



## Legal Protection Against Consumer on Online Transaction Fraud

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### **Abstract**

In this modern era, technology is increasingly being utilized and used for various purposes, such as for conducting online transactions. Online transactions are increasingly being used by people because they are easy to use and can be done at any time. But on the other hand, violations of consumer rights still often occur due to fraud by business actors. Online transaction is virtually and between consumers and business actors don't know each other, so the trust system becomes the main things in every online transaction and is very vulnerable to fraud. Indonesia has regulated consumer protection as stipulated in Law Number 8 of 1999 concerning Consumer Protection, the facts on the ground are that there are still many consumers who are harmed and don't get justice. This study, it is expected to be able to answer the formulation of the problem, there is How is the legal view of Consumer Protection against online fraud victims and how to resolve disputes. This study uses a qualitative descriptive research method with a sociological juridical approach. The results of this study, although it is guaranteed by the Consumer Protection Act, many respondents do not get their rights to receive compensation and in terms of resolving consumer disputes or the parties concerned can take court or out of court according to the agreement of the parties, however alternative online dispute resolution can be implemented in full.

**Keywords:** *Consumer Legal Protection; Online Transactions; Online Fraud; Online Business Dispute Resolution*

### **Introduction**

Technology that continues to develop greatly facilitates people in buying and selling online or online transactions. Technology is a means to provide goods needed for the survival and comfort of life in society. Technology is continuously progressing quite rapidly. Technology has also succeeded in helping improve the community's economy, for example using technology for online business. Technology changes people's habits in meeting the needs of life, which were originally transacted physically or directly to transact via online media (online transactions). This habit has benefits in transactions, namely saving time, costs and not being limited in terms of space and time. Online transactions are transactions

carried out by business actors and consumers that are carried out virtually. Online transactions are getting more and more attention from the public because it makes it easier for them to buy and sell and can be done at any time, but online transactions also have negative impacts that can be detrimental. The effect of the ease of online transactions through social media on the public has resulted in the level of vigilance in conducting online transactions being reduced and even ignored given the ease of shopping facilities through online. Evidenced by the many reports and cases of fraud with online media such as Shopee, Lazada, Buka Lapak, Tokopedia and social media accounts such as Instagram, Facebook, Twitter and others. Problems that can occur in online transactions include,<sup>1</sup> Considering that online transactions are carried out without direct face-to-face and between consumers and business actors who do not know each other so that the trust system becomes the main capital in every online transaction, the rights of consumers in online transactions are very vulnerable to being violated, thus placing consumers in a weak bargaining position.<sup>2</sup> Therefore, it is necessary to have legal protection for consumer rights in online transactions. The high number of consumer complaints related to online transactions certainly needs more attention.

Law Number 8 of 1999 concerning Consumer Protection is all efforts to ensure legal certainty to provide protection to consumers. Apart from the fact that consumers have important rights to enforce, this is also to raise awareness of business actors regarding the importance of protecting consumers. Examples of fraud cases and problems that occur due to online transactions:

1. Taken from [celebrity.okezone.com](http://celebrity.okezone.com), an artist named Tessa Kaunang experienced a fraud case when shopping online for Rp. 23 million rupiah. He wants to buy a bicycle whose normal price is Rp. 57 million with a 60% discount through the Buka application. After making the payment transaction, the bicycle that Tessa bought did not come. Then he reported the case to the South Jakarta Metro Police Headquarters.
2. Taken from [merdeka.com](http://merdeka.com), Fredy Leoagni Nantama (26 years) is a resident of Jl Candimas 1 Kalipancur, Semarang, Central Java. He wants to buy an iPhone 6 cell phone for Rp. 4.2 million through an internet site. But what came was a toy lipstick. Then he reported the case at the integrated police service center Polrestabes Semarang.

Based on the description of the background, the authors formulate the problems to be studied, there are:

1. What is the legal view on consumer protection for victims of online transaction fraud?
2. How to resolve disputes in transactions and/or doing business online?

