hard to improve consumers' right at the time when everything is becoming digital.

Keywords: *Consumer Legal Protection, Electronic Transactions, Indonesian Regulation*

1. INTRODUCTION

Nowadays, characterised by the development of advanced digital technology, there is a fundamental change in the way people interact and conduct commerce. In Indonesia, the use of digital technologies such as the internet and electronic systems is increasingly widespread, especially in the realm of e-commerce. E-commerce, as a form of electronic commerce, has undergone a significant evolution thanks to advances in information technology. In the past, traditional trade required a face-to-face meeting between sellers and buyers. However, with the adoption of telemarketing models over the internet, the buying and selling process has become practical, changing the way consumers acquire goods and services (Sudirjo *et al.*, 2023).

The utilisation of the internet has also had transformational consequences on the global economy, now known as the digital economy. This phenomenon allows consumers from all over the world to easily access various products and services. This not only increases consumer choice in terms of product quality and quantity, but also opens up greater accessibility for businesses to reach the global market.

However, the development of e-commerce is not without its challenges. Slow delivery, product mismatch with the description provided, and issues related to returns and refunds are still significant obstacles. In addition, the security of online transactions is a major concern, given the risks associated with transactions over the internet which can be vulnerable to cyber threats. To address this, encryption and digital signature technologies have been introduced as measures to enhance security in every transaction on e-commerce sites.

Consumer protection is turning out to be an important aspect in the context of e-commerce sites. Clear and effective regulations are needed to protect consumers from fraudulent practices and to provide legal certainty in every electronic transaction. Efforts

to strengthen infrastructure and raise awareness of consumer rights are also important steps in maintaining public confidence in e-commerce (Kholis, 2024).

Although e-commerce has brought convenience to online shopping and selling, its growth has been accompanied by challenges such as slow and unpredictable delivery. Consumers often face delays in receiving their purchased items, which can disrupt their online shopping experience. In addition, discrepancies between the products received and the descriptions are also a frequent problem. This can disappoint consumers and cause a loss of trust in the e-commerce platform (Bismala, Handayani and Andriany, 2018).

In complement to delivery issues and product mismatches, there are also significant obstacles in the return and refund process. Many e-commerce platforms still face challenges in providing consumers with an efficient and transparent returns process. The length of this process often leads to frustration and dissatisfaction for consumers who experience problems with their purchased products (Fajrin and Widyawati, 2024).

Online transaction security is also a critical issue in e-commerce. As online shopping activities increase, the risk of cybercrime such as identity theft and financial fraud also increases. Therefore, the protection of consumers' personal data and financial transactions has become very important. Encryption and digital signature technologies have been introduced to address this risk by enhancing the security of every online transaction. Nonetheless, efforts to continuously improve consumer security and privacy remain a top priority (Hapsari and Pambayun, 2023).

Consumer protection is a crucial aspect of e-commerce that must be taken seriously. Strong and effective regulations are needed to protect consumers from fraudulent practices and to provide legal certainty in every electronic transaction. The presence of clear and fair laws can help increase consumer confidence in e-commerce, so that they feel safer and more comfortable in shopping online.

Generally speaking, despite several advantages that e-commerce has provided for both customers and businesses it still faces serious challenges like slow shipping; discrepancies in products; returning goods is an issue as well as potential dangers involved with online payments. Through a comprehensive and team-based strategy between the government, online shopping platforms, and consumers, we can establish a safer, clearer, and more reliable e-commerce domain in the near future.

By strengthening the understanding of applicable regulations, this research not only documents the significant developments in modern trade transactions supported by digital technology, but also highlights the urgency of the need for solid regulation. Strong protection for consumers is key in building trust and sustainability of e-commerce in this evolving era.

This paper will analyze how consumer legal protection is maintained in electronic buying and selling transactions, as well as the principles that govern this protection. The focus is on examining the legal rights of consumers when using electronic platforms and the principles that apply in such transactions. Overall, this study is expected to play an important role in shaping policies that are more effective and responsive to the dynamics of e-commerce in Indonesia, so that people can enjoy its benefits without having to face unwanted risks.

