

Online Dispute Resolution Scheme over Consumer's Loss as Consumer Protection in Cross-Border E-Commerce Transaction

Zahwa Maulidina Afwija

University of Brawijaya, Malang, Indonesia

Email: zahwa@ub.ac.id

Received : 28 June - 2025

Accepted : 31 July - 2025

Published online : 05 August - 2025

Abstract

Consumers are facing greater risk of loss in cross-border e-commerce due to lack of thorough goods inspection, uncertainties in jurisdiction, and high costs of legal actions. However, current methods for resolving disputes are not effectively handling these issues. This research explores the urgency of implementing Online Dispute Resolution (ODR) to protect consumers in cross-border e-commerce transactions, focusing on Indonesia and the United Kingdom. As cross-border digital trade increases, consumers are increasingly vulnerable to losses due to limited inspection of goods, jurisdictional uncertainties, and the high cost of traditional litigation. Employing a normative legal research method with a comparative and conceptual approach, this study examines the regulatory framework governing e-commerce and dispute resolution in both jurisdictions. The findings reveal that although Indonesia's legal system acknowledges alternative dispute resolution through instruments such as UUPK, UU ITE, and PP PMSE, it lacks detailed procedural regulations for effective ODR implementation. In contrast, the United Kingdom has established a comprehensive ODR system regulated by EU Regulations and Directives, offering structured online platforms for dispute resolution. The comparative analysis underscores the need for Indonesia to develop a specific legal framework for ODR that integrates substantive procedures, technological infrastructure, and institutional capacity. This would enable efficient, cost-effective, and accessible legal remedies for consumers engaging in cross-border e-commerce. The study contributes to the ongoing discourse on consumer protection reform and recommends regulatory harmonization to ensure legal certainty, transparency, and justice in digital trade environments.

Keywords: Alternative Dispute Resolution, Consumer Protection, Cross-Border E-Commerce, Digital Commerce, Online Dispute Resolution.

1. Introduction

E-Commerce, short for Electronic commerce, is the term used to describe the exchange of goods and services over computer networks between consumers, producers, service providers, and intermediaries. It covers a wide range of commercial activities that involve the use of technology to facilitate transactions without the need for physical documents. These transactions can be conducted through email or more frequently on the internet. In Indonesia, the most common examples of e-commerce platforms include Lazada, Shopee, Bukalapak, among others (Damuri, 2022). The provisions concerning electronic transactions are governed by Article 1 point 2 of Law Number 19 of 2016 concerning the Amendment to Law Number 11 of 2008 on Electronic Information and Transactions (hereinafter referred to as UU ITE), which reads: "*Electronic Transaction is a legal act conducted by using Computers, Computer networks, and/or other electronic media.*"



The definition above suggests that conducting online business or consumer transactions can go beyond using online stores or e-commerce platforms provided by marketplace providers, and can also be done through social media. The ease of access to globally available e-commerce platforms undoubtedly opens opportunities for both sellers and consumers to engage in cross-border e-commerce transactions, involving foreign sellers and domestic consumers or vice versa. This phenomenon of cross-border e-commerce undoubtedly has significant implications for various sectors, including taxation, customs, export-import activities, and consumer protection.

It is crucial for every nation, including Indonesia, to ensure that consumers are legally protected, as mandated by a resolution of the United Nations General Assembly (Haryono, 2024). Consumer rights in Indonesia are regulated by Law Number 8 of 1999 regarding Consumer Protection (known as UUPK). This law outlines the entitlements of consumers, including the right to consume goods and services in a safe and secure manner, the right to select products based on the promised value and conditions, the right to access information, the right to express opinions and complaints, the right to consumer advocacy, the right to education and guidance, the right to fair treatment without discrimination, the right to compensation, and other rights as specified by laws and regulations.

E-commerce transactions involve parties from various countries' legal jurisdictions. Ambiguity in online agreements regarding choice of law can lead to disputes over jurisdiction and applicable law. The global nature of e-commerce means transactions lack a distinct geographical location. This creates challenges in determining the appropriate court and laws for dispute resolution (Jasmine & Safrina, 2022) become critical and prominent legal concerns in the realm of cyberspace (Riswandi, 2003).

