



LEGAL PROTECTION FOR CONSUMERS IN DIGITAL TRANSACTIONS IN INDONESIA

Zulkifli¹, Sofyan Jafar², Teuku Yudi Afrizal³, Muhibuddin⁴, Nasrianti⁵

Universitas Malikussaleh

zulkifli@unimal.ac.id, sofyan.jafar@unimal.ac.id, teukuyudiafrizal@unimal.ac.id,
muhibuddin@unimal.ac.id, nasrianti@unimal.ac.id,

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Abstract

The rapid development of information technology has accelerated the growth of digital commerce (e-commerce) in Indonesia. Along with the increasing use of electronic transaction systems, various legal problems have emerged that potentially harm consumers, including online fraud, product discrepancies, delays in delivery, misuse of personal data, and the inclusion of unfair standard clauses by business actors. These conditions indicate that consumers remain in a vulnerable position within digital transactions. This study aims to analyze the effectiveness of legal protection for consumers in digital commerce transactions in Indonesia and to identify the obstacles affecting its implementation. The research employs a normative legal research method using statutory and conceptual approaches. The study examines Law No. 8 of 1999 concerning Consumer Protection, Law No. 11 of 2008 concerning Electronic Information and Transactions and its amendments, as well as Law No. 27 of 2022 concerning Personal Data Protection. The results of the study show that consumer protection regulations in Indonesia have provided a normative legal framework for safeguarding consumer rights in digital transactions. However, their implementation has not yet been fully effective due to weak supervision of digital business actors, low public legal literacy, ineffective dispute resolution mechanisms, and technological developments that progress faster than existing legal regulations. In addition, the protection of consumers' personal data remains vulnerable due to the increasing volume of electronic data processing in e-commerce activities. This study highlights the urgency of strengthening regulatory supervision, improving digital legal literacy among the public, and optimizing personal data protection mechanisms to ensure legal certainty, justice, and security for consumers in Indonesia's digital commerce ecosystem.

Keywords: Consumer Protection, E-Commerce, Digital Transactions, Legal Protection, Personal Data Protection.

INTRODUCTION

Advances in information and communication technology have brought about significant changes in various aspects of society, including trade and economic activities. Digital transformation is driving a shift in people's transaction patterns from conventional trading systems toward electronic commerce (e-commerce). The rise of digital commerce makes it easier for people to buy and sell goods and services quickly, conveniently, and efficiently, without being constrained by time or location. In addition to improving trade efficiency, the development of the digital economy also contributes to national economic growth in Indonesia. Indonesia is one of the countries with the fastest-growing digital economies in Southeast Asia. According to a survey by the Indonesian Internet Service Providers Association (APJII), the number of internet users in Indonesia is projected to reach over 221 million by 2024, with an internet penetration rate of approximately 79.5% of the total population. This increase in internet usage has a direct impact on the rise of digital commerce activities among the public. Additionally, data from the Central Statistics Agency (BPS) indicates that the digital commerce sector continues to grow alongside the increasing use of marketplace platforms and electronic transaction services in Indonesia. These conditions demonstrate that digital commerce has become an integral part of modern economic activity. In addition to providing economic benefits, the growth of e-commerce has also raised various legal issues related to consumer protection. In electronic transactions, consumers often suffer losses due to goods received not matching the description, transaction fraud, delayed delivery, misuse of personal data, and the inclusion of standard clauses that are detrimental to consumers. These issues indicate that consumers tend to be in a weaker position than businesses in electronic transactions, primarily due to limited information and the public's low understanding of consumer rights in digital transactions. According to Shidarta, consumer protection refers to all efforts that ensure legal certainty to provide protection to consumers (Shidarta,

2014, p. 19). This view emphasizes that consumer protection aims to create a balance between consumer rights and the obligations of businesses in commercial activities. Furthermore, Ahmadi Miru states that consumers generally hold a weaker position compared to businesses, whether in terms of economic status, education, or access to information (Miru, 2013, p. 25). Therefore, the state bears the responsibility to provide legal protection to ensure justice and legal certainty for consumers. Normatively, legal protection for consumers in Indonesia is regulated by Law No. 8 of 1999 on Consumer Protection, which serves as the primary legal basis for safeguarding consumer rights. Article 4 of the Consumer Protection Law stipulates that consumers have the right to comfort, security, and safety, as well as the right to receive accurate, clear, and truthful information regarding the goods and services they use. In addition, electronic transactions are also regulated under Law No. 11 of 2008 on Information and Electronic Transactions, along with its amendments, which govern the use of electronic systems in digital commerce activities. These regulations are further reinforced by Law No. 27 of 2022 on Personal Data Protection as a form of protection for consumers' personal data in electronic transactions. Although various regulations are in place, the implementation of consumer protection in digital commerce transactions still faces numerous obstacles. Low public legal awareness, weak oversight of digital businesses, and technological advancements that outpace the development of legal regulations are factors that affect the effectiveness of consumer protection in Indonesia. In addition, consumer dispute resolution mechanisms for electronic transactions are still considered suboptimal, resulting in many consumers who suffer losses but do not pursue legal action.