## **Methods**

According to Subagyo, research methods are ways or ways to solve a problem. The method used in writing this journal is a sociological juridical or empirical research method, namely a research method with field data as a data source. The population in this study are people who have experience of fraud in online shopping. Then for the sampling technique, the author uses a purposive sampling technique with sample criteria, namely having experience of fraud in online shopping and being around 18-30 years old. Then by utilizing the Google Form media for data collection methods, in the form of a questionnaire that contains questions with essay answers about the experience of fraud respondents in shopping online. The goal is that respondents can tell their experiences and the authors know the chronology of online fraud

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<sup>1</sup>Rifan Adi Nugroho, Jamaluddin Mukhtar, Hardika Fajar Ardianto. 2015. "Legal Protection Against Consumers in Online Transactions". *Journal of Serambi Hukum*, Vol.8 No.2, p. 91

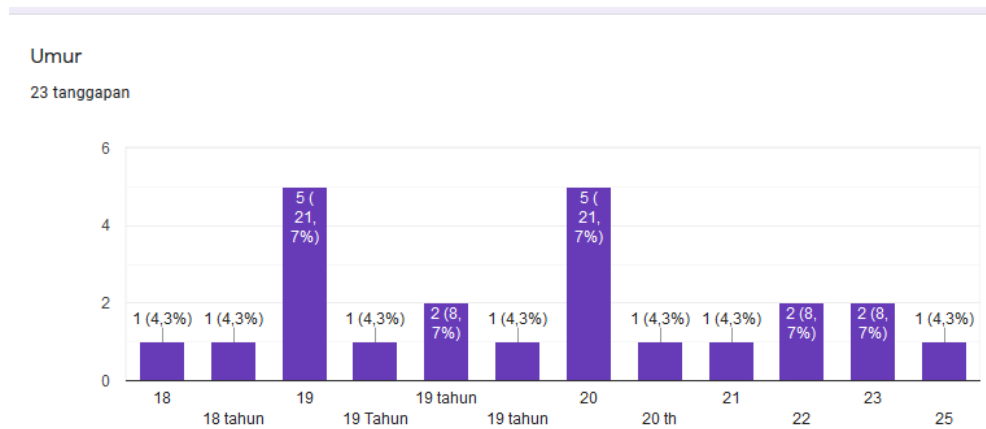
<sup>2</sup>Ibid. at 92

incidents, what online shopping media are used, and what steps are taken after being cheated by business actors online. The questionnaire was distributed through several social media applications that are often used by the public in online shopping such as Facebook, Instagram, Twitter, Whatsapp, etc. and have received as many as 23 respondents. After doing research in the field, it is obtained a description of the respondents and the writer can draw conclusions, so that they can answer the formulation of the problem in research using qualitative descriptive analysis methods. and what steps are taken after being cheated by business actors online. The questionnaire was distributed through several social media applications that are often used by the public in online shopping such as Facebook, Instagram, Twitter, Whatsapp, etc. and have received as many as 23 respondents. After doing research in the field, it is obtained a description of the respondents and the writer can draw conclusions, so that they can answer the formulation of the problem in research using qualitative descriptive analysis methods. and what steps are taken after being cheated by business actors online. The questionnaire was distributed through several social media applications that are often used by the public in online shopping such as Facebook, Instagram, Twitter, Whatsapp, etc. and have received as many as 23 respondents. After doing research in the field, it is obtained a description of the respondents and the writer can draw conclusions, so that they can answer the formulation of the problem in research using qualitative descriptive analysis methods.

**Result and Discussion**

After collecting data using questionnaires through Google Form media which were distributed via WhatsApp, Twitter and Facebook. Then the results of the respondents' responses can be presented as follows:

- A. Age, the average respondent who experiences fraud in online transactions is 19-20 years old. At this age, humans begin to make buying and selling transactions to meet the needs of daily life. They have also started to engage in their respective fields (work) so that they have rights and obligations as consumers and business actors.



**Image 1.** Diagram of the age percentage of respondents who are victims of online transaction fraud

- B. Last education, the majority of respondents' last education was SMA/SMK (SLTA) with a percentage of 69.6%

Pendidikan terakhir  
23 tanggapan

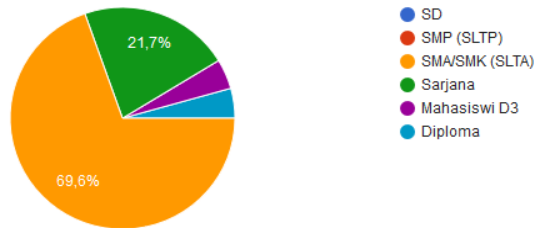


Figure 2. Diagram of the last education of respondents who are victims of online transaction fraud

C. Platforms or media. The majority of respondents experienced online transaction fraud through social media (Facebook, Instagram, Twitter, Whatsapp, etc.) with a percentage of 78.3%. It is natural that the majority of fraudulent transactions occur on social media platforms because these platforms are not devoted to buying and selling media, so there is very little protection and guarantee in the event of a default.

