



# Perspective of Legal Protection to Consumers in Online Purchase Agreements (E-Commerce)

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**Abstract.** Perspective Paper of Legal Protection to Consumers in Online Sales and Purchase Agreements (E-Commerce) with the formulation of the problem How is legal protection for consumers in online buying and selling agreements through E-Commerce, How are the responsibilities of the parties in online buying and selling transactions through E-Commerce, and How legal remedies that can be taken if there is a loss in online buying and selling transactions through e-commerce. The purpose of this study is to find out legal protection for consumers in online buying and selling agreements through E-Commerce, to find out the responsibilities of the parties in online buying and selling transactions through E-Commerce and to find out legal remedies that can be taken if there is a loss in the sale and purchase transaction online via e-commerce. Based on the results of the study, it can be concluded that legal protection for consumers in online buying and selling agreements through E-Commerce has been regulated in Law No. 8 of 1999 concerning Consumer Protection, Responsibilities of the parties in online buying and selling transactions through E-Commerce; Online buying and selling transactions cannot be separated from the legal provisions of the engagement (especially the agreement) as regulated in the Civil Code, and 3. Legal remedies that can be taken if there is a loss in the online Sale and Purchase transaction through E-Commerce; There are two ways to settle disputes, namely litigation (court) and non-litigation (not through court).

**Keywords:** Online buying and selling · legal protection · consumers

## 1 Introduction

The current era of globalization has a significant impact on the speed of information and communication technology. This condition provides various benefits for the community to receive and provide information, in other words, the community wherever they are can communicate with each other and share information without any time or distance limits. The development of technology today is not only beneficial for the aspects of communication and information but also has a positive impact on the business world. It can be seen that the trading and buying and selling business models have also followed the times by utilizing access to technology by trading via the internet.

Buying and selling using online media is also known as e-commerce. E-commerce (English: electric commerce) is the distribution, purchase, sale, marketing of goods and

services through electronic systems such as the internet or television, www, or other computer networks. E-commerce can involve electronic fund transfers, electronic data exchange, automated inventory management systems [1], and automated data collection systems. One form of e-commerce or online business is dropshipping.

The government recorded that the value of economic transactions in e-commerce in the first quarter of 2022 had reached Rp 108.54 trillion. This achievement experienced a growth of 23 percent compared to the same period last year [2]. E-commerce sites with the highest number of visitors in Indonesia Quarter 1 2022: Tokopedia: 157.2 million; Shopee: 132.8 million; Lazada: 24.7 million; Bukalapak: 23.1 million; Blibli: 16.3 million; Ralali: 8.9 million; Zalora: 2.8 million; JD ID: 2.5 million and Bhinneka: 2.4 million [3]. In addition to the positive impact of the online transaction system, there are also negative impacts. Therefore it is important to be able to fulfill the right to information in online transactions. This is because freedom of information is one of the substances of Human Rights which has also been recognized by the United Nations [4].

In conducting online buying and selling transactions (E-Commerce), consumer protection is one of the important aspects, in the development of consumer protection which has been in line with the development of the world economy [5]. Therefore, when trading online, good faith and trust are needed in maintaining transactions [6]. Reporting from CNN Indonesia news, the website Cekrekening.id announced on its website that there were 115,756 reported cases of fraud from e-commerce and online sales on social media until September 2021 [7]. Throughout 2021, the Ministry of Communications and Informatics received 115,756 reports of online transaction fraud. Meanwhile, in March 2022 the number of online crimes reached 115,756 cases [8].

In relation to consumer protection, the Consumer Protection Law has emphasized that business actors who trade their merchandise through electronic media are obliged to provide correct and complete information regarding contract terms, products, and producers of the goods offered. If the goods received by the consumer are not in accordance with the agreement, the business actor has the obligation to provide a time limit for the consumer to return the goods based on the agreement if the goods purchased are defective or do not match the photo advertisement. The consumer can file a lawsuit against the seller on the grounds of default on the sale and purchase transaction carried out by the seller.