Several previous studies have addressed consumer protection in electronic transactions. A study conducted by Celina Tri Siwi Kristiyanti explains that the development of e-commerce poses new challenges for consumer protection because the legal relationship between consumers and businesses takes place virtually without any face-to-face interaction (Kristiyanti, 2017, p. 47). Furthermore, a study in the *RechtsVinding Journal* notes that the growth of electronic transactions necessitates strengthened state regulation and oversight to ensure the protection of consumer rights in digital commerce. However, most previous research has focused on consumer protection in general and has not comprehensively examined the effectiveness of legal protections for consumers in digital commerce transactions, particularly as they relate to personal data protection and the development of the digital economy in Indonesia. Based on the above discussion, this study offers a novel approach to analyzing legal protection for consumers in digital commerce transactions by examining the effectiveness of consumer protection regulations, advancements in digital technology, and the protection of consumers' personal data in Indonesia. This study is important to analyze the forms of legal protection for consumers in digital commerce transactions and to identify obstacles in their implementation. Thus, this study is expected to contribute to the development of legal science, particularly in the field of consumer protection law, and to serve as a basis for evaluation by the government in improving the effectiveness of consumer protection in the digital age. This study differs from previous studies because it not only examines consumer protection from a normative legal perspective but also critically analyzes the effectiveness of the implementation of consumer protection regulations in digital commerce practices in Indonesia. In addition, this study specifically examines the relationship between consumer protection, personal data protection, and the rapid development of digital commerce, which continues to create legal challenges that are not yet fully accommodated by existing regulations.

LITERATURE REVIEW

Advances in information technology have significantly driven the growth of digital commerce (e-commerce) in Indonesia. The convenience of electronic transactions benefits the public by enabling them to obtain goods and services quickly and efficiently. However, the growth of digital commerce also increases the potential for violations of consumer rights, such as transaction fraud, goods that do not match their descriptions, and the misuse of personal data. According to data from the Indonesian Internet Service Providers Association (APJII) (2024), the number of internet users in Indonesia has reached over 221 million, with an internet penetration rate of approximately 79.5% of the total national population. This situation indicates that digital commerce activities in Indonesia continue to grow and require more effective legal protection for consumers. Consumer protection in digital transactions is a critical issue because the legal relationship between consumers and businesses takes place virtually, without any face-to-face interaction. A study by Umi Hasanah (2023) explains that online transactions continue to raise various legal issues because the protection of consumer rights in electronic transactions has not yet been fully implemented. The study indicates that weak oversight of digital businesses and the public's limited legal understanding often result in consumers suffering losses in electronic transactions. Furthermore, research by Erna Priliyasi (2023) confirms that personal data protection is a crucial component of consumer protection in the era of digital commerce. Electronic transactions involve the extensive use of consumers' personal data, which has the potential to lead to data misuse if

not accompanied by adequate oversight and legal protection. Therefore, the enactment of Law No. 27 of 2022 on Personal Data Protection represents a crucial step in strengthening legal safeguards for consumers in digital transactions. Another study conducted by Adinda Putri Denisa, Muhamad Amirulloh, and Helitha Novianty Muchtar (2023) explains that privacy assurance certificates in electronic systems can serve as a form of consumer protection in digital transactions. The study shows that consumer protection is not only related to the safety of goods and services but also encompasses the protection of consumers' data and personal information. On the other hand, a study by Ahmad Fadhil Kaffah (2024) indicates that the growth of the digital business sector in Indonesia is outpacing the development of the legal regulations governing it. This situation has resulted in a persistent gap between legal frameworks and actual digital commerce practices in society. The study also highlights that weak oversight of digital businesses has prevented effective legal protection for consumers. Previous studies have generally focused on consumer protection from a normative perspective and on the protection of personal data. Meanwhile, research on the effectiveness of legal protections for consumers in the practice of digital commerce in Indonesia remains relatively limited. Therefore, this study focuses on analyzing the effectiveness of legal protections for consumers in digital commerce transactions by examining the implementation of consumer protection and personal data protection regulations in Indonesia. Thus, this study is expected to contribute to the development of consumer protection law and serve as a basis for evaluating ways to enhance the effectiveness of legal protection for consumers in the era of digital commerce.