From a legal perspective, all matters relating to commerce must be expressly regulated by law in order to prevent actions that may harm others. Several aspects of e-commerce must be protected by law, one of which is consumer protection, as e-commerce is highly vulnerable to risks that may result in consumer losses. This vulnerability stems from the consumer's inability to directly inspect or assess the quality of goods. In e-commerce, consumers can only view and estimate the appearance of the goods they intend to purchase through photographs and descriptions provided by the seller. This limitation is often exploited by certain unscrupulous sellers who may offer goods that do not match their descriptions, publish advertisements that are excessively overstated, or even commit fraud.

Risks in e-commerce may also arise during the shipping process, where goods are prone to being damaged or defective during delivery. These risks, which have the potential to harm consumers, necessitate legal regulation on consumer protection to ensure that the rights to which consumers are entitled can be properly fulfilled and guaranteed by law. Although UUPK provides for the protection of business actors and consumers in conventional transactions, it has yet to adequately keep pace with the evolving times in accommodating transactions conducted electronically (Rongiyati, 2019).

In e-commerce transactions, it is not uncommon for the value of goods purchased by consumers to be relatively low. Therefore, when consumer rights are violated in such transactions, consumers tend to forgo pursuing compensation for their losses. This is due to the fact that asserting one's rights through litigation is often time-consuming and incurs costs disproportionate to the actual loss suffered. As such, a simplified alternative dispute resolution (ADR) scheme constitutes an effective means of addressing consumer protection issues in cross-border e-commerce transactions.

With the increasing popularity of electronic transactions, especially in trade carried out via electronic platforms, the demand for resolving disputes online has become essential. This

demand has been met by the introduction of PP PMSE, which grants legal recognition to the utilization of online dispute resolution (ODR) in Indonesia. Nevertheless, there is a lack of regulations addressing the technical aspects and the exact structure of the online dispute resolution method at present (Rafie et al., 2023). Hence, it is vital to investigate the procedures of resolving disputes online, which can then be put into practice, especially in international e-commerce deals.

The UK stands out as a nation that has successfully put in place a functional and efficient online dispute resolution system. Therefore, this study will delve into a side-by-side comparison of the online dispute resolution mechanisms in the UK and Indonesia, with the aim of devising the optimal ODR system for adoption in Indonesia. This study is unique in that it analyzes the weaknesses in Indonesia's ODR framework and offers practical solutions based on successful practices in the UK. By doing so, it aims to enhance both the theoretical knowledge and practical application of consumer protection in the digital commerce sector.

2. Methods

This study involves normative legal analysis, focusing on examining written legal norms as the primary source of information. Normative legal research is used to explore structured legislation, legal principles, and legal doctrines relevant to the topics under investigation. In this research, three different methods are employed: the statutory, conceptual, and comparative approaches. The statutory approach is applied to examine laws related to consumer protection and cross-border e-commerce dispute resolution in Indonesia and the UK. The conceptual approach is used to explore the legal principles that shape norms in online dispute resolution. The comparative approach is used to identify commonalities and disparities in the ODR systems of Indonesia and the UK to determine best practices within their legal frameworks.

The collection of data was carried out by conducting research in libraries, utilising primary legal sources like laws and court rulings, secondary legal sources such as scientific literature, journals, and legal articles, and tertiary legal sources like legal dictionaries and legal encyclopedias. The qualitative analysis method used involves interpreting legal norms through grammatical (textual meaning-based) and systematic (relationship-based) interpretation methods.

3. Results and Discussion

3.1. Alternative Dispute Resolution of Consumer Protection in Indonesia

Due to the significant opportunities presented by electronic transactions, the government is motivated to promote the growth of e-commerce in Indonesia. This will be achieved through the implementation of regulations that foster the spread and improvement of economic activities throughout the nation in a streamlined and internationally linked way (Bahtiar, 2020). Nonetheless, the Consumer Protection Law of 1999 mainly focuses on the rights and responsibilities of consumers and business entities involved in transactions using traditional methods. On the other hand, regulations for electronic transactions fall under the Electronic Information and Transactions Law of 2008, which was later amended in 2016. According to Article 1 point 2 of this law, electronic transactions are defined as legal actions conducted through computers or electronic media. Additionally, Article 9 specifies that businesses must ensure transparency by providing accurate information about the terms of the contract and the products or services being offered.

