

## CONSUMER LEGAL PROTECTION ON LOSSES ON E-COMMERCE TRANSACTIONS IN INDONESIA

Teten Tendiyanto<sup>1</sup>, Djoko Suksino<sup>2\*</sup>

<sup>1</sup>Teten Tendiyanto, S.H., Master of Business Law, Faculty of Law, Universitas Gadjah Mada, Indonesia, tendiyanto17@gmail.com

<sup>2</sup>Dr.Djoko Sukisno, S.H., C.N., Master of Law, Faculty of Law, Universitas Gadjah Mada, Indonesia, sukisno.djoko@gmail.com

\*Corresponding author

### Abstract

Technological advancements have an impact on buying and selling, which has led to e-commerce transactions. E-commerce started to expand significantly and consumers are increasingly interested because of the ease of conducting transactions between sellers and buyers. The dynamics of the implementation of e-commerce transactions between sellers and buyers intensive potentially cause a variety of problems that cause consumers to experience losses. One of the losses experienced by consumers is that the goods received are not in accordance with the order or broke. This article discusses the protection of consumers who feel disadvantaged in e-commerce transactions but do not get compensation. This article aims to find out the form of legal protection for consumers who feel disadvantaged in e-commerce transactions in Indonesia and want to know the consumer factors not to receive compensation on ecommerce transactions. This legal research uses normative-empirical research methods, namely legal research conducted by examining library materials or secondary data, while empirical legal research is a study that uses primary data, After the secondary data and field data obtained, then performed the preparation and analysis using a qualitative analysis method. The results of the study show that legal protection for consumers has been regulated in Indonesia consumer protection Act and e-commerce providers have provided settlement procedures when consumers suffer losses, but the existence of consumer protection regulations and dispute resolution procedures when there is a loss does not make consumers take the procedure. Consumer factors not getting compensation are not knowing that their rights are protected by law, the procedure is too complicated and the price of goods.

**Keywords:** legal protection, e-commerce, consumer legal protection.

### 1. INTRODUCTION

The rapid development of information and communication technology has led to significant political, economic, social, cultural, legal, defense and security changes that have taken place very quickly.<sup>1</sup> The most felt impact is on the trade sector. In general, purchase transactions are conducted between two or more people who meet directly and of course the buyer can choose and see firsthand the goods to be bought, so they knowing the quality of the product to be purchased. Articl 1457 Indonesian Civil Code says Buying and

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<sup>1</sup> Sri Rumani. 2014. *Aspek Hukum dan bisnis Informasi*, Penerbit Universitas Terbuka, Banten, page. 6

selling is an agreement with which one party binds itself to deliver an item, and the other party to pay the promised price.<sup>2</sup> Buying and selling is an activity that cannot be separated from human life. Everyone buys and sells to fulfill their daily needs both in terms of clothing, food or shelter

Today, Buying and selling transactions not only meet directly but also from a distance, namely by using existing technology. The use of information technology, media and communication has proven to be able to change people's behavior or human civilization globally. The internet is a means of sellers in marketing their products, by uploading pictures of goods to be sold and listing the details of the products they sell, while for buyers can choose items that are on online shopping sites, this term can be called electronic commerce or e-commerce.

E-commerce is business activities involving consumers, manufactures, services providers and intermediaries using computer networks namely the internet.<sup>3</sup> E-commerce can make it easier for sellers and buyers to make trade transactions without having to meet in person. But e-commerce has advantages and disadvantages.

E-commerce transactions often cause various problems. one of the problems is when a consumer who feels aggrieved by the product they received is not in accordance with the description listed, the ordered item is broken or the quality of the item does not expectations. Indonesia have consumer protection Act and In the Article 4 (h) consumer protection Act say The right of consumers to obtain compensation, change of goods and / or services received is not in accordance with the agreement.in reality there are not many consumers when they feel disadvantaged on e-commerce transactions demanding compensation from the seller for reasons and various factors so that they are reluctant to demand compensation for the losses suffered. Likewise not a few from the manufacturer or seller who responds to problems over demands for compensation by consumers.