METHOD

This study employs a normative legal research method using both a statutory approach and a conceptual approach. Normative legal research is used to analyze various legal provisions related to consumer protection in digital commerce transactions in Indonesia. According to Muhaimin (2023), normative legal research is research that focuses on the study of legal norms, principles, and rules found in legislation and legal literature. The legal approach involves examining various regulations related to consumer protection and electronic transactions, such as Law No. 8 of 1999 on Consumer Protection, Law No. 11 of 2008 on Electronic Information and Transactions and its amendments, as well as Law No. 27 of 2022 on Personal Data Protection. Meanwhile, the conceptual approach is used to understand the concept of legal protection for consumers in digital commerce transactions based on legal doctrines and the views of legal experts.

The legal sources used in this study consist of primary, secondary, and tertiary legal materials. Primary legal materials include laws and regulations related to consumer protection and electronic transactions. Secondary legal materials were obtained from books, academic journals, and previous research relevant to the study's topic. Tertiary legal materials are obtained from legal dictionaries, encyclopedias, and other supporting sources related to this study. The method of collecting legal materials was conducted through library research by reviewing various relevant literature, scientific journals, and legal documents. Some of the references used in this study are drawn from recent scientific journals on consumer protection and digital commerce, such as Erna Prihasari's (2023) study on the protection of consumers' personal data in e-commerce transactions and Umi Hasanah's (2023) study on legal consumer protection in online transactions. The legal analysis was conducted qualitatively by examining and interpreting various legal provisions and expert opinions related to consumer protection in digital commerce transactions. The results of the analysis were then systematically organized to draw conclusions regarding the effectiveness of legal protections for consumers in digital commerce transactions in Indonesia.

RESULTS AND DISCUSSION

A. Legal Protection for Consumers in Digital Commerce Transactions in Indonesia

The growth of digital commerce in Indonesia has brought about significant changes in people's transaction patterns. Commercial activities that were previously conducted through conventional means have now shifted to electronic systems via various e-commerce platforms. According to data from the Indonesian Internet Service Providers Association (APJII) (2024), the number of internet users in Indonesia has reached over 221 million, with an internet penetration rate of approximately 79.5% of the total national population. This increase in internet usage has directly contributed to the rise in digital commerce activities among the public. On the other hand, the growth of digital commerce has also increased the risk of consumer rights violations. Consumers often suffer losses due to goods that do not match their descriptions, delivery delays, electronic transaction fraud, and the misuse of personal data. The nature of digital transactions, which are conducted without face-to-face interaction, leaves consumers in a more vulnerable position than businesses. These conditions underscore the critical need for legal protection for consumers in digital commerce.

Legally, consumer protection in Indonesia is governed by Law No. 8 of 1999 on Consumer Protection. Article 4 of the Consumer Protection Law states that consumers have the right to comfort, security, safety, and the right to obtain accurate information regarding goods and services. Additionally, electronic transactions are regulated by Law No. 11 of 2008 on Information and Electronic Transactions, along with its amendments, which govern the use of electronic systems in digital commerce activities. Although regulations are in place, research findings indicate that the implementation of consumer protection in digital transactions is still not functioning optimally. A study by Umi Hasanah (2023) explains that legal protection for consumers in online transactions still faces obstacles in the form of weak oversight of digital businesses and the public's limited legal understanding of consumer rights. As a result, many consumers suffer losses but do not receive effective legal protection. This situation highlights a gap between legal regulations and their implementation on the ground. Existing regulations have not yet been fully effective in providing legal certainty to consumers, as oversight of digital commerce activities remains limited. Furthermore, consumer dispute resolution mechanisms for electronic transactions have not yet functioned effectively, as many people still view the dispute resolution process as time-consuming and costly.

B. Challenges in Implementing Consumer Protection in Digital Transactions

One of the main obstacles to consumer protection in digital transactions is the public's low level of legal literacy. Many consumers do not yet understand their rights as set forth in the law, so they do not take legal action when they suffer losses in electronic transactions. This situation means that violations of consumer rights still frequently occur in digital commerce. Furthermore, the pace of digital technology is outpacing the development of the legal regulations that govern it. Research by Ahmad Fadhil Kaffah (2024) indicates that the growth of the digital business sector in Indonesia has led to the emergence of various new forms of transactions that are not yet fully covered by existing legal regulations. As a result, there remains a gap between legal norms and digital commerce practices in society.

Another obstacle relates to the lack of oversight of digital businesses. In practice, many businesses still include standard clauses that could potentially harm consumers, such as limitations on business liability and refusals to accept returns. However, Law No. 8 of 1999 on Consumer Protection stipulates that businesses are prohibited from including standard clauses that harm consumers. In addition to regulatory and oversight issues, the resolution of consumer disputes in electronic transactions still faces various challenges. Consumers often have difficulty proving the losses they have incurred because transactions are conducted through electronic systems. Furthermore, online dispute resolution mechanisms in Indonesia are not yet functioning optimally, meaning that legal protection for consumers is not yet fully effective.