The use of electronic systems for business transactions can lead to disagreements between parties, whether caused by breaking a contract or committing a wrongful act (Yang & Papazoglou, 2000). In digital commercial transactions, agreements are made using electronic systems, making them subject to civil law. As a result, resolving disputes from electronic business transactions must follow civil law rules and can be settled in court or through alternative dispute resolution methods (Barus et al., 2022).

According to Article 18 paragraph (1) of UU ITE, parties who enter into an electronic contract are bound by their agreement. An electronic contract, as defined in Article 1 point 17 of UU ITE, is when parties reach an agreement through an electronic system. In international electronic transactions or those involving parties from different countries, the parties can choose the applicable law for dispute resolution. If no law is specified, the principles of private international law, as outlined in Article 18 paragraphs (2) and (3) of UU ITE, will be used to determine the applicable law.

Further, due to the nature of civil law, parties can decide on an alternative dispute resolution forum (Rodriguez, 2023). Courts, arbitration, or other authorized alternative dispute resolution bodies may be involved in settling disagreements that arise from international electronic transactions, as agreed upon by the parties (as outlined in Article 18 paragraph (4) of UU ITE). If the parties involved in the electronic contract do not explicitly state a preferred dispute resolution venue or institution, any disputes stemming from the international electronic transaction will be resolved by considering private international law principles (as stated in Article 18 paragraph (5) of UU ITE).

According to UU ITE, UUPK also offers options for resolving disputes, allowing parties to choose between going to court or opting for an out-of-court settlement (as stated in Articles 23 and 45 of UUPK) (Syafriana, 2016). In line with these rules, Article 72 of the Government Regulation on Electronic System and Transaction Operators confirms that if there is a disagreement in PMSE (Electronic Systems Trade), the involved parties can choose to settle the dispute in court or through alternative dispute resolution methods.

If the individuals partaking in a disagreement over a business deal are not keen on settling the issue in court, they may choose to explore alternative dispute resolution methods that do not involve the judicial system (Sander & Goldberg, 2002). Non-litigation dispute resolution emphasizes a “consensus” approach, seeking to reconcile the interests of the disputing parties with the aim of achieving a win-win solution. Thus, the form of justice pursued through non-litigation mechanisms is commutative justice (Kurniawan, 2012).

In electronic commercial transactions, parties have the option to settle disputes through methods other than the courts if they agree to it in the contract. According to Article 18 paragraph (3) of UU ITE, parties can specify which law will be used to resolve disagreements. In accordance with Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution (UU AAPS), Article 1 point 10 provides a definition:

“Alternative Dispute Resolution is a dispute or disagreement resolution institution through procedures agreed upon by the parties, namely settlement outside the courts by means of consultation, negotiation, mediation, conciliation, or expert appraisal.”

Along with the development of electronic transactions, including commercial transactions conducted through electronic systems, the need for online dispute resolution has become an inevitability. This inevitability has borne fruit with the issuance of PP PMSE, which provides legitimacy for the implementation of online dispute resolution in Indonesia. This is explained in Article 72 of PP PMSE, which states:

1. *“In the event of a dispute in PMSE, the parties may resolve the dispute through the courts or through other dispute resolution mechanisms.*
2. *Dispute resolution in PMSE as referred to in paragraph (1) may be conducted electronically (online dispute resolution) in accordance with the provisions of laws and regulations.*
3. *In the event of a dispute between a Domestic Business Actor and a Consumer, the Consumer may sue the Business Actor through the Consumer dispute resolution body or submit the case to the court at the Consumer’s domicile.”*

Alternative ways to resolve disagreements could involve discussions, talks, reconciliation, intervention, facilitation, or adjudication as outlined by the relevant legislations. Digital dispute resolution fundamentally relies on the mutual consent of the involved parties. This could involve virtual mediations led by qualified experts like lawyers or mediators, facilitated by accredited online arbitration bodies, or overseen by sanctioned governmental bodies (Sari et al., 2024).

When it comes to deciding on the law and where disputes will be resolved, it is up to the parties involved to make that decision. However, if the parties do not explicitly state their preferences for the law or forum for resolving disputes, international legal principles will be applied. This can be seen in Articles 73, 74, and 75 of PP PMSE.

Article 73:

“(1) The parties have the authority to choose the applicable law for the international PMSE they establish.

(2) If the parties do not choose the law in the international PMSE, the applicable law shall be based on the principles of Private International Law.”

