



# Legal Protection for Consumers Related to Property Product Advertisements Before Construction Based on the Consumer Protection Act

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**Abstract.** Indonesia currently does not have a special law regarding advertising, so Law Number 8 of 1999 concerning Consumer Protection or what is currently called UUPK is a regulation that contains many articles that regulate advertising. The problems studied are What are the Forms of Legal Protection for Consumers Related to Property Product Advertisements Before Construction Based on the Consumer Protection Law and the Responsibilities of Business Actors Regarding Property Product Advertisements Before Construction. If something unexpected happens or the consumer is deceived by the advertisement for the property that has not been built, the consumer is entitled to legal protection as regulated under Law Number 8 of 1999 concerning Consumer Protection. Consumers need legal protection because in the process of making these advertisements, consumers do not intervene so that consumers do not know what harmful things are done by business actors to attract consumers' interest. The main obligation of business actors as sellers is to deliver and bear the goods and services they sell. What is meant by bear here is that business actors are obliged to guarantee a sense of security, comfort, and peace of mind from consumers. According to R. Subekti, the obligation to bear peace means that business actors are obliged to ensure that consumers will not be disturbed or harmed by other people in terms of wearing or using the goods they buy.

**Keywords:** Development · Consumer Protection · Business Actors

## 1 Introduction

In Indonesia, people prefer to live in urban areas, which is one of the reasons people flock to cities because urban areas provide a wide range of jobs, this is what makes the rate of urbanization high. To accommodate this level of urbanization, of course, requires a lot of land, but in reality the land in the city is very limited.

Land in the dominant city is built for housing, because the population continues to increase so there is always a demand to build new housing. At times like this is a great opportunity for housing developers. A housing developer is a company engaged in the housing business, what they do is such as housing development and housing marketing.

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Housing developers market their housing in various ways, one of which is through advertising. Advertising is a form of promotion used by companies to promote the goods and services they have, through advertising a company can introduce products to be traded to the public.

In the past, promotion was carried out in a very simple way, because people's lifestyles were still very thick with simplicity, but in the current era of globalization, business people are doing everything they can to promote their products, one of which is by way of promotion in the mass media, the internet and others. etc.

Without advertising, consumers may never know an item or service, so the existence of advertising is very informative to consumers about goods and services. So that people are tempted by the home products they sell, it is not uncommon for housing developers to make false promises that make consumers tempted to buy the house.

In fact, the houses offered in the advertisements have not been built, so that consumers lose their rights as consumers, therefore consumers need protection against harmful advertisements because consumers do not intervene in terms of making advertisements by housing developers.

Indonesia currently does not have a special law regarding advertising, so Law Number 8 of 1999 concerning Consumer Protection or what is currently called UUPK is a regulation that contains many articles that regulate advertising.

## 2 Findings and Discussion

### A. Forms of Legal Protection for Consumers Related to Property Product Advertisements Before Construction Based on the Consumer Protection Act

Advertising is one way for business actors to promote or introduce the goods or services they will sell to consumers. Business actors place advertisements in the mass media, the internet, and so on.

Property business actors or usually called housing developers also install or promote their property products by means of advertising. This method is a very powerful way to get buyers, because in the current era of globalization, housing is a very important thing, especially in urban areas.

Thousands and even hundreds of people are urbanizing, they not only work in urban areas, but they also choose to live in cities or buy houses just for investment. The high business competition between housing developers, they justify any means so that their properties sell in the market, even the advertisements they display are packaged as good and attractive as possible so that consumers are interested in their property [1].

It is not uncommon for housing developers to give false promises in their advertisements, for example housing advertisements, where housing developers offer various benefits, such as a strategic location or consumers can directly choose the desired location, low prices or discounts for 10 the first buyer, the property models offered are also in accordance with the tastes of the community in general, and the models offered are not only for the elite but also for the lower middle class so that people are attracted to buy the properties offered.

This promo is carried out only to attract buyers, but what the housing developer promises in the advertisement is very inversely proportional to the reality, the house offered has not yet been built, the house is only a design printed in a brochure. The purpose of the advertisement is that buyers buy the property by indenting, where buyers cannot directly see the property or house they are buying. They have to order and pay for the house they want in advance, even if the house has not been built. Usually buyers are only shown presentations and show units.

The advantage of investing in a property like this is that the price offered is much cheaper because the building has not been built, sometimes additional discounts are also given. Property that has not been built can also be used as an investment, because after it is built the price of the building can skyrocket. Besides buyers can easily make payments such as making a DP first, buyers can also choose the location they want.

Although it has many advantages, properties that have not been built also have many drawbacks, including the buyer may be deceived, the buyer also does not know what form the building was built, because after it was built, the building is different as the buyer's expectations, because the building is not finished, housing also still quiet.

In order for buyers to avoid advertisements for properties that have not been built as above, buyers must pay attention to the track record of the developer, whether the housing developer is professional or not. The way to see if the housing developer is professional or not is to check the building permit (IMB), location permit, land certificate number, and others related to the building.

If something unexpected happens or the consumer is deceived by the advertisement for the property that has not been built, the consumer is entitled to legal protection as regulated under Law Number 8 of 1999 concerning Consumer Protection. Consumers need legal protection because in the process of making these advertisements, consumers do not intervene so that consumers do not know what harmful things are done by business actors to attract consumers' interest.

