



# Validity of Peace Deeds in Disputes Between Business Actors and Consumers

Desak Gde Dwi Arini<sup>(✉)</sup> and Anak Agung Sagung Laksmi Dewi

Fakultas Hukum Universitas Warmadewa, Denpasar, Indonesia  
arinidesak1966@gmail.com

**Abstract.** Disputes between business actors and customers are governed by Consumer Protection Law No. 8 of 1999, which states that parties resolving consumer disputes may use both litigation and non-litigation avenues. The general judiciary handles litigation, whereas the Consumer Dispute Resolution Agency handles non-litigation issues through mediation, conciliation, or arbitration. The research seeks to understand how to resolve disagreements between corporate actors and customers, as well as the legal force of peace acts in such disputes. The research approach is normative legal research, utilizing primary and secondary legal material sources. According to the study findings, dispute resolution between business actors and customers is governed by Consumer Protection Law Number 8 of 1999. Priority arrangements in resolving consumer disputes are through non-litigation channels by seeking peace between the parties with the premise of a win-win solution in order to maintain good relations between corporate players and customers. Business actors should always uphold ethics in the dispute resolution process, particularly in the transparency of related documents, so that consumers do not have to make efforts that will harm the business actors' image. Furthermore, the legal force of a peace document in conflicts between corporate actors and customers in resolving consumer issues outside of court is legally legitimate. It has the same legal effect as other agreements, namely as a law for its creators under Article 1338 of the Civil Code. However, it would be preferable if the peace treaty took the shape of a legitimate document that was ratified by the court.

**Keywords:** Validity · Deed of Peace · Dispute · Business Actors · Consumers

## 1 Introduction

Issues between entrepreneurs and consumers are governed by Consumer Protection Law Number 8 of 1999, which states that 4,444 parties can settle consumer disputes through judicial procedures or outside the law. The judicial route is taken by the general judiciary, whereas the non-judicial route is taken by the consumer dispute resolution organization via mediation, mediation, or arbitration. The formulation of the question is how to resolve disputes between economic actors and consumers and what are the legal consequences of peace agreements in disputes between economic actors and consumers. The research methodology uses prescriptive legal research from primary and secondary legal sources. The survey concluded that dispute settlement between 4,444 enterprises

and customers is governed under Consumer Protection Law No. 8 of 1999. We prioritize the settlement of customer issues, largely through alternative dispute resolution channels, seeking peace between the parties on a win-win basis and maintaining good relations between businesses and consumers. Business actors must always be ethical in dispute resolution procedures, especially those related to the transparency of related documents, so that consumers do not have to try to tarnish their image. Moreover, the legal consequences of peace agreements in disputes between entrepreneurs and consumers in settling consumer disputes outside the court are legally valid. They have the same legal consequences as general agreements. Civil law. However, it would be better if a peace document was issued as a court-approved legal document.

According to the Indonesian Consumers Foundation (YLKI) office, as of November 2011, YLKI's complaints department received 469 complaints. The top six products with the most consumer complaints were: (1) Banking, 98 complaints (20.9%); (2) Housing, 67 complaints (14.3%); (3) Communication services, 64 complaints (13.6%); (4) Strom/PT PLN, 53 complaints (11.3%). (5) Drinking Water/PDAM, 35 complaints (7.5%); (6) Public Transport, 30 complaints (6.4%). According to information from the Indonesian Consumers Foundation (YLKI), it does not do much for consumers when bringing consumer protection disputes to court. Going to court takes time, money, and money. Even if the economic value of the case itself is not very large. As a result, there are cases of consumers not continuing because they end up losing money. This fact is rooted in the fact that consumers generally prefer out-of-court dispute resolution (non-litigation), either through arbitral bodies in individual cases or consumer dispute resolution bodies (abbreviated as BPSK). However, the Consumer Dispute Resolution Agency (BPSK) has not yet been established throughout Indonesia. It must be detailed. Level II regional dispute resolution agencies for resolving consumer complaints outside of the courts.

In Denpasar, for example, the existence of BPSK was only recognized in March 2011, so consumers could not resolve disputes efficiently, quickly, and free of charge. In fact, according to the Bali Consumer Protection Agency, the number of consumer complaints is very high.

As indicated in Consumer Protection Law Number 8 of 1999, resolution of consumer disputes outside the court is clearly the best decision. Because the designed settlement contains conflict resolution that is satisfactory to both parties to the problem. Furthermore, the conflict settlement approach is not new to the Indonesian people. This is due to the fact that they have long recognized and used the traditional system of conflict resolution through regular courts and village courts (*dorpsjustitie*). Susanti Adi Nugroho (2011): 14 The research seeks to understand how to resolve disagreements between corporate actors and customers, as well as the legal force of peace acts in such disputes.