E-commerce companies with the most consumer complaints in 2021 are Grabtoko: 26%; Tokopedia: 13%; Lazada: 11%; Shopee: 9%; Behavior: 7%; Traveloka: 5%; Blibli: 3% and Halodoc: 2% [3]. If you look at the description above, the legal certainty of consumer protection in buying and selling online is very important. This is because consumers have rights that must be given and sellers also have obligations to carry out. Therefore, the author is interested in studying it further in a thesis research entitled "Legal Protection Against Consumers in Online Sales and Purchase Agreements (E-commerce).

## **2 Findings and Discussion**

### **A. Legal protection for consumers in online buying and selling agreements through E-Commerce**

Trade transactions through E-Commerce today in Indonesia have grown very rapidly. This also underlies the birth of Law No. 8 of 1999 concerning Consumers.

The consumers referred to in this discussion refer to the provisions of the Consumer Protection Act, hereinafter referred to as UUPK. In UUPK, a consumer is anyone who uses goods or services for their own, family, or household needs, and not to produce other goods/services or to re-trade them [9].

Regarding legal protection for consumers, it has actually been stated in the articles in the Consumer Protection Act. One of them is related to the rights of consumers. This is explained in Article 4 of the UUPK which states the rights of consumers, namely:

1. Has the right to be able to choose goods or services and obtain the goods or services and obtain the goods or services in accordance with the value and condition of the promised goods
2. Obtain the right to information on the products being traded clearly and honestly
3. Get the right to compensation for goods or services received if they are not in accordance with the agreement

The UUPK also mentions the obligations for sellers or business actors, which are regulated in Article 7 of the UUPK:

1. Provide correct, clear and honest information regarding the condition, and guarantee of goods and/or services
2. Provide an explanation of the use, repair, and maintenance of goods/services
3. Provide compensation or compensation and or replacement if the goods and or services received are not in accordance with the agreed (agreed)

In addition to these rights and obligations, the Consumer Protection Law in article 8 also regulates the prohibition for business actors to trade goods or services that are not in accordance with the promises in the label, e-ticket, information, advertisement or promotion of the sale of such goods or services. If it refers to the article that if you receive goods or services that are not in accordance with what is stated in the advertisement or offer, it is a form of violation for business actors in buying and selling goods.

So if you refer back to Article 4 UUPK letter h, consumers who are harmed due to goods that are not in accordance with have the right to receive compensation, compensation and or replacement if the goods and or services received are not in accordance with the agreement. However, in the provisions of Article 7 letter g of the UUPK, business actors have an obligation to provide compensation and compensation. If the business actor does not carry out his obligations, the business actor can be punished based on the provisions of Article 62 of the UUPK which reads:

“Business actors who violate the provisions as referred to in Article 8, Article 9, Article 10, Article 13 paragraph (2), Article 15, Article 17 paragraph (1) letter a, letter b, letter c, letter e, paragraph (2) and Article 18 shall be sentenced to a maximum imprisonment of 5 (five) years or a maximum fine of Rp. 2,000,000,000.00 (two billion rupiah).

Consumer protection law also regulates its relationship with aspects of prohibited acts for business actors and their responsibilities. Acts that are prohibited or may not be carried

out by business actors are regulated in the provisions of the Consumer Protection Law Articles 8-17. In proving this rule, it can be applied if the goods or services traded online have violated these provisions. In addition, the regulation also prohibits the existence of advertisements or promotions that have elements to mislead or deceive consumers towards products or services that appear to have good conditions but are actually the opposite [10].

Online buying and selling transactions (E-Commerce) have an aspect of responsibility that applies to business actors, which in this case are merchants as providers of goods or services. If the consumer finds the goods or services he purchased are not in accordance with the agreement, then this can be seen again in the rules of responsibility for business actors in articles 19-28 of the consumer protection law. This responsibility applies when business actors harm consumers. Such losses can be in the form of pollution of goods or services and damage to goods or services traded by business actors. The responsibilities of business actors do not only apply to business actors who act as producers of goods or services but also to business actors who advertise foreign products or services.