Article 74:

“(1) The parties have the authority to determine the forum of court, arbitration, or other alternative dispute resolution institutions authorized to handle disputes that may arise from the international PMSE they establish.

(2) If the parties do not choose the forum as referred to in paragraph (1), the determination of jurisdiction for courts, arbitration, or other alternative dispute resolution institutions authorized to handle disputes that may arise from the transaction shall be based on the principles of Private International Law.

(3) If the parties choose to resolve international PMSE disputes through dispute resolution forums in Indonesia, the authorized institutions to resolve such disputes shall be:

The Central Jakarta District Court; or

Arbitration or other alternative dispute resolution institutions, in accordance with the provisions of the laws and regulations.”

Article 75:

“In the event that the parties are Foreign Business Actors conducting transactions with Indonesian Consumers and do not choose the law or dispute resolution forum, the dispute resolution shall be conducted through:

- a. *Institutions tasked with resolving disputes between Consumers and business actors; or*

- b. *Courts within the general judicial environment, in accordance with the provisions of the laws and regulations in the field of Consumer Protection.”*

The selection of legal jurisdiction made by the parties in a global contract, even if carried out online, is known as choice of law. This designated law is viewed as mandatory within the contract (Born & Kalelioglu, 2021). In PMSE, selecting the applicable law is only possible when the agreement involves a foreign aspect and should align with the guidelines of Private International Law (PIL). Furthermore, when it comes to settling conflicts that stem from international agreements, including those conducted on the internet, the designated arena for resolution is typically decided upon by the parties involved. This arena could take the form of a legal court, an arbitration process, or another means of settling disputes. In cases where no specific legal jurisdiction is chosen, the rules of Private International Law will govern the jurisdiction of the chosen forum. This idea is often referred to as the principle of the defendant's efficiency (Born, 2020).

From the institutional framework aspect within regulations related to ADR, the implementation of ADR outside the courts is spread across ADR institutions established by the government, private sector, associations, and/or certain economic industry sectors. Government bodies overseeing alternative dispute resolution in Indonesia include the Consumer Dispute Settlement Agency known as BPSK. A private institution that often facilitates ADR is the Indonesian National Arbitration Board, also called BANI. The Indonesian Banking Alternative Dispute Resolution Institution has been formed by various banking associations in the country. Several organizations in Indonesia, such as the Indonesian Capital Market Arbitration Board (BAPMI), the Indonesian Insurance Mediation Board (BMAI), the Indonesian Commodity Futures Arbitration Board (BAKTI), and the Pension Fund Mediation Board (BMDP) cater to specific sectors of the economy. These establishments are established with the aim of resolving conflicts and disagreements within their respective fields (McLaughlin & Perdana, 2010).

The existence of ADR and e-commerce regulations indicates that ODR already has a regulatory support base in its implementation. Although these regulations do not specifically support ODR regulation, they can serve as references in drafting more specific and detailed regulations concerning ODR. However, a special regulation is necessary to achieve proper governance of ODR and its institutions. With a well-designed governance framework, ODR can become a preferred option for the public and evolve into a leading vehicle for dispute resolution between parties.

3.2. Online Dispute Resolution of Consumer Protection in United Kingdom

In this context, various Online Dispute Resolution schemes are already in operation in several other nations. In order to ensure consumer protection in cross-border online transactions between the UK and Indonesia, it is essential to be familiar with the legal systems in both countries. The UK Government manages conflict resolution for cross-border e-commerce transactions through regulations such as The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Informations) Regulations 2015 No 542 and The Alternative Dispute Resolution for Consumer Disputes (Amendment) Regulations 2015 No 1392. The resolution of e-commerce disputes is organised through the European Commission's platform known as The European Online Dispute Resolution (EODR).

Online Dispute Resolution (ODR) in the European Union is backed by Regulation No. 524/2013, put in place by the European Parliament and Council on 21 May 2013. This regulation is centred on settling consumer conflicts online and striving to enhance the ODR

system's efficacy and success. Furthermore, Directive 2013/11/EU, also released by the European Parliament and Council on 21 May 2013, emphasises consumer protection laws. This directive concentrates on Alternative Dispute Resolution (ADR) for consumer disputes and aims to boost consumer rights.

The European Commission uses online arbitration and mediation as methods to resolve disputes in online arbitration. The ODR system provided by the European Commission offers dispute resolution services online by creating a website that acts as a platform for resolving conflicts over the internet. This is stated in Regulation (EU) No 524/2013 from The European Parliament and The Council dated 21 May 2013, which focuses on resolving consumer disputes through online methods, as outlined in Article 14.