2. RESEARCH METHODS

This study is a normative legal study. The normative legal research approach views law as a structure of a system of norms consisting of principles, norms, rules from legislation, court decisions, agreements, and concepts of doctrine or teachings. This study uses primary sources such as laws as well as secondary sources such as books, articles, journals, and experts' opinions. The data collection approach applied in this study is a library review, where the data analysis technique uses description and argumentation techniques.

3. RESULTS AND DISCUSSION

3.1. Legal Protection of Consumers in Sale and Purchase Transactions Using Electronic Media

Consumer legal remedies in the context of electronic commerce are vital in the face of the dynamics of global trade that is increasingly connected through technology. E-commerce allows consumers to make purchases without geographical restrictions, but also brings new risks related to security and trust in online transactions. In Indonesia, Law No. 8/98 of 1999 on Consumer Protection (UUPK) is the main basis for regulating the rights and obligations of consumers and businesses in this context.

UUPK underlines the importance of accurate, transparent and honest information for customers before they make transactions. This is important in avoiding unethical business activities, non-conformity of a product with what is promised to consumers. With this provision, consumers have the right to obtain the information they need in a transparent manner before they make a purchase decision, thus increasing trust and certainty in online transactions.

However, while GCPL provides a strong framework, challenges remain in its implementation. Consistent and effective law enforcement against violations of GCPL is key in maintaining consumer protection. Consumers' limited access to correct information and efficient dispute resolution processes are also key concerns in ensuring that protection efforts for customers in e-commerce are not only normative, but also well implemented in the field. In addition to GCPL, other legal frameworks such as Law No. 1 of 2024 on the Second Amendment to Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law) also play a role in protecting consumers in e-commerce. The ITE Law sets out principles for the protection of information and electronic transactions, which includes the requirement to provide transparent and precise information to customers. Thus, a comprehensive legal framework is expected to maintain fairness and security for consumers in e-commerce transactions in Indonesia.

Overall, legal protection efforts for customers in e-commerce sites are an integral part of building a healthy and integrity online trading ecosystem. In addition to regulating rights and obligations, effective implementation of the law is also a determining factor in ensuring that consumers feel safe and protected when shopping electronically. By continuously developing regulations and enhancing law enforcement capacity, Indonesia can better face the challenges and capitalise on the positive potential of e-commerce growth in a sustainable manner (Rosmayati, 2023).

Legal protection efforts for customers trading on e-commerce sites adopt a holistic approach, covering preventive and repressive aspects to ensure fairness and security of

online transactions. Preventively, Law Number 8 of 1999 on Consumer Protection (UUPK) requires a business actor to provide comprehensive, accurate and transparent information before consumers make a purchase. This aims to avoid any manipulation of information that could harm consumers. With transparent information, consumers can make informed and smart decisions when shopping online (Harahap, 2019).

Another important aspect in the context of consumer protection in e-commerce is the provisions stipulated in Law Number 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (Job Creation Law). The Job Creation Law stipulates that every business conducting trade in goods and services through an e-commerce system must provide comprehensive, accurate and transparent information to customers. This provision also aims to ensure that customers are not deceived by inaccurate or misleading information in the online transaction process.

Overall, the combination of the GCPL and the Job Creation Law provides a solid legal foundation to protect consumers in e-commerce in Indonesia. This protection not only focuses on providing rights to consumers, but also regulates the obligations that must be obeyed by a business actor. Thus, it is expected that e-commerce can develop sustainably with a high level of trust from the consumer community, thanks to strong and effective legal protection.

In addition to Law No. 8 of 1999 on Consumer Protection (UUPK) and Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law (Job Creation Law), Law No. 1 of 2024 on the Second Amendment to Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law) also plays an important role in managing e-commerce trade transactions in Indonesia. The ITE Law provides a specific legal basis for the provision of information in e-commerce website transactions. This provision requires any person providing services through an e-commerce site to provide comprehensive and accurate information about the terms of the contract, the manufacturer and the details of the products offered to consumers.

In practice, consumers often face various challenges when transacting electronically. One of the main challenges is misleading advertising, where the description of the product or service does not match reality. The ITE Law through its provisions aimed to safeguard the interests of consumers from these dishonest and misleading advertising practices. Customers who feel deceived or harmed by such practices can seek compensation in accordance with the regulations set out in the law.