## 2. LITERATURE REVIEW

### 2.1. Legal protection

Legal protection is a narrowing of the meaning of protection, in this case only protecting by law. Protection provided by law is also related to the existence of rights and obligations, in this case that which is owned by humans as legal subjects in their interactions with fellow humans and their environment. As a subject of human law, it has the right and obligation to take an action.<sup>4</sup>

Legal protection according to Soetino is an action or effort to protect the public from arbitrary acts by the authorities that are not in accordance with the law to create order and peace so as to enable humans to enjoy their dignity as humans.<sup>5</sup>

### 2.2. Consumer Protection

Consumer protection is a term used to describe legal protection given to consumers in their efforts to meet their needs from things that harm the consumers themselves.<sup>6</sup>

Articl 1 (1) Indonesia consumer Legal prtction Act said: consumer protection is any effort that guarantees legal certainty to provide protection to consumers. Consumer protection has a broad scope, covering consumer protection of goods and services, which starts from the stage of activities to get goods and services up to the time-consequence of the use of goods or services.<sup>7</sup>

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<sup>2</sup> Article 1457 Indonesian Civil Code (KUHPedata)

<sup>3</sup> Abdul Halim Barkatullah & Teguh Prasetyo. (2005). *Bisnis e-commerce Studi Keamanan dan Hukum di Indonesia*, Pustaka Pelajar, Yogyakarta, page. 10

<sup>4</sup> CST Kanisl,1998, *Pengantar Ilmu Hukum dan Tata Hukum Indonesia*, Balai Pustaka, Jakarta, page.3

<sup>5</sup> Arinto Jati, 2018, *Implementasi Perlindungan Hukum Bagi Penderita HIV AIDS Di Yogyakarta Berdasarkan Peraturan Walikota No. 106 Tahun 2016 Tentang Penanggulangan HIV dan AIDS*, Uinversitas Gadjah Mada, page. 36

<sup>6</sup> *Ibid*, page 21

<sup>7</sup> *Ibid*, page 22

## 2.3. E-Commerce

There are nearly as many definitions of e-commerce<sup>8</sup>, Damanpour, by comparison, defines e-commerce as:

*.... any "net" business activity that transforms internal and external relationships to create value and exploit market opportunities driven by new rule of the connected economy.*

Reymond defines e-commerce as the function of information exchange and commercial transaction support that operate on telecommunications networks linking business partners (typically costumers and suppliers).<sup>9</sup>

Black's Law Dictionary Eighth Edition defines E-commerce is The practice of buying and selling goods and services through online consumer services on the internet. The e, a shortened form of electronic, has become a populer prefix for other terms associated with electronic transaction.

The terms E-commerce defined by Julian ding as:<sup>10</sup>

*"Electronic Commerce or E-Commerce as it is also known, is a commercial transaction between avendor and purchaser or parties ini similar contractual relationship for the supply of goods, services or acquisition of "rights". This commercial transaction is executed or entered into electronic medium (or digital medium) wherethe physical presence of parties is not required, and medium exist in a public network or system as apposed to private network (closed system). The public network system must considered on open system (e.g. the internet or world wide web). The transaction concluded regardless of national boundaries or local requirement"*

According to ECEG-Australia (Electronic Commerce Expert Group) Electronic Commerce is a broad concept that covers any commercial transaction that is effected via electronic means and would include such means as facsimile, telex, EDI, internet and the telephone.<sup>11</sup>

### 2.3.1. Classification of e-commerce business activities

Technological advances make it possible for business relationships to be carried out through technological devices called the internet. Based on the viewpoint of the parties in e-commerce business the types of e-commerce activities are as follows:<sup>12</sup>

#### a. Businss to Business

Business to Business is the most widely carried out e-commerce business activity. Business to business includes all electronic transactions of goods or services carried out between companies. Traditional producers and traders can use this type of e-commerce.

#### b. Business to Consumer

Business to consumer is a retail transaction with individual buyers. In addition, business to consumer can also mean the mechanism of an online shop (electronic shop mall), namely e-marchant transactions with e-customer.

#### c. Consumer to Consumer

Consumer to consumer is a transaction where consumers sell products directly to other consumers. And also an individual who advertises goods or services products. Generally this transaction is carried out through a third party that provides an online platform to carry out the transaction

#### d. Consumer to Business

Consumer to business is an individual who sells products or services to organizations and individuals who are looking for sellers and make transactions

#### e. Non Business Electronic Commerce

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<sup>8</sup> Robert, Macfregor, and Lajela ,Vrazalic, (2007), E-commerce in Regional Small to Medium Enterprise, United States of America: IGI Publishing.page 13

<sup>9</sup> *Ibid*, page 13

<sup>10</sup> Abdul Halim Barkatullah, (2017), *Hukum Transaksi Elektronik Di Indonesia*,Bandung: Nusa Media, Page. 11

<sup>11</sup> *Ibid*, page. 12

<sup>12</sup> *Ibid*,Page. 33

Non business electronic commerce includes non-business activities such as the activities of educational institutions, non-profit organizations, religion and others.

f. Intrabusiness (Organizational) Electronic Commerce

This activity covers all internal activities of the organization through the internet to exchange goods, services, and information, sell company products, and others

In this paper, it focuses on the types of e-commerce consumer to consumer.