Platform  
23 tanggapan

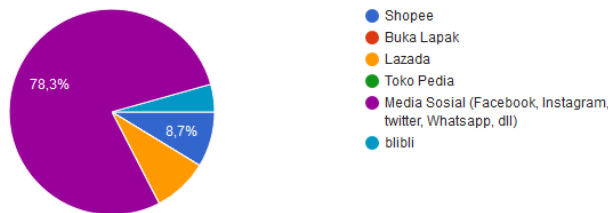


Figure 3. Platform diagram of online transaction fraud

D. Chronology of online transaction fraud incidents experienced by respondents

Looking at the data that has been collected which is the answer from the respondents, it can be concluded that several chronology of online fraud, among others, are:

1. Consumers (people who are deceived) buying goods at the online shop feel cheated because the goods that have been selected do not match the goods sent by the online shop.
2. Consumers are tempted by the low prices offered by online shops. After selecting and paying for the items to be purchased, the fraudulent account is no longer active.

E. The majority of respondents did not report cases of online transaction fraud experienced. It is proven from the data below.

Apakah anda melaporkan kasus penipuan transaksi online yang anda alami?  
23 tanggapan

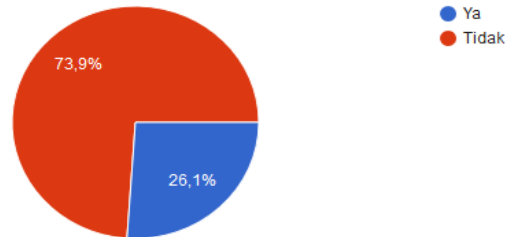


Figure 4. Percentage diagram of respondent follow-up in online transaction case reporting

F. The reasons respondents did not report the online transaction fraud they experienced were as follows:

1. It's complicated, because the complicated police reporting procedures make respondents lazy in fighting for their rights as consumers
2. Transactions made are not much or less than Rp. 500,000, making respondents prefer to let go of their losses
3. Fraud experienced by respondents through special online shopping platforms such as blibli.com did not report to the police because the platform has guaranteed consumer safety so that when a default occurs, blibli.com provides compensation or refunds

G. Compensation, a percentage of 91.3% of respondents did not get compensation because they did not report the case to the police so there was no follow-up to get compensation.

Apakah anda mendapat kompensasi dari pihak terkait?  
23 tanggapan

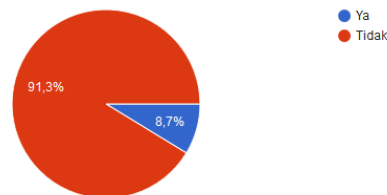


Figure 5. Diagram of the percentage of respondents in receiving compensation

From these data, researchers can answer questions in the formulation of the problem as follows:

### Legal Views on Consumer Protection for Victims of Online Transaction Fraud

In Indonesia, all forms of social interaction have been regulated and their movements monitored through existing regulations such as laws and regulations, government regulations, and so on. Then these regulations are supported by the existence of state apparatus such as the Police. For consumer protection itself, the foundation is first Pancasila, then Law no. 8 of 1999 concerning Consumer Protection,

transactions carried out online or can be called electronic transactions have been regulated in Law no. 11 of 2008 concerning Information and Electronic Transactions and Government Regulation No. 71 of 2019 concerning the Implementation of Electronic Systems and Transactions. In Law No. 8 of 1999 concerning Consumer Protection has provided guidelines for consumers and business actors in carrying out buying and selling transactions carried out by both parties. The guidelines aim to protect consumers from deviant behavior that can be carried out by business actors. The most important things to protect consumers include consumer rights and obligations of business actors. Consumer rights are stated in Article 4 of Law no. 8 of 1999 concerning Consumer Protection are as follows:

- a. consumers have the right to get comfort, security, and safety in consuming goods and/or services;
- b. The right to choose goods and/or services and to obtain said goods and/or services in accordance with the exchange rate and the promised conditions and guarantees;
- c. The right to obtain correct, clear and honest information regarding the conditions and guarantees of goods and/or services;
- d. The right to have their opinions and complaints heard on the goods and/or services used;
- e. The right to get advocacy, protection, and efforts to resolve consumer protection disputes properly.  
The right to receive consumer guidance and education;
- f. The right to be treated or served correctly and honestly and not discriminatory;
- g. The right to obtain compensation, compensation and/or replacement, if the goods and/or services received are not in accordance with the agreement or not properly;
- h. Obtain the rights regulated in the provisions of other laws and regulations.