Strong legal protection is essential in tackling issues such as misleading advertising, products that do not match the description, or even fraud in e-commerce. Effective laws not only provide legal guarantees to consumers, but also incentivise businesses to operate with ethical and responsible principles. In addition to the GCPL, Job Creation Law, and ITE Law, law enforcement and collaboration between the government, businesses, and the public are also critical to maintaining security and trust in the e-commerce ecosystem. This collaboration includes monitoring, reporting, and prosecuting violations of the law that may harm consumers (Reza and Susanti, 2019).

Thus, comprehensive legal protection in e-commerce not only covers preventive and repressive aspects, but also places the interests of consumers as the top priority in online transactions. It is hoped that through effective implementation of these regulations, e-commerce in Indonesia can continue to grow with various benefits that are safe and reliable for all parties involved.

Effective law enforcement is key. This includes important aspects such as strict supervision of business actors, fair and transparent handling of consumer complaints, and strong penalties for offences committed by non-compliant parties. An effective regulatory body needs to have the authority to conduct regular audits and inspections of businesses, and impose adequate sanctions if violations are found.

In addition, fair and transparent handling of consumer complaints is also necessary to assure customers that their rights will be respected and protected. The process of resolving a dispute must be done in an impartial manner and prioritise the principle of fairness for both parties. The involvement of consumer protection agencies or independent arbitration mechanisms can be a solution to resolve disputes efficiently.

The application of strict sanctions against violations of the law in e-commerce is also an effective deterrent for business actors who intend to break the rules. These sanctions can include significant fines and revocation of business licences. The importance of adequate sanctions is to provide a deterrent effect to other business actors to comply with the regulations and not repeat the same offence.

The challenge of consumer protection in e-commerce is not only national but also international, given that e-commerce transactions often cross national borders. Therefore, international co-operation in developing more effective regulations is crucial. This can take the form of harmonisation of consumer protection standards between countries, exchange of information, or cooperation in cross-border law enforcement to address violations involving more than one jurisdiction.

Governments and relevant agencies need to continuously develop and adapt existing regulations to technological developments and market trends. This includes the integration of consumer protection policies with regulations governing ICT (Information and Computer Technology) in a comprehensive manner. Relevant regulations that are responsive to market dynamics will ensure that consumers are protected not only now, but also in the future in the ever-changing digital era.

Overall, the legal protection of customers in e-commerce is a commitment to create an atmosphere of safe and reliable digital trade for all parties involved. With a strong and effective legal system, it is hoped that consumers can carry out online shopping activities with the confidence that their rights are well protected, without having to face unnecessary risks such as product incompatibility, fraud, or misuse of information technology.

3.2. Principles of Legal Protection for Consumers in Sale and Purchase Transactions Through Electronic Media

Guidance to customers is the main focus of a preventive legal protection effort. Education and training provided to consumers not only aims to improve their understanding of consumer rights, but also to provide them with proper knowledge about a product or service they are purchasing. With better understanding, consumers can make wiser decisions and minimise the risk of falling victim to unethical or harmful business practices.

Governments play a crucial role in ensuring effective consumer stewardship. Through appropriate regulations and policies, the government can oversee and regulate the business practices of businesses to ensure that established quality and ethical

standards are met. In addition, the government is also responsible for facilitating increased consumer awareness of their rights, as mandated by consumer protection laws.

Relevant institutions also play a role in empowering consumers through various initiatives. They can provide transparent and easily accessible information on consumer rights and available dispute resolution avenues. By doing so, consumers can feel more confident and protected when making transactions, especially in an increasingly complex and diversified business environment such as the current digital era.

In addition, understanding customers is not only about their basic rights but also about their obligations and responsibilities in the transaction process. With a good understanding of business terms, consumers can play an active role in maintaining fairness and integrity in the trading ecosystem. Therefore, preventive efforts in consumer legal protection are not only about minimising the risk of loss, but also about building consumer awareness and independence in leading a healthy and responsible consumptive life.

In addition to preventive legal protection, there is also a repressive legal protection approach that plays an important role in dealing with disputes that have occurred between consumers and service providers. Article 45 of the Consumer Protection Law (UUPK) provides the legal basis for resolving these disputes, either through the courts or other alternative dispute resolution institutions, such as arbitration or mediation, agreed by the parties involved (Dewi, 2021).