“Consumer Information

1. *Traders established within the Union engaging in online sales or service contracts, and online marketplaces established within the Union, shall provide on their websites an electronic link to the ODR platform. That link shall be easily accessible for consumers. Traders established within the Union engaging in online sales or service contracts shall also state their e-mail addresses.*
2. *Traders established within the Union engaging in online sales or service contracts, which are committed or obliged to use one or more ADR entities to resolve disputes with consumers, shall inform consumers about the existence of the ODR platform and the possibility of using the ODR platform for resolving their disputes. They shall provide an electronic link to the ODR platform on their websites and, if the offer is made by e-mail, in that e-mail. The information shall also be provided, where applicable, in the general terms and conditions applicable to online sales and service contracts”*

In Part 4 of The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 No 542, it details the following:

“Consumer information by traders

- (1) *Where, under an enactment, rules of a trade association, or term of a contract, a trader is obliged to use an alternative dispute resolution procedure provided by an ADR entity or EU listed body the trader must provide the name and website address of the ADR entity or EU listed body*
 - (a) *on the trader’s website, if the trader has a website; and*
 - (b) *in the general terms and conditions of sales contracts or service contracts of the trader, where such general terms and conditions exist”*

The rule requires that sellers include a direct link to the ODR platform and a visible email address on their website for customers. Additionally, sellers who are required to use ADR services to settle disputes with customers must let customers know about the ODR platform and the option to use it for resolving issues.

In the European Union, the ODR system is managed by organisations chosen and authorised by the European Commission from Member States. These arbiters on the ODR platform have undergone scrutiny to meet specific criteria and are registered with national bodies (Poblet & Ross, 2021). Moreover, the group of arbitrators carrying out online dispute resolution (ODR) needs to fulfil specific criteria, such as having the right skill set, autonomy, and fairness. The European Commission will confirm compliance with the standards specified

in Article 6 of Directive 2013/11/EU dated May 21, 2013, pertaining to Alternative Dispute Resolution for Consumer Disputes. This directive also includes amendments to Regulation (EC) No. 2006/2004 and Directive 2009/22/EC:

“Member States shall ensure that the natural persons in charge of ADR possess the necessary expertise and are independent and impartial. This shall be guaranteed by ensuring that such persons:

- (a) possess the necessary knowledge and skills in the field of alternative or judicial resolution of consumer disputes, as well as a general understanding of law;*
- (b) are appointed for a term of office of sufficient duration to ensure the independence of their actions, and are not liable to be relieved from their duties without just cause;*
- (c) are not subject to any instructions from either party or their representatives;*
- (d) are remunerated in a way that is not linked to the outcome of the procedure;*
- (e) without undue delay disclose to the ADR entity any circumstances that may, or may be seen to, affect their independence and impartiality or give rise to a conflict of interest with either party to the dispute they are asked to resolve. The obligation to disclose such circumstances shall be a continuing obligation throughout the ADR procedure. It shall not apply where the ADR entity comprises only one natural person.”*

It can be seen that the European Union provides clear regulations regarding the Arbitrators who conduct ODR to ensure that such individuals possess the competent qualifications to deliver ODR services to the parties involved. In order to make sure that all ODR providers follow the rules, they must send reports to the relevant government bodies every two years, as stated in Article 19(3) of Directive 2013/11/EU. This directive pertains to Alternative Dispute Resolution for Consumer Disputes and changes to existing regulations:

“Member States shall ensure that ADR entities communicate to the competent authorities every two years information on:

- (a) the number of disputes received and the types of complaints to which they related;*
- (b) the percentage share of ADR procedures which were discontinued before an outcome was reached;*
- (c) the average time taken to resolve the disputes received;*
- (d) the rate of compliance, if known, with the outcomes of the ADR procedures;*
- (e) any systematic or significant problems that occur frequently and lead to disputes between consumers and traders. The information communicated in this regard may be accompanied by recommendations as to how such problems can be avoided or resolved in future;*
- (f) where applicable, an assessment of the effectiveness of their cooperation within networks of ADR entities facilitating the resolution of cross-border disputes;*
- (g) where applicable, the training provided to natural persons in charge of ADR in accordance with Article 6(6);*
- (h) an assessment of the effectiveness of the ADR procedure offered by the entity and of possible ways of improving its performance.”*