### **3. METHODOLOGY**

Research methodology in this paper is normative-empirical. Data sources include primary data and secondary data. Primary data sources from parties related to the object of research, which are obtained based on the results of observations and interviews. Secondary data sources are obtained through the study of documents or literature on primary, secondary and tertiary legal materials, as well as non-legal materials that support the topic of research problems. Data processing and analysis is done by qualitative methods.

### **4. DISCUSSION**

#### **4.1. Consumer Legal Protection On Losses On E-Commerce Transactions**

##### **4.1.1. Forms Of Legal Protection Under The Indonesia Consumer Protection Act**

The development of the economy, especially in national trade, has produced a variety of goods and services that can be consumed. In addition, globalization and free trade have been supported by technological advancements which have expanded the space for transacting goods and services that can cross the boundaries of a region or country.<sup>13</sup> e-commerce (online Buying and selling) is one alternative for the community to make a transaction without having to meet between the seller and the buyer.

The economic activities of citizens are one of the fundamental human activities. Therefore the establishment and implementation of the law is affected by economic factors. on the contrary, there is no modern economic system anywhere that can run without legal order.<sup>14</sup> E-commerce that is currently developing is indeed a lot of help from various parties, both sellers / producers and consumers, but the various polemics in it cannot be ignored, especially in terms of consumer protection. In Article 1 Indonesia Consumer protection Act, what is meant by consumer protection is any effort that guarantees legal certainty to provide protection to consumers.<sup>15</sup>

When looking at the condition of consumers in Indonesia, it will be seen that the position of consumers is very weak, inversely proportional to the position of seller, this encourages the empowerment of consumers so that their position is not always on the injured party.<sup>16</sup> The form of legal protection for consumers is to protect consumer rights, through consumer protection Act stipulates several rights of consumers:<sup>17</sup>

- a. the right to comfort, security, and safety in consumption goods or services.
- b. the right to choose goods or services and obtain goods or suits according to the exchange rate and conditions and guarantees promised.
- c. the right to information that is correct, clear and honest regarding the condition and guarantee of goods or services.
- d. the right to hear opinions and complaints about the goods or services used.
- e. the right to obtain advocacy, protection, and efforts to properly resolve consumer protection disputes.
- f. the right to receive guidance and consumer education.

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<sup>13</sup> Adrian Sutedi,.(2008). *Tanggung Jawab Produk Dalam Hukum Perlindungan Konsumen*. Ghalia Indonesia. Bogor, page. 1

<sup>14</sup> Soerjono Soekanto.(2016). *Pokok-Pokok Sosiologi Hukum*, Rajagrafindo Persada, Jakarta, page. 211

<sup>15</sup> Article 1 Indonesia Consumer Protection Act (Undang-Undang No. 8 Tahun 1999 Tentang Perlindungan Konsumen)

<sup>16</sup> Ibid. Page.3

<sup>17</sup> Article 4 Indonesia Consumer Protection Act

- g. rights to the right are treated or served correctly and honestly and are not discriminatory.
- h. the right to get compensation, compensation or reimbursement, if the goods or services received are not in accordance with the agreement or not as they should.

#### 4.1.2. Form Of Consumer Protection From E-Commerce Providers

E-commerce transactions are certainly regulated regarding everything that can harm consumers. Various ways can be taken so that consumers experience losses and want to ask for compensation for the products they buy. Business actors are responsible for providing compensation for the damage, pollution and or loss of consumers as a result of consuming goods and or services produced or traded.<sup>18</sup> Compensation in question can be in the form of refunds and / or returns of goods or services equivalent to the type. Compensation claims can be held directly to the producers or sites of e-commerce service providers. Compensation claims through e-commerce providers will be more easily pursued, because e-commerce service providers mediate between producers and consumers in the event of a breach. This is not prohibited in law and this can be said to be a dispute resolution outside the court or mediation.