## 2 Method

This is known as normative legal research, a scientific method of finding the truth from normative aspects based on legal logic. Scientific logic in a certain amount in the research of normative law is based on disciplines and normative jurisprudence, that is, jurisprudence, whose subject is the law itself.

The study of normative law or literature, according to Soerjono Soekanto, involves the study of legal principles, the research of legal systems, the study of vertical and horizontal synchronization, the comparison of laws, and the history of law.

The problem approach uses a legal, conceptual, and case-based approach. This is done by analyzing the procedures for resolving actual insurance disputes in a non-judicial manner by the consumer protection authority based on Law Number 8 of 1999 through consumer insurance or insurance mediation bodies.

The following legal texts were used in this study:

1. The primary legal texts are the 1945 Constitution of the Republic of Indonesia, Law Number 40 of 2014 on Insurance, Law Number 8 of 1999 on Consumer Protection, and Law Number 11 of 2008 on Electronic Information and Transactions. National Consumer Protection Agency of the Government Government Decree Number 57 of 2001 concerning Non-Government Consumer Protection Institutions Number 59 of 2001 concerning Non-Governmental Consumer Protection Institutions Number 59 of 2001.
2. Secondary legal materials shall be legal materials derived from textbooks, legal documents in the form of books, or magazines relating to the subject matter of consumer insurance protection research.

The method of collecting materials in this article is to collect primary and secondary legal materials on how peace efforts can be made to solve consumer legal issues and classify them according to their sources and hierarchy. Comprehensive research.

The legal data analysis method used in this book's preparation is to describe and connect legal data, laws, regulations systematically, and related articles obtained from literature research. Legal materials are processed a priori. That is by concluding common problems to specific ones when resolving disputes related to consumer insurance protection.

### **3 Result and Discussion**

#### **3.1 Dispute Resolution Between Business Actors and Consumers**

If you look closely, the rights and duties of corporate actors are inversely related to the rights and obligations of customers. This indicates that rights for customers are duties that corporate actors must meet. Consumer responsibilities are similarly rights that business actors would embrace. When compared to general provisions in the civil code, the regulation of Law No. 8 of 1999 concerning consumer protection appears to be more detailed since business actors must be able to produce a suitable business atmosphere, free of fraudulent competition among business actors, in addition to carrying out business operations with good ethics. According to Article 4 of Law No. 8 of 1999 on Consumer Protection, consumer rights in consumer products or services are as follows:

1. The right to consume goods and/or services in a comfortable, secure, and safe environment;

2. The right to select products and/or services and obtain them in line with the exchange rate and the conditions and guarantees supplied;
3. The right to receive accurate, clear, and truthful information regarding the condition and guarantee of products and/or services;
4. The right to be heard on their comments and complaints regarding the goods and/or services used;
5. The right to have their concerns about the goods and/or services utilized heard.
6. The right to effective advocacy, protection, and efforts to resolve consumer protection issues; the right to consumer counseling and education;
7. The right to be treated or serviced adequately, honestly, and without prejudice;
8. The right to get recompense, compensation, and/or reimbursement if the items and/or services received do not adhere to the agreement or are not as promised;
9. Other laws and regulations include provisions that establish rights..

A dispute is a disagreement of interest between persons or institutions in the same item shown in their connections. However, the idea of conflict resolution refers to the settlement of a lawsuit between one side and the other. Dispute settlement can take place both in and out of court (non-litigation) (litigation).

Benefits, fairness, balance, security, and consumer safety, as well as legal clarity, are central to consumer protection, with the following goals:

1. Increase consumer awareness, capacity, and independence in self-protection.
2. Improve consumer dignity and dignity by reducing barriers to goods and services.
3. Increase customer empowerment in the choosing of products or services.
4. Creating a framework for consumer protection that includes legal clarity and information openness.
5. Increase corporate actors' understanding of the need of consumer protection so that an honest and responsible attitude emerges in trying
6. Improving the quality of goods or services to ensure sustained production, health, comfort, security, and consumer safety.