Based on the descriptions above, it can be concluded that in the context of the consumer protection law that applies in Indonesia, namely Law No. 8 of 1999 concerning Consumer Protection, the rights and obligations of consumers and business actors have been clearly and firmly regulated. The rights and obligations of consumers are regulated in Articles 4 and 5 of Law No. 8 of 1999, while the rights and obligations of business actors are regulated in Article 6 d.

## B. Responsibilities of the parties in online buying and selling transactions through E-Commerce

Law No. 8/1999 on consumer protection has in fact strictly regulated the rights and obligations of consumers and business actors. The rights and obligations of consumers have been regulated in the provisions of Articles 4 and 5 while the rights and obligations for business actors are regulated in articles 6 and 7. Good business climate between business actors and consumers in Indonesia.

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From the legal aspect of consumer protection, the above will apply if the business actors and consumers are in the same area of the same legal area as Indonesia. The next problem is if consumers and business actors have different legal areas. For business actors outside the territory of Indonesia, it actually depends on the agreement of each party that was previously agreed upon. The contract should contain a choice of law clause but in practice not all of them include the law clause.

The main principle of online transactions in Indonesia is still prioritizing the aspect of trust in sellers and buyers. The principle of online transaction infrastructure security, such as guaranteeing the correctness of the identity of the seller/buyer, guaranteeing the security of payment lines, guaranteeing the security and reliability of e-commerce websites has not become a major concern for both sellers and buyers, especially in small to medium scale transactions with a nominal value of transactions that are not too large (eg buying and selling transactions through social networks, online communities, online stores, or blogs).

The existence of a clear legal umbrella related to consumer protection and public awareness of product awareness is expected to reduce or minimize the risk of fraudulent trading practices that can protect consumers, especially e-commerce consumers.

Article 1 number (1), Law no. 8 of 1999 which contains the Protection of Consumers (UUPK), "Consumer Protection is all efforts that guarantee legal certainty to provide protection to consumers". In the implementation of electronic transactions, there are two parties who will be interconnected, namely the seller of the service or goods and the consumer of the service or goods [11]. Where there should be an effect of mutual benefit in the online transaction process, but due to ignorance regarding what should be the rights or obligations of all parties involved, then it becomes a driving factor for the loss. All parties in electronic transactions basically have their respective responsibilities. Business actors in this case have the right to get paid for the goods or services they sell, and business actors have the right to get protection from the actions or actions of consumers who have bad intentions when conducting online buying and selling transactions. Online transactions have agreements based on good faith. This is important because consumers have the right.

### C. Legal remedies that can be taken if there is a loss in online buying and selling transactions through E-Commerce

As information and communication technology advances today, it provides various benefits for people to receive and communicate and share information. Now humans are given the convenience of being able to communicate without any limitations of time or distance. Besides that, the community must also be required to be able to follow every development of existing technology. The development of today's technology is not only beneficial for the aspects of communication and information but also has a positive impact on the business world. It can be seen that the trading business model has also kept pace with the times by utilizing access to technology by trading via the internet [12].

Consumer protection law and consumer law may be familiar to our ears, but both of them still have ambiguity regarding the material of both. This is because the position of the consumer has a weakness so that I must be given legal protection. One of the purposes and nature of law is to provide protection to the public. Therefore, consumer law and consumer protection are two areas of law that cannot be separated and delimited. In the provisions of the Consumer Protection Law Article 1 regulates consumer protection, but in practice the Act has not been able to fully regulate electronic transactions. There are only a few articles that can be used as references in electronic transactions. So this is a minus value to the protection of consumers who make transactions through online media [12].