One of e-commerce provider site provides a way of settlement when consumers feel disadvantaged. The Resolution Center is a means for sellers and buyers on the Tokopedia site to resolve transaction constraints, such as orders not yet arrived, damaged / less / inappropriate orders, up to shipping costs. The Resolution Center can help solve problems faster, because sellers and buyers can discuss directly to find a joint solution

##### Complaint Ways at the Resolution Center

- a. consumers can explain the constraints of transactions that occur and what solutions are desired
- b. When filing a complaint, consumers must attach supporting evidence, such as product packaging, product photos from various sides, order notes, and receipt receipts.
- c. The seller will then respond to complaints, provide explanations, and accept solutions or offer new solutions
- d. After the buyer and seller agree and do the agreed solution, the complaint will be considered complete. If you and the seller don't find a solution together, you can ask for help at Tokopedia Customer Care

Alternative consumer dispute resolution is held to reach agreement on the form and amount of compensation and / or regarding certain actions to guarantee that there will be no recurrence of the losses suffered by consumers. Dispute resolution through mediation must be voluntary from both parties involved. Based on Indonesia consumer protection Act, even a minimum of compensation or disputes between seller and consumers can be pursued also through the courts, taking a court route is a way when seller and consumers do not find solutions through mediation.

## 4.2. Consumer Factors Do Not Receive Compensation For E-Commerce Transactions

Legal certainty in providing a protection to consumers is by increasing the dignity of consumers and opening up access to information about goods and / or services for them, and developing the attitude of honest and responsible business actors.<sup>19</sup> The importance of protecting consumers from various things that can bring harm to themselves. Consumers need to be protected because consumers are considered to have an unbalanced position with business people. This imbalance concerns the education sector and the bargaining position that consumers have. powerless consumers often face a stronger position than business actors.<sup>20</sup>

From the other side there are not a few consumers who feel disadvantaged but do not ask to claim compensation from the producers. There are several factors for a person or consumer who does not accept the transfer of the product he bought when the loss suffered by the results of the purchase, including.<sup>21</sup>

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<sup>18</sup> Article 19 (1) Indonesia Consumer Protection

<sup>19</sup> Adrian Sutedi. (2008). *Tanggung Jawab Produk Dalam Hukum Perlindungan Konsumen*. Ghalia Indonesia. Bogor. Page.9

<sup>20</sup> Ahmadi Miru. (2011), *Prinsip-prinsip Perlindungan Hukum Bagi Konsumen di Indonesia*, Rajagrafindo Persada, Jakarta. page.9

<sup>21</sup> Kana Kurnia. (2019). Consumer factors do not receive compensation. *Interview*. Yogyakarta, May 06

#### 4.2.1. Not Knowing That Their Rights Are Protected By Law

Users of e-commerce services are not only used by people who have high income or high education, everyone can buy goods or services online and there is no age limit. This is what makes not all consumers who make transactions fully know what laws and rules are inherent when transacting. Someone who is low educated when experiencing a loss or when buying something online but not in accordance with what he wants, they do nothing and only accept the product even though it is not appropriate. Ignorance of his rights has been regulated by law to ask for compensation to be an influential factor not to claim his rights.

#### 4.2.2. The Procedure Is Too Long

When consumers are harmed by the goods they receive, consumers can ask for responsibility for the producers or sellers. In accordance with Article 7 letter g of Act Number 8 of 1999 concerning consumer protection, it reads: the obligation of business actors is to provide compensation, compensation and / or replacement if the goods and / or services received or utilized are not in accordance with the agreement.

There are several ways to claim compensation from producers, in the consumer protection law, namely through the court and outside the court line, which is outside the court line that utilizes the Consumer Settlement Agency. Duties and authorities of the Consumer Dispute Settlement Agency Include:<sup>22</sup>

- a. Handling and resolving consumer disputes through mediation or arbitration or conciliation
- b. Provide consultation for consumer protection
- c. Supervise the inclusion of standard clauses
- d. Report to the general investigator if there is a violation in this provision
- e. Receive complaints both written and unwritten, from consumers about violations of consumer protection
- f. Calling business actors suspected of having committed violations of consumer protection

If an agreement between the consumer and the seller still does not find an agreement, the provider of the e-commerce site will intervene to mediate the dispute that is occurring. when there is still a dispute between the producer and the consumer, the provider of e-commerce will not give a sum of money from the sale of the item. The money from the sale is not directly in the hands of the seller, but is stored by the e-commerce site provider. this will benefit the consumer because before the right of the consumer is fulfilled, the money will not reach the seller.

The procedure above is one way of claiming compensation on an e-commerce site. In general, Indonesians have a tendency to resolve disputes as smoothly as possible. A compromise is preferred over the fall of a decision to determine who is wrong and who is right, in the hope of resolving disputes effectively without causing social tension.<sup>23</sup> The above settlement procedure uses a mediation method, where the consumer and the producer are brought together but not face to face.