Article 1 number 1 of legislation number 8 defines consumer protection as "any effort that ensures legal clarity in order to safeguard consumers." A consumer is someone who consumes commodities or services offered in society for the benefit of themselves, their families, other people, or other living things rather than for commerce. Meanwhile, a business actor is any individual or business entity in the form of a legal entity, whether established and domiciled or carrying out activities within the Republic of Indonesia's territory, either alone or in collaboration to carry out agreements to carry out business activities in various economic fields.

The expression shake, shake, shake, according to Marwan M and Jimmy P, refers to a conflict that begins or becomes a quarrel when the aggrieved parties indirectly convey their complaints or worries to the parties and are said to be the reason. Parties' Disputes or Losses (Marwan M and Jimmy P, 2009: 560). Consumer disputes, according to Permenperindag No. 350/MPP/Kep/12/2001, are conflicts between enterprises and consumers who seek compensation for the consumption of products or services. AZ A consumer dispute is defined by Nasution as a disagreement (in public or private law)

between a consumer and an economic operator over a specific product consumed by the customer and/or services provided by the producer/business operator. I claim there is A.Z. Nasution argues that consumer disputes are disputes between consumers and business actors (whether in public law or private law) about certain products consumed by consumers or services offered by producers/business actors.

Before Law Number 8 of 1999 concerning Consumer Protection, dispute resolution was based on civil and criminal law provisions, depending on the type of goods/services used by consumers and the nature of the case. Even after the UK was passed, many consumers still used civil and criminal law provisions. For example, when a customer's deposit collapses in a bank in Bali. In general, there are two methods of dispute resolution: in court and out of court or out of court. Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, Article 1(10) states that alternative dispute resolution is a dispute resolution process through out-of-court settlement in the ways agreed upon by the parties, namely deliberation and negotiation. Moreover, mediation, or institutions to resolve disputes., arbitration, or expert opinion.

According to Frans Hendra Winata, alternative dispute resolution is a response by critical legal professionals of the judicial system. For example, the length of legal disputes in the courts to reach a final and binding state (*Eintracht van gewijsde*), judicial corruption, investigations, etc. The cases charged in general, the rise of scalpers of cases, and others. (France Hendra Winata, 2011:58).

The courts take a long time to resolve conflicts, their expenses are large, the courts are typically unresponsive, the court's rulings do not address the problem, the judges' abilities are generalist, and developers cannot construct them. It is still under consideration. (RH Soetom 0:13–14, 2008) According to Maria S.W. Sumardjono, public faith in the judiciary is extremely low, hence resolving disputes outside of court through discussion, mediation, arbitration, and other methods is a helpful alternative (Maria SW Sumardjono et al., 2008: 13–14).

The lack of confidence in the independence of the judiciary and the administrative constraints surrounding it in terms of time, cost and thought/energy make the court the last resort to resolve disputes. As a result, some believe disputes do not need to be resolved in court. Courts having the power to resolve disputes between consumers and businesses are provided for in Sect. 45 of Part 1. Affected consumers can sue economic operators through bodies responsible for implementing legal proceedings.

Furthermore, Article 45(2) states that the resolution of conflicts may be carried out judicially or outside the law, based on the parties' free decision. A lawsuit for breaches against business actors can be brought against aggrieved customers or heirs, consumer organizations with a common interest, non-governmental consumer protection agencies that satisfy the conditions, and others filed by more than one party, according to Article 46.

Form a legal entity or foundation. It has listed consumer protection in its Articles of Association as the purpose of its establishment and has carried out legal activities. Where the products and/or services consumed or utilized have resulted in significant material losses and/or non-trivial casualties, the government and/or relevant authorities.

Insurance disputes, in particular, can be resolved through the Indonesian Insurance Mediation Agency (BMAI). The 2006 Financial Sector Policy Package was produced

in Jakarta on July 5, 2019., Governor of Bank Indonesia (No.: 8/50/KEP. GBI/2006), Minister of Finance (No.: 357/KMK.012/2006), Minister of SOEs (No.: KEP-75/MBU/2006); Schedule III Item 3 of the Policyholder Protection Program of three non-bank financial institutions and the relevant Ministry of Finance of the Republic of Indonesia is also included.

Meanwhile, the procedure for resolving claim disputes (claims for compensation or benefits) is carried out by BMAI through mediation (first stage) and/or adjudication (second stage). During the mediation stage, the mediator will seek to help the parties reach a peaceful and reasonable agreement. At the arbitration stage, disputes that cannot be resolved through mediation will be decided by an arbitrator appointed by BMAI.