C. The Effectiveness of Personal Data Protection in Digital Commerce

The protection of personal data is a critical component of consumer protection in the digital commerce era. E-commerce activities require consumers to provide various types of personal data, such as their name, address, phone number, and payment information. The widespread use of personal data increases the risk of data breaches and misuse by certain parties. A study by Erna Priliasari (2023) explains that the protection of personal data is a form of legal protection for consumers in electronic transactions. Personal data breaches can result in both material and immaterial losses, as consumer data can be used without the data owner's consent. As a form of legal protection, the government enacted Law No. 27 of 2022 on Personal Data Protection, which establishes the obligations of personal data controllers to safeguard consumer data. The law also imposes administrative and criminal penalties for the misuse of personal data. Nevertheless, the effectiveness of personal data protection in digital commerce still faces various challenges. A study by Adinda Putri Denisa, Muhamad Amirulloh, and Helitha Novianty Muchtar (2023) notes that personal data protection in electronic transactions depends not only on regulations but also on the readiness of electronic systems and the compliance of businesses in safeguarding consumer data.

One example reflecting the weakness of consumer protection in Indonesia's digital commerce sector is the occurrence of personal data leakage involving several digital platforms and marketplace services. In several cases, consumers' personal information such as names, telephone numbers, addresses, and email accounts were allegedly accessed and distributed illegally. These incidents demonstrate that the protection of personal data in electronic systems remains vulnerable and has the potential to harm consumers both materially and immaterially. In addition, online fraud cases involving goods that do not match product descriptions frequently occur in e-commerce transactions. Consumers often face difficulties obtaining compensation because sellers are difficult to identify, while marketplace platforms tend to limit their liability as electronic system providers. This situation further illustrates the weak legal position of consumers in digital commerce transactions. Based on the results of this analysis, the

effectiveness of consumer protection in digital commerce requires strengthened oversight of digital businesses, improved legal literacy among the public, and optimized implementation of personal data protection. Thus, legal protection for consumers is not merely normative but also provides legal certainty and a sense of security for the public when conducting digital transactions.

D. Weaknesses of Consumer Protection Regulations in the Digital Era

Although Indonesia already has regulations governing consumer protection and electronic transactions, the existing legal framework has not been fully adaptive to the rapid development of digital commerce. Law No. 8 of 1999 concerning Consumer Protection was enacted before the massive growth of e-commerce platforms and therefore does not comprehensively regulate modern digital transaction mechanisms. In practice, marketplace platforms often position themselves merely as intermediaries between sellers and consumers. As a result, when consumers experience losses due to fraudulent sellers, defective products, or misuse of personal data, the responsibility of platform providers frequently becomes unclear. This condition creates legal uncertainty for consumers in seeking compensation. Furthermore, the implementation of consumer dispute resolution in digital transactions remains ineffective. Many consumers choose not to pursue legal remedies because the dispute resolution process is considered complicated, time-consuming, and financially burdensome. Existing consumer dispute settlement institutions also have limited authority in handling cross-platform and cross-regional digital transaction disputes.

Another important issue concerns the protection of consumers' personal data. Although Law No. 27 of 2022 concerning Personal Data Protection has been enacted, cases of personal data leakage continue to occur in Indonesia. One example is the massive data breach involving users of digital platforms and e-commerce services, which demonstrates that technical supervision and compliance mechanisms remain weak. Therefore, legal protection for consumers should not only rely on normative regulations but must also be supported by effective supervision and strict sanctions against violations. These conditions indicate that the effectiveness of consumer protection law in Indonesia still faces structural and regulatory challenges. Consequently, legal reform is necessary to create adaptive regulations capable of responding to technological developments and providing stronger legal certainty for consumers in digital commerce activities.

CONCLUSION

The rapid growth of digital commerce in Indonesia has significantly transformed public transaction patterns through electronic systems that offer efficiency and convenience. However, the expansion of e-commerce activities has also increased the potential for consumer rights violations, including online fraud, product discrepancies, misuse of personal data, and unfair contractual practices in digital transactions. Normatively, legal protection for consumers in Indonesia has been regulated through Law No. 8 of 1999 concerning Consumer Protection, Law No. 11 of 2008 concerning Electronic Information and Transactions and its amendments, as well as Law No. 27 of 2022 concerning Personal Data Protection.

These regulations provide a legal basis for ensuring consumer rights, transaction security, and personal data protection within digital commerce activities. Nevertheless, the implementation of consumer protection in digital transactions has not yet achieved optimal effectiveness. Weak supervision of digital business actors, low public legal literacy, ineffective electronic dispute resolution mechanisms, and technological developments that progress faster than legal regulations remain the primary obstacles to effective consumer protection in Indonesia. Therefore, strengthening regulatory supervision, reforming adaptive legal policies, improving digital legal literacy, and optimizing the implementation of personal data protection are essential steps to ensure legal certainty, justice, and security for consumers in Indonesia's digital commerce ecosystem.

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