But in reality, through interviews with several consumers, it was found the fact that there were still many consumers who did not ask for compensation for the losses they received because the established procedures were too complicated and took a long time, so that these methods were not carried out.

#### 4.2.3. Price Of Goods

In addition to procedures that take a long time, compensation claims are not carried out by consumers because the reason for the goods being purchased is too cheap, so consumers do not bother to ask for compensation. Compensation for goods that are not suitable is a right of each consumer. In addition to the rights previously mentioned there are two consumer rights relating to liability products, namely as follows:<sup>24</sup>

- a. The right to get goods with good and safe quality and quantity

this right, consumers means that they must be protected to obtain goods with quality quantity and quality.

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<sup>22</sup> Article 52 Indonesia Consumer Protection Act

<sup>23</sup> Soerjono Soekanto.(2016). *Pokok-Pokok Sosiologi Hukum*, Rajagrafindo Persada. Jakarta. Page.187

<sup>24</sup> Adrian Sutedi. (2008). *Tanggung Jawab Produk Dalam Hukum Perlindungan Konsumen*, Ghalia Indonesia. Bogor. page. 51

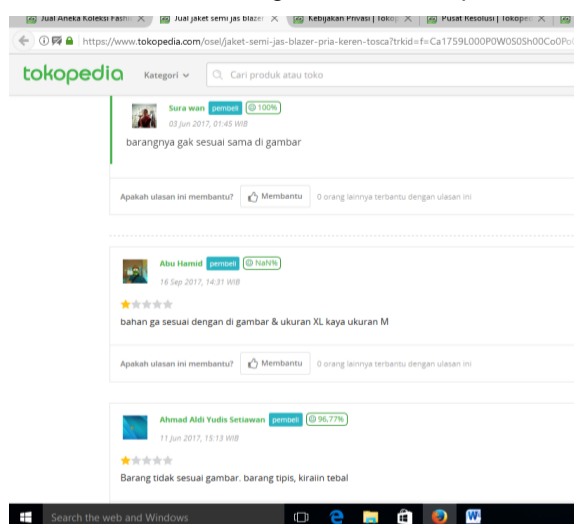
The ignorance of consumers in determining the quality of the products they buy is often empowered by businesses. Business people do this in order to get a high profit without seeing the full consumer rights.

b. The right to get compensation

If the item purchased is deemed defective, damaged or has endangered the consumer, he has the right to receive compensation claimed for defective or damaged goods, of course must be in accordance with the applicable provisions or on the agreement of each party, meaning that consumers cannot over-claim the goods he bought and the price paid, except for the items he consumed, caused a disruption to the body or resulted in a defect in the body of the consumer, the consumer's demands could exceed the price of the goods he bought.

Referring to the rights above, consumers who suffer losses must certainly be fulfilled when asking for compensation claims without seeing how expensive or cheap the product is. Because prices are not a reference to whether compensation claims can or not, but look at the defect or not according to the description of the item.

In fact there are still consumers who do not care about their rights and what is done is just commenting on there e-commerce service providers without intending to ask for compensation.



(source: <https://www.tokopedia.com/osel/jaket-semi-jas-blazer-pria-keren-tosca?>)

From the picture above shows that there is no desire from consumers to replace the items that have been bought. And the producers do not take too seriously the negative reviews that consumers give to their products. When referring to the consumer protection law, the producer is prohibited from producing or trading which is not in accordance with certain quality, level, composition, processing, style, or usage as stated in the label or description of the goods and / or services stated in labels, etiquette, information, advertisements or promotion of the sale of goods and / or services.<sup>25</sup>

According to Paul Scholten in his book Ahmad Alie revealed that the legal awareness of the community in this case the producer has not guaranteed that the community members will obey a legal regulation or legislation, the awareness of someone not giving an inappropriate product explanation is wrong, not necessarily causing the person does not falsify product descriptions

## 5. CONCLUSION

Legal protection for disadvantaged consumers in e-commerce transactions has been regulated in Indonesia consumer protection act, but there are still many consumers who allow their rights to be violated and do not demand seriously in accordance with existing procedures, as well as producers who do not respond to complaints received by consumers.

Consumer factors not getting compensation are not knowing that their rights are protected by law, the procedure is too complicated and the price of goods

<sup>25</sup> Article 18 (1) point e Indonesia Consumer Protection Act

## ACKNOWLEDGEMENT

The author would like to thank the Indonesia Endowment Fund for Education (LPDP) for funding this research.

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### Legislation

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### Internet

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