The consumer protection law states that what is meant by consumers are end consumers, this sometimes becomes a burden for consumers to file lawsuits. For example, if the consumer has died, then the heirs will file a fight, this can actually be used as a rebuttal from the business actor by stating that the heir is not the final consumer. Therefore, there is a need for renewal in the Consumer Protection Act relating to the intent of the end consumer.

In practice, consumers are required to be more observant and thorough before deciding to buy goods, this is so that consumers can take precautions in order to protect themselves. Buying and selling online is now a new mode in human life where consumers will also be required to be able to solve their own problems from limited facilities, time, and others. In online trading, consumers still often see a price difference between one product and another and most consumers are silent and do not complain about it, even though if there is a price difference based on the regulation of the Minister of Trade Number 35 of 2013 used is the lowest price of the comparison price.

When consumers find themselves harmed, they can file legal remedies as part of protecting themselves. As it is known that both the seller and the buyer can file legal remedies based on the provisions of the consumer protection law which reads “that the settlement of consumer disputes can be pursued through court or out of court based on the voluntary choice of the disputing parties” [13].

In Article 4 of the UUPK, one of the rights of consumers is “to get advocacy, protection and efforts to resolve disputes properly. In addition, one of the obligations of business actors is to provide compensation, compensation and/or compensation for losses resulting from the use, use and utilization of traded goods and/or services.”

The UUPK states in Article 23 “that if the manufacturer business actor and/or distributor business actor refuses and/or does not respond and/or does not fulfill the compensation for the consumer’s demands, the consumer is given the right to sue the business actor and resolve the dispute that arises through the OJK. Consumer Dispute Settlement (BPSK) or by filing a lawsuit to the court at the consumer’s domicile.”

There are 3 approaches in an effort to maintain cyberspace security, the first through a technological approach, a socio-cultural-ethical approach, and a legal approach. Through a technological approach, it is carried out in order to overcome security disturbances because the internet network can be easily accessed illegally. Furthermore, legal and social approaches become a must because consumer rights are a priority in terms of business. If there is a violation, the legal approach will be able to provide guarantees and the basis for law enforcement [14].

There are two ways to settle business disputes, namely litigation (court) and non-litigation (outside court). There are two ways to settle business disputes, namely litigation (court) and non-litigation (outside court). Dispute resolution through non-litigation channels is carried out in various ways, namely mediation, arbitration or consolidation. In non-litigation dispute resolution which is considered more profitable is mediation where the mediator will provide assistance to the parties in making a compromise to find a way out of the problem based on the agreement of the parties. However, this mediation effort also has drawbacks, namely the result of the agreement is not binding and final because it is only based on the agreement of the parties. Through the two paths above, consumers are expected to be able to solve their problems. However, if a business actor is found to have violated the law, then Article 45 of Law Number 19 of 2016 can be imposed which states that a business actor who violates the law can be subject to administrative, criminal or compensation sanctions [14].

Consumer protection in electronic transactions has been regulated in the consumer protection law and the ITE Law which is then used as the basis for legal protection for consumers and the dispute resolution mechanism. Furthermore, PP Number 71 of 2019 concerning electronic administration also provides rules that organizers are required to provide an electronic track record. The track record is made in order for verification, testing, dispute resolution, and law enforcement. If the electronic operator cannot provide a track record, it can be given a prison sentence.

Electronic transactions need to pay attention to standard clauses. In this case, consumers can provide reports regarding standard clauses that can harm consumers to BPSK even though they are still in the pre-transaction process. Even though it is in the agreed stage, the agreement can remain valid, but for the standard clause, an application can be made to BPSK which will be followed up.

BPSK's decision of 80% was overturned by the court. This is because when the BPSK decision is not taken legal action within 14 days the BPSK decision becomes permanent legal force. However, a lot happens when applying for execution in court, business actors fight in court and consumers are usually not accompanied by a lawyer so no one defends them, so 80% of BPSK decisions are overturned by the court. Therefore, it is necessary to strengthen the role and function of BPSK to make decisions so that they are not easily broken to implement the supervisory and implementation functions.