Then the obligations of business actors are listed in Article 7 of Law no. 8 of 1999 concerning Consumer Protection are as follows:

- a. Business actors must have good intentions in carrying out their business activities;
- b. Business actors must provide correct, clear and honest information regarding the conditions and guarantees of goods and/or services as well as provide explanations for use, repair and maintenance;
- c. Business actors must treat and serve consumers correctly and honestly and not discriminately;
- d. Business actors are required to guarantee the quality of goods and/or services produced and/or traded based on the provisions of the applicable quality standards of goods and/or services;
- e. Business actors must provide opportunities for consumers to test and/or try certain goods and/or services as well as provide guarantees and/or guarantees for goods manufactured and/or traded
- f. Business actors provide compensation, compensation and/or compensation for losses resulting from the use, use and utilization of traded goods and/or services;
- g. Business actors provide compensation, compensation and/or replacement if the goods and/or services received or utilized are not in accordance with the agreement.

From the articles above, it can be seen that case 1 in the introduction is a violation of Article 7 letter (a) of Law Number 8 of 1999, namely that business actors do not have good faith in running their business. This case also affects many respondents to this research questionnaire, the case also violates Article 28 Paragraph (1) of Law Number 2008 concerning Information and Electronic Transactions in conjunction with Article 45 Paragraph (1) of Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 Regarding information and Electronic Transactions, it is formulated in one text, the details are as follows Any person who intentionally and without rights spreads false and misleading news that results in consumer losses in Electronic Transactions, shall be sentenced to a maximum imprisonment of 6 (six) years and/or a maximum fine of Rp. 1,000,000,000.00 (one billion rupiah). . Furthermore, case 2 in the introduction is a violation of Article 4 letter (b) and letter (g) of Law Number 8 of 1999 concerning Consumer Protection. Thus the law has fully provided protection to consumers and business actors in carrying out their activities. The law is used as a guide, regulator and supervisor of economic

activities, especially in Indonesia, both through online and offline transactions. Then with the existence of the law above, legal certainty for consumers and business actors is true,

### **Settlement of Disputes in Transactions and/or Online Business**

Settlement of disputes in online transactions and/or business itself can basically be resolved amicably and adversarially. Settlement of disputes peacefully is better known as settlement by deliberation and consensus. Meanwhile, adversarial dispute resolution is better known as dispute resolution by third parties who are not involved in the dispute. In peaceful dispute resolution, no party makes decisions for dispute resolution. The involvement of third parties in peaceful dispute resolution is to ensure that the disputing consumers and business actors can agree to resolve their disputes. The forms of peaceful dispute resolution are negotiation, mediation and conciliation<sup>3</sup>. In transaction disputes and/or online business, mediation tends to be the way to resolve disputes. Through mediation, third parties will work together with disputing consumers and business actors and will help to resolve the dispute amicably and then find a fair agreement for both parties. Negotiation is a peaceful dispute resolution in which the parties concerned face to face without any third party. What is meant by face-to-face is not face-to-face but through communication media or media where consumers and business actors conduct online transactions. Furthermore, dispute resolution through conciliation is a dispute resolution process that involves a neutral third party or does not side with anyone. The task of the conciliator is only as a medium for communicating between the disputing parties so that in the end a solution is produced by the parties themselves. When carrying out the conciliation process, the conciliator must be able to know the situation and condition of the case being handled, then must know what the wishes of the disputing parties are and know the needs of the parties so that the dispute can be resolved quickly.

The way to resolve disputes other than peaceful dispute resolution and adversarial settlement is the Alternative Dispute Resolution (ADR). ADR in Article 1 paragraph 10 of Law no. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution is called Alternative Dispute Resolution. Namely an institution for resolving disputes or differences of opinion through procedures agreed upon by the parties, namely settlements out of court by means of consultation, negotiation, mediation, conciliation, or expert judgment. ADR itself has a type of dispute resolution, one of which is arbitration which can be done online. Arbitration is a way of resolving disputes whose decisions are final and binding which are carried out outside the judiciary. However, online arbitration can be carried out only if there is a prior agreement from the parties to conduct online arbitration. In article 4 paragraph 3 of Law no. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution states that in the event that it is agreed that the settlement of a dispute through arbitration occurs in the form of an exchange of letters, the sending of telex, telegram, facsimile, e-mail or in other forms of communication means, must be accompanied by a note of receipt by the parties. party.