One of the advantages of the repressive legal protection approach is the clarity of procedures that dissatisfied or aggrieved consumers can follow. In cases where direct negotiations between consumers and businesses do not reach an agreement, dispute resolution procedures such as mediation can provide a fair solution. The existence of alternative dispute resolution also provides flexibility to the parties to choose the most suitable way to resolve disputes.

However, this approach also poses its own challenges, particularly in relation to the compliance of the parties involved in the dispute resolution process. There is a risk that one party may not comply with the judgement or agreement reached, which may hamper the overall dispute resolution process. Therefore, it is important for the relevant institutions to ensure that the dispute resolution procedures provided are reliable, as well as ensuring compliance from all parties involved in the process (Aufani, 2024).

In the context of electronic transactions, dispute resolution is crucial given the dynamics that occur in the digital sphere. Dispute resolution can be done through various mechanisms, both litigation and non-litigation. Litigation mechanisms, such as filing a lawsuit to the court in accordance with the provisions of Article 48 of the Consumer Protection Law (UUPK), are often an option when disputes cannot be resolved amicably. This litigation process follows strict legal rules and involves the court as the final resolution, with decisions that are binding for all parties involved (Nainggolan, 2021).

In addition to litigation, there are also non-litigation mechanisms that provide more flexible dispute resolution alternatives. These alternatives include arbitration, mediation, negotiation and conciliation. Arbitration, for example, is a process in which disputing parties submit their case to an arbitrator or arbitration panel to decide their dispute, whose decision is also binding. Mediation, negotiation and conciliation, on the other hand, allow parties to negotiate and reach an agreement more informally, often with the help of a mediator or facilitator.

The Consumer Dispute Resolution Organisation (BPSK) in Indonesia plays a central role in handling customer disputes. In accordance with Article 52 of the GCPL, BPSK is designed to resolve disputes effectively and efficiently. The existence of BPSK gives consumers access to resolve disputes without having to go through the complex and expensive process of litigation in court. This is in line with the government's efforts to improve consumer protection.

In the context of consumer protection efforts in the digital era, the role of information technology has a significant impact in improving the accessibility and efficiency of the consumer protection system. The use of e-commerce, as regulated in the Electronic Information and Transaction Law (UU ITE), is important because it makes it easier for consumers to obtain evidence in resolving a dispute, both through litigation and non-litigation channels.

In summary, preventive and repressive legal protection works jointly to give a better chance of promoting consumer protection in E-commerce site transactions. Initial steps to conflict prevention include preventive legal protection measures such as informing consumers of their rights and providing guidance to business. On the other hand, an efficient repressive legal system is supposed to be made available for consumers in order to settle disputes that have already occurred in a short time and with great efficiency (Hidayag and Witasari, 2022).

Strengthening dispute resolution institutions, such as the Consumer Dispute Resolution Agency (BPSK), is also crucial to support the effectiveness of legal protection efforts for customers. BPSK provides an alternative dispute resolution that is more consumer-friendly and often faster than litigation in court. The existence of this institution not only provides legal certainty for consumers, but also encourages business actors to comply with ethical and quality standards that have been legally established (Hasibuan and Rahmania, 2020).

Thus, the combination of a deterrent preventive approach and a strong dispute resolution repressive approach is an important foundation in maintaining consumer confidence in the digital economy. With clear regulations, effective legal protection, and strengthened dispute resolution institutions, it is hoped that consumers can be more confident in transacting online while businesses can conduct their activities in compliance with fair and ethical standards.

4. CONCLUSION

Based on an analysis of consumer legal protection in e-commerce transactions in Indonesia, this study reveals that despite the existence of a solid legal framework such as Law No. 8/1999 on Consumer Protection and its amendments, the main challenge lies in consistency in law enforcement. Effective implementation of the law is crucial to ensure that consumers are adequately protected from various risks in e-commerce. In addition, wider education of consumers on their rights and grievance mechanisms is also needed to enable them to make more knowledge-based decisions and effectively protect themselves. Further reform measures and strengthening of relevant institutions are also needed to address these challenges and ensure that the existing legal framework functions optimally in the current digital era.

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