In the Alternative Dispute Resolution for Consumer Disputes regulations of 2015, specifically in Regulation 11, as outlined in No. 542, it states:

“Ongoing information obligations of an ADR entity

- (1) *In the event of a change to the information which an ADR entity has supplied under regulation 9(1), the ADR entity must, without undue delay, provide written notification of the change to the competent authority.*
- (2) *An ADR entity must, within a month of the first anniversary of the approval date and within a month of each subsequent anniversary, publish on its website a report (“an annual activity report”) relating to the preceding year which contains the information in Schedule 5.*
- (3) *The ADR entity must, within a month of the second anniversary of the approval date and within a month of the expiry of each successive period of two years, supply the relevant competent authority with the information in Schedule 6 relating to the preceding two year period.*
- (4) *The annual activity report and information to be provided under paragraph (3) must be in such form as the competent authority may require.*
- (5) *In this regulation “approval date” means the date of the written notice granting approval to the ADR entity under regulation 9(6).”*

ADR bodies must create a yearly report with specific details and share it on their site. Biennially, they should give this data to the relevant authority for assessment. This is to determine if they still meet the criteria for carrying out online dispute resolution (Howells et al., 2017). The capable authority can be any public body appointed by Member States, functioning at the national, regional, or local level, with the responsibility of guaranteeing that ODR entities adhere to the relevant rules. This establishes a system of government monitoring by each Member State and the European Union over the cross-border e-commerce dispute resolution process through ODR.

Typically, ODR in the European Union is relevant to conflicts stemming from online transactions or service agreements between customers and vendors within the European Union's borders (Sari, 2019). The evidence suggests that the ODR system in the European Union is limited in scope, as it only deals with conflicts that arise between businesses and consumers or consumers and businesses. Despite this, the European Union has set out specific cases in which ODR cannot be used, including:

- a. providers of further or higher education,
- b. health services,
- c. disputes between traders,
- d. direct negotiations between consumers and traders, or
- e. judicial efforts to resolve disputes in the course of litigation.

Regarding the procedure for implementing ODR, if the parties decide to use the platform provided by the European Commission, the parties only need to follow four (4) steps, namely (European Commission, 2025):

1. Filling out the complaint form online on the ODR platform. After clicking the link, the user will be directed to a language selection page. The ODR platform provided by the European Commission offers easy access for consumers to use the language they require.
2. The form will be sent to the relevant seller who proposes dispute resolution through ODR to the consumer, followed by an automatic complaint submission to the ODR entity once the seller and consumer agree on the ODR entity that will handle their dispute.
3. The ODR entity will handle the case entirely online and reach a resolution within 90 days. This ODR regulation only applies to transactions conducted online, thus sellers must provide an electronic link to the ODR platform on their website.

Furthermore, the European Union recognizes both binding and non-binding arbitration awards. Essentially, an award is binding if the parties accept and agree to the ODR decision. If the parties do not agree and consent to the outcome issued by the ODR, then the award is not binding (Mania, 2015). In situations where an ODR award is not legally binding, the ultimate verdict from the ODR serves only as advice that the parties can choose to adhere to or disregard at their discretion. Following the parties' agreement on a binding ODR award, the award will hold authority. Initially, the parties will voluntarily comply with the award. In the event of one party's non-compliance, the other party has the option to seek legal action through the courts to enforce the award in relation to the contractual disagreement (M. I. Sari, 2019).

3.3. Comparison between Online Dispute Resolution in Indonesia and United Kingdom

Based on the above explanation, below is a comparison between ODR in the United Kingdom, which follows the European Union system, and ADR in Indonesia:

Table 1. Comparison of Alternative Dispute Resolution Regulation between United Kingdom and Indonesia