The main obligation of business actors as sellers is to deliver and bear the goods and services they sell. What is meant by bear here is that business actors are obliged to guarantee a sense of security, comfort, and peace of mind from consumers. According to R. Subekti, the obligation to bear peace means that business actors are obliged to ensure that consumers will not be disturbed or harmed by other people in terms of wearing or using the goods they buy [1].

In the legal context, as regulated in Law Number 8 of 1999 concerning Consumer Protection, business actors have the responsibility to complete the construction of property/houses in accordance with what is advertised, offered or promoted. The obligation of housing developers is mandated in Article 7 of Law Number 8 of 1999 concerning Consumer Protection.

The soaring consumer demand for housing makes the property business very promising. Companies that want to maintain a good name are very responsible for the housing to be built, both in terms of guarantees and in terms of the quality offered. However, for business actors who only think about profit, building quality is not a top priority [2].

When viewed from the perspective of consumer protection, this condition is very detrimental to consumers. The rights of consumers as regulated in Article 4 of Law Number 8 of 2009 concerning Consumer Protection are ignored by housing developers

so that the obligations and rights of consumers and business actors do not run in balance, therefore buying a house that has not been built puts the position of the consumer on the side. The weak [1].

The problems faced by consumers are caused by the lack of responsibility of business actors and lack of supervision from the government. Thus the protection provided by business actors to consumers is very low. Advertisements or promotions often do not match reality. In Article 19 paragraphs (1) and (2) of Law Number 8 of 2009 concerning Consumer Protection it is stated that if a consumer suffers a loss due to consuming goods and or services offered by a business actor, the consumer has the right to claim responsibility for the loss incurred by the business actor. Experienced.

Likewise in property transactions, if the consumer suffers a loss, then he has the right to claim compensation from the property developer. The obligation to provide compensation occurs when the perpetrator commits an unlawful act [1].

As regulated in Article 19 of Law Number 8 of 2009 concerning Consumer Protection, the actor is responsible for providing compensation for consumer losses due to consuming goods and or services traded. Thus, normatively efforts to protect consumers have been regulated.

## **B. Responsibilities of Business Actors Regarding Property Product Advertising Before Construction**

Media advertising is done in various ways, for example through television, magazines, radio and newspapers [3]. The process of an advertisement comes from the advertisers. Advertisers are housing developers who put up the goods or services offered. Furthermore, advertising companies make advertisements according to requests from advertisers to be published in advertising media as information from housing developer products to consumers.

In advertising their property products, housing developers must have good intentions, but if the property products purchased by consumers do not match the advertisements displayed, then the business actor does not have good intentions [4].

Consumers can sue business actors because the advertised property does not match the truth or reality. Business actors must have responsibility to consumers for the losses suffered by consumers after buying the advertised property [4].

The housing developer's responsibilities depend on how far he or she is involved in making the advertisement. The form of responsibility of property business actors can be in the form of product liability or professional liability. Product Liability is a legal responsibility carried out by housing developers to compensate for losses suffered by consumers.

A housing developer can be said to have committed a violation if it violates the prohibitions stipulated in Article 9, Article 10, Article 12, and Article 13 of Law Number 8 of 1999 concerning Consumer Protection. In Article 20 of Law Number 8 of 1999 concerning Consumer Protection it is also stated that housing developers as advertisers are responsible for providing compensation to parties who are harmed by the advertisement.

Losses suffered by consumers can be in the form of material and physical losses. Claims for compensation are based on default and unlawful acts. Compensation based on

default occurs because the obligations contained in the agreement, both main obligations and additional obligations are not fulfilled by the housing developer.

If a business actor violates the provisions of prohibited advertising as regulated in Law Number 8 of 1999 concerning Consumer Protection, the property business actor will be subject to sanctions in accordance with the provisions of Article 60 and Article 62 of Law Number 8 of 1999 concerning Consumer Protection.

In addition to being subject to sanctions in accordance with the provisions of Article 60 and Article 62 of Law Number 8 of 1999 concerning Consumer Protection, business actors may also be subject to additional sanctions as regulated in Article 63 of Law Number 8 of 1999 concerning Consumer Protection in the form of confiscation of certain goods, announcements judge's decision, payment of compensation, orders to stop certain activities that cause consumer losses, obligations to withdraw goods from circulation or revocation of permits.

### 3 Conclusion

In the legal context, which is regulated in Law Number 8 of 1999 concerning Consumer Protection, business actors have the responsibility to complete property development in accordance with what is advertised, offered or promoted, but if the consumer feels disadvantaged by the property developer for the advertisement. In this case, consumers get legal protection as regulated in Article 19 of Law Number 8 of 2009 concerning Consumer Protection, the perpetrators are responsible for providing compensation for consumer losses due to consuming goods and or services traded.

If a business actor violates the provisions of prohibited advertising as regulated in Law Number 8 of 1999 concerning Consumer Protection, the property business actor will be subject to sanctions in accordance with the provisions of Article 60 and Article 62 of Law Number 8 of 1999 concerning Protection Consumer.

The government should be more active in supervising and fostering, whether it be supervising consumers or business actors, if the government is more active, the rights and obligations between consumers and property business actors will be balanced. Where between consumers and property business actors will be mutually beneficial, not detrimental to each other.

Housing developers should better understand their obligations as business actors and pay more attention to consumer rights, especially in providing information so that by paying attention to the obligations of business actors and consumer rights, consumers will be protected from advertisements for property products before they are built which lead to fraud.

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