### **3.2 Legal Force of Peace Deeds in Disputes Between Business Actors and Consumers**

The fourth paragraph of the Preamble to the 1945 Constitution declares that the purpose of creating the Indonesian Government is to safeguard the whole Indonesian country and all Indonesian bloodshed, develop the public interest, and educate the nation. Participate in the establishment of a world order based on independence, long-term peace, and social justice. Indigenous peoples and international conflict resolution have historically accepted the idea of peace as a conflict resolution approach. "Arguments can be won, but people's consciences are not always subject," there is a phrase concerning alternative conflict resolution.

The Civil Code provides for peace in Book 3 of Chapter 18, Articles 1851 to 1864. Section 1851 states that peace is an agreement by one of the parties to terminate the currently dependent or prevented affairs by giving, promising, or withholding goods. Because something is going to happen. Section 1853 of the Civil Code states that peace can be maintained concerning the interests of citizens resulting from crimes or injuries. However, peace did not deter prosecutors from proceeding with his case. Article 1858 of the Civil Code states that peace between the parties has the power of a judge's decision at the final stage.

The final arbitration has judicial jurisdiction but may be overturned by: Fraud or extortion committed, compensation for procedural errors on an unlawful basis, and Documents that are declared forged are then completely void. For legal disputes that end with a final decision of the judge but are not known to the parties or either party, letters that were unknown at the time of their completion but were later discovered by one of the parties and deliberately concealed their presence.

Suppose the dispute between consumers and business actors is resolved without directly involving unique arbitration bodies such as LPKSM, BPSK, and BMAI as intermediaries. In that case, the peace agreement between the parties usually cannot be made as a deed or notary. In the event of a consumer dispute between the heirs of the policyholder and PT AMFS Insurance, the peace agreement exists only in the form of a letter of approval and a statement of compensation from the consumer to the entrepreneur. Then, the consumer accepts the decision of the entrepreneur to be willing to accept a certain amount of payment from the entrepreneur, and the consumer frees the entrepreneur from any demands.

Indeed, in some instances of a modest nature and relatively low economic value, a statement of consent in the hands of the consumer and a statement of unilateral exemption are sufficient. For a peace treaty to have legal force, it must be considered part of a certified document. Alternatively, at least it is considered legal by the designer in the form of a contract signed by both parties and fulfilling the legal requirements of the contract under Sect. 1320 of the Civil Code. Ability to make appointments, the specifics, and justifiable reasons.

## 4 Conclusion

Settlement of disputes between business actors and customers is governed by Consumer Protection Law No. 8 of 1999, which specifies that parties resolving consumer disputes may use both litigation and non-litigation procedures. The general judiciary handles litigation, whereas the Consumer Dispute Resolution Agency handles non-litigation issues through mediation, conciliation, or arbitration. The priority in resolving consumer disputes is through non-litigation channels by seeking peace between the parties with the principle of a win-win solution to maintain good relations between business actors and consumers. In the dispute resolution process, business actors should always uphold ethics, especially in the transparency of related documents, so that consumers do not need to make efforts that will damage the business actors' image.

In conflicts between business actors and customers, the legal power of the peace document in settling consumer disputes outside of court is legally legitimate. It has the same legal power as a general agreement, namely as a law for its creators under Article 1338 of the Civil Code. However, it would be preferable if the peace treaty took the shape of a legitimate document that was ratified by the court.

## References

- Hendra Winata, Frans, 2011, *Hukum Penyelesaian sengketa Arbitrase Nasional Dan Internasional*, Sinar Grafika, Jakarta.
- Marwan M.dan Jimmy P, 2009, *Kamus Hukum Dicsionary Of Law Complete Edition*, Reality Publiser Kencana, Surabaya
- Maria SW Sumarjono, dkk, 2008, *Mediasi Sengketa Tanah, Potensi Alternatif Penyelesaian Sengketa (ADR) di Bidang Pertanahan*, Kompas, Jakarta.
- Susanto Happy, 2008, *Hak-Hak Konsumen Jika Dirugikan*, Visi Media, Jakarta.
- Sunarso Siswanto, 2009, *Hukum Informasi dan Transaksi Elektronik, Studi Kasus Prita Mulyasa*, Rineka Cipta, Jakarta.
- Susanti Adi Nugroho, 2011, *Proses Penyelesaian sengketa Konsumen ditinjau Dari Hukum Acara Perdata Kendala Implementasinya*, Kencana prenatal, Jakarta.
- Soerjono Soekanto, 2011, *Penelitian Hukum Normatif, suatu Tinjauan Singkat*, Rajawali Pers, Jakarta.

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