The next dispute resolution method is through the Online Dispute Resolution (ODR) media. This method of dispute resolution through online media actually has no legal basis in Indonesia. So far, parties wishing to resolve disputes online have used Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (hereinafter abbreviated as Arbitration Law).<sup>4</sup> ODR is an alternative dispute resolution outside the court that uses the internet as a medium to resolve disputes that occur. The method used in dispute resolution through ODR is basically the same as conventional arbitration, the only difference being the place and media used for dispute resolution.<sup>5</sup> Arbitration itself is a way of resolving disputes whose decisions are final and binding which are carried out outside the judiciary. Its

<sup>3</sup>Rochani Urip Salami and Rahadi Wasi Bintoro. 2013. "Alternative Dispute Resolution in electronic transaction (E-commerce) disputes". *Journal of Legal Dynamics*. Vol.13 No.1, p.127

<sup>4</sup>Ita Susanti. 2019. "Juridical Analysis of Online Dispute Resolution in the Scope of Business Law". *Your Sigma*. Vol.11 No.1, p.15

<sup>5</sup>Rochani Urip Salami and Rahadi Wasi Bintoro. loc.cit .134

implementation must be based on an agreement between the parties and involve the arbitrator as a neutral third party and chosen by the parties or the arbitration institution. In arbitration with online media, there is a fourth party, namely the internet or technology that plays a role in helping the arbitrator to complete the task. But there is a weakness in dispute resolution through ODR, namely the arbitrator cannot see the actual dispute directly because it can only see through e-mail or other internet media.

## ***Closing***

### **1. Conclusion**

The majority of respondents who have experienced fraud in online transactions are aged 19 to 20 years, with the last education being SMA/SMK (SLTA) through social media platforms such as Facebook, Instagram, Twitter, WhatsApp, and others. The fraud is in the form of goods that don't come in accordance with the picture and business actors don't have news after consumers make payments. The majority of respondents prefer not to report cases of fraud that they experienced due to several reasons such as complicated reporting procedures and losses of less than IDR 500,000. Because there is no follow-up action taken by consumers, they automatically do not get compensation for the losses that occur.

In addition, the law in Indonesia has provided protection, guarantee and legal certainty to consumers and business actors through Law no. 8 of 1999 concerning Consumer Protection, Law no. 11 of 2008 concerning Information and Electronic Transactions and Government Regulation no. 71 of 2009 concerning the Operation of Electronic Systems and Transactions. For dispute resolution in online transaction and/or online business which is not possible through the courts due to the possibility that the domicile of consumers and business actors is far away. Then it can use peaceful dispute resolution or consensus deliberation in the form of negotiation, mediation and conciliation. Furthermore, it can be through ADR and/or ODR (Online Dispute Resolution) and use Law no. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution.

### **2. Suggestion**

#### **a. Consumer**

In conducting transactions, especially online transactions, consumers should prioritize through media specially made for buying and selling transactions and not personal media accounts such as Facebook, Instagram, WhatsApp and others. This is because media or e-commerce that are made specifically for buying and selling transactions can guarantee more or there is a guarantee if something unexpected happens. Then consumers or respondents are expected to be more careful and thorough in buying and selling activities online. Furthermore, respondents are expected to learn about dispute resolution that occurs in order to fight for their rights as consumers which have been guaranteed by the Indonesian state.

#### **b. Businessmen**

Fraud is a disgraceful act, it is prohibited by religion and the Indonesian state. As a business actor as well as a good citizen, it is better to study the obligations as a business actor in the laws that have been made by the Government of Indonesia. Preferably in looking for work and income, do it in a good way and do not violate existing laws for the good of fellow human beings.

#### **c. Government**

From the data taken through Google Form, respondents revealed that the service system and case reporting in particular and online transactions are complicated/complicated, so that respondents prefer to accept losses rather than fight for their rights which are guaranteed by law. Therefore, the government



should provide socialization to the public to better understand the reporting process so that those who experience cases of online fraud can immediately report them to the authorities. Then reinforce or optimize existing services in order to reduce or even no more cases of online fraud as experienced by the respondents.

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