Subject	United Kingdom	Indonesia
Institution	The European Online Dispute Resolution ec.europa.eu	BANI (Badan Arbitrase Nasional Indonesia) www.baniarbitration.org
Governing Regulations	The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Informations) Regulations 2015 No 542 dan The Alternative Dispute Resolution for Consumer Disputes (Amandment) Regulations 2015 No 1392.	Law No. 30/1999 on Arbitration and Alternative Dispute Resolution and Government Regulation No. 80/2019 on Trading Through Electronic Systems
Dispute Resolution Fees	Fees are based on the amount of the claim submitted	Registration fee of IDR 2,000,000, thereafter calculated based on the claim amount
Duration of Resolution Process	Maximum 90 days to reach a decision	Case examination is completed within a maximum of 180 days from the appointment of the arbitral panel
Procedure	Case registration, arbitrator selection, decision making, document submission, consolidation, hearing, arbitrator deliberation, and notification of decision are conducted online. The procedure is fully online without face-to-face meetings, utilizing video conferencing, web conference, online chat, and other information technologies.	Arbitration procedure begins with registration and submission of the Arbitration Request by the initiating party (Claimant) to the BANI Secretariat. Upon receipt of the Arbitration Request, supporting documents, and required registration fees, the Secretariat must register the request in the BANI register.
Arbitrator Selection	Parties may select arbitrators. The parties will then receive an e-mail containing the decision from the	Arbitrators are provided by BANI

Subject	United Kingdom	Indonesia
	selected arbitrator within less than 10 days.	
Decision	The decision is binding if the parties agree to the ODR award. If the parties do not agree to the outcome, the decision is not binding.	The decision is final and binding on the parties. The parties guarantee immediate execution of the decision.

The comparison above highlights the effectiveness and efficiency of Online Dispute Resolution as an alternative mechanism for resolving disputes. While the issuance of PP PMSE in Indonesia legitimises the use of ODR, its full potential has not been realised due to the lack of clear guidelines and procedures for its implementation. The technology aspect, demonstrated by the UK's website ec.europa.eu/odr, is crucial for managing disputes online in ODR. Currently, Indonesia already has BANI as an arbitration institution; however, many aspects still need to be improved for BANI to also accommodate an online dispute resolution system. Indonesia, particularly BANI, can adopt several regulations from EODR concerning procedural rules for online arbitration, readiness of arbitrators/mediators, readiness of supporting websites containing arbitration guidelines, expedited timelines, and methods of resolving business disputes in particular.

After conducting a comparison between the UK, which has already put ODR rules into effect, the author believes that implementing ODR in Indonesia would bring advantages such as protecting the privacy of those involved, promoting ethical business practices, and providing a speedy, efficient, and uncomplicated resolution process. ODR also establishes the freedom for the public or individuals to choose which law will be applied to resolve their disputes. Therefore, it is necessary to add regulations regarding the procedures for submitting disputes, fees, and technical implementation to address legal uncertainties concerning online dispute resolution and to provide legal certainty.

4. Conclusion

Resolution of consumer disputes arising from Cross Border E-Commerce transactions in Indonesia is overseen by BANI (Indonesia's National Arbitration Board), which deals with alternative dispute resolution. However, this institution has not yet regulated e-commerce dispute resolution specifically, since PP PMSE has not been fully implemented due to the absence of further regulations regarding the online procedural mechanisms related to dispute registration, summoning of parties, hearings, mediator/arbitrator deliberations, awards, and execution, resulting in the ODR implementation in Indonesia being ineffective. When compared to the United Kingdom, it has been observed that the UK Government takes charge of managing cross-border e-commerce dispute resolution according to specific regulations it put in place, such as The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Informations) Regulations 2015 No 542 and The Alternative Dispute Resolution for Consumer Disputes (Amendment) Regulations 2015 No 1392. The resolution of e-commerce disputes is guided to utilise the system offered by the European Commission via The European Online Dispute Resolution (EODR).

To ensure the smooth operation of cross-border e-commerce, it is crucial to align the dispute resolution regulations in PP PMSE (Government Regulation on Electronic System and Transaction Implementation) with those outlined in UU ITE (Information and Electronic

Transactions Law), UU AAPS (Alternative Dispute Resolution Law), and other relevant laws in Indonesia, in a similar manner to how they are implemented in the United Kingdom. It is necessary for Indonesian authorities to align the existing situation with the desired outcome in order for the laws concerning consumer protection in cross-border e-commerce transactions to be effectively enforced and monitored. The goal is to guarantee that consumer issues in cross-border e-commerce dealings are resolved according to consumer law, as stipulated in the Rome Convention of 1980.

The results indicate the urgent need for regulatory changes in Indonesia, including the creation of detailed implementing regulations for PP PMSE that outline online procedures for handling disputes, summoning parties, conducting hearings, deliberations, and enforcing awards. It is crucial for policymakers to develop regulations that are in line with existing laws (such as UU ITE, UU AAPS) to establish a consistent legal structure for resolving cross-border e-commerce disputes.