Consumer disputes are disputes between business actors and consumers who demand compensation for losses obtained from the consumption of goods/services from business actors. In the settlement of consumer disputes, there is a specificity that those present at the trial are business actors. In the conventional trial, BPSK did not experience any problems. In this trial, the consumer is given the right to choose the type of settlement, whether it is media, conciliation, or arbitration. The question arises what if the parties do not have a choice what to do? The dispute resolution is chosen by the parties. Back to the duties and authorities of BPSK, with a complaint BPSK will call the parties to the UPT to conduct initial mediation, if the initial mediation is not achieved, a trial will be carried out through arbitration. Regarding the online trial, later the parties will be conducted online. This will affect how expert opinions should be conveyed through closed hearings.

In BPSK there are 3 panels of judges, including:

1. From the Government
2. From business actors
3. And from the community

The trial process at BPSK is carried out conventionally or electronically, both of which have the same rules, namely registration is carried out by the final consumer or heir and then a case will be held whether the complaint is eligible for trial. In the implementation of the case title will not reduce the period of 21 working days. If the implementation exceeds 21 days there are no special rules that mention this in the Consumer Protection Act. Through the title of the case carried out, settlement efforts will be carried out, namely whether through arbitration, conciliation, or mediation.

Therefore, BPSK will have an update regarding the completion of the application. In BPSK's decision there are things that are hampered because they are generally final and binding, but in practice there is a weakening of the court's decision which states that BPSK does not have the authority to hear cases because it is included in the civil scope. It must be emphasized that in considering BPSK's authority, it does not focus on civil disputes but on consumer behavior. Therefore BPSK should also have the authority.

### **3 Conclusion**

Legal protection for consumers in online buying and selling agreements through E-Commerce has been regulated in Law No. 8 of 1999 concerning Consumer Protection, the rights and obligations of consumers and business actors have been clearly and firmly regulated. The rights and obligations of consumers are regulated in Articles 4 and 5 of Law No. 8 of 1999, while the rights and obligations of business actors are regulated in Articles 6 and 7 of Law No. 8 of 1999. In these articles it is regulated how the proportion or position of consumers and business actors in a mechanism for business or trade transactions. Aspects of actions that are prohibited for business actors in Law No. 8 of 1999 are regulated in Articles 8 to 17. This aspect can be applied if it can be proven that goods and/services traded through e-commerce violate this provision. Responsibility also applies to business actors, in this case merchants, if the consumer finds the goods and/or services he purchased are not in accordance with the agreement. Business actors commit acts that cause harm to consumers.

Responsibilities of the parties in online buying and selling transactions through E-Commerce; Online buying and selling transactions cannot be separated from the legal provisions of the engagement (especially the agreement) as regulated in the Civil Code which is still the legal basis for online buying and selling transactions, considering that this transaction is basically a development of a general sale and purchase agreement. Agreements on online buying and selling transactions still meet the conditions for the validity of the agreement as stipulated in Article 1320 of the Civil Code, one of which agrees for those who bind themselves. Then it is specifically regulated in the ITE Law and/or Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems. The other rules to protect the rights and obligations of the parties concerned are set forth in Law Number 8 of 2008 concerning Consumer Protection. Legal remedies that can be taken if there is a loss in online buying and selling transactions through E-Commerce; There are two dispute resolutions, namely litigation (court)



and non-litigation (not through court). Non-litigation dispute resolution that is more profitable is by means of mediation, where the mediator helps the parties to compromise to find a way out of the dispute according to the agreement of the parties so that the parties can accept it well. However, this method has a drawback, namely the result of the agreement is not binding and is final because it is only in the form of an agreement between the parties, through these two channels, consumers and also business actors can resolve the dispute [14]. Article 45 A paragraph (1) of Law Number 19 of 2016 states where business people who violate the laws and regulations in the E-commerce business will be subject to criminal, administrative and compensation sanctions.

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