5. References

- Bahtiar, R. A. (2020). Potensi, peran pemerintah, dan tantangan dalam pengembangan e-commerce di Indonesia [Potency, government role, and challenges of e-commerce development in Indonesia]. *Jurnal Ekonomi Dan Kebijakan Publik*, 11(1), 13–25.
- Barus, A., Chandra, T. Y., & Sinaulan, R. L. (2022). Analysis Of Debtor's Efforts In Settlement Or Implementing Credit Obligations During The Non-Natural National Disasters Of The COVID-19 Pandemic. *POLICY, LAW, NOTARY AND REGULATORY ISSUES (POLRI)*, 1(2). <https://doi.org/10.55047/polri.v1i2.178>
- Born, G. B. (2020). *International commercial arbitration*. Wolters Kluwer.
- Born, G., & Kalelioglu, C. (2021). Choice-of-law agreements in international contracts. *Ga. J. Int'l & Comp. L.*, 50, 44.
- Damuri, Y. R. (2022). *E-Commerce In Indonesia: The Rise Of Online Commerce And Its Impact On Firms'performance And Consumers*. Centre for Strategic and International Studies.
- European Commission. (2025). *How the ODR Platform Works*. <https://ec.europa.eu/consumers/odr/main/?event=main.home.howitworks>
- Haryono, N. (2024). Perlindungan Hukum bagi Konsumen dalam Transaksi E-Commerce Berdasarkan Hukum Ekonomi Syariah di Indonesia. *Jurnal ISO: Jurnal Ilmu Sosial, Politik Dan Humaniora*, 4(2).
- Howells, G., Twigg-Flesner, C., & Wilhelmsson, T. (2017). *Rethinking EU consumer law*. Taylor & Francis.
- Jasmine, J., & Safrina, S. (2022). Perlindungan Konsumen Dalam Transaksi Cross Border E-Commerce. *Jurnal Ilmiah Mahasiswa Bidang Hukum Keperdataan*, 6(3), 359–370.
- Kurniawan, K. (2012). Permasalahan dan Kendala Penyelesaian Sengketa Konsumen melalui Badan Penyelesaian Sengketa Konsumen (Bpsk). *Jurnal Dinamika Hukum*, 12(1), 160–172.
- Mania, K. (2015). Online dispute resolution: The future of justice. *International Comparative Jurisprudence*, 1(1), 76–86.
- McLaughlin, K., & Perdana, A. (2010). Conflict and Dispute Resolution in Indonesia. *Indonesia Social Development Paper*, 16.
- Poblet, M., & Ross, G. (2021). ODR in Europe. Rainey, D., Katsh, E. and Abdel Wahab, A.(2021). *Online Dispute Resolution: Theory and Practice (2nd Ed.)*. Eleven Intl. Publishing.
- Rafie, P. A., Merta, M. M., & Junaidi, J. (2023). Community Empowerment Strategies Through Mediation Technical Guidance In Land Dispute Resolution. *Journal of*

- Sustainable Community Service*, 4(1), 88–99.
- Riswandi, B. A. (2003). *Hukum dan internet di Indonesia*. UII Press.
- Rodriguez, M. (2023). *Introduction to Civil Law Systems*. Routledge.
- Rongiyati, S. (2019). Pelindungan konsumen dalam transaksi dagang melalui sistem elektronik. *Negara Hukum*, 10(1), 22.
- Sander, F. E. A., & Goldberg, S. B. (2002). Introduction: Alternative Dispute Resolution. *Harvard Law Review*, 115(7), 1871–1893.
- Sari, F. P., Setiawan, P. A. H., & Nurmawati, B. (2024). *Alternatif Penyelesaian Sengketa*. MEGA PRESS NUSANTARA.
- Sari, M. I. (2019). Legal aspect of online arbitration in European Union and China. *Law Review*, 222–245.
- Syafriana, R. (2016). Perlindungan konsumen dalam transaksi elektronik. *De Legis Lata: Jurnal Ilmu Hukum*, 1(2), 430–447.
- Yang, J., & Papazoglou, M. P. (2000). Interoperation support for electronic business. *Communications of the ACM*, 43(6), 39–47.