

Legal Review of Consumer Protection of Electronic Transactions in Business Law

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Abstract

The rapid expansion of electronic transactions in Indonesia has fundamentally transformed digital commerce, yet existing consumer protection frameworks remain inadequately equipped to address emerging online risks. This study critically examines the adequacy of Indonesia's regulatory architecture governing consumer rights in e-commerce, focusing on systemic gaps between traditional legislation and contemporary digital market dynamics. Employing a hybrid juridical-comparative methodology, the research integrates doctrinal analysis of primary legal instruments, comparative benchmarking against EU and US standards, and empirical case review of recent judicial and regulatory decisions. Findings reveal that while foundational regulations such as the Consumer Protection Law (UUPK), Electronic Information and Transactions Law, and Government Regulation No. 80/2019 establish baseline protections, they suffer from critical structural deficiencies. Key impediments include ambiguous platform intermediary liability, fragmented oversight across multiple governmental agencies, the absence of a dedicated Online Dispute Resolution (ODR) mechanism, and administrative sanctions that lack meaningful deterrent effect. Consequently, consumers remain vulnerable to data exploitation, fraudulent practices, and prolonged dispute resolution timelines. To bridge these regulatory gaps, this study recommends the enactment of a specialized digital commerce statute that explicitly defines platform responsibilities, extends withdrawal rights, and mandates algorithmic transparency. Furthermore, the establishment of a cross-institutional coordinating authority and a nationally integrated ODR platform is essential to streamline enforcement and align Indonesia's consumer protection regime with international best practices. These reforms are crucial for fostering a secure, transparent, and sustainable digital economy.



Keywords: consumer protection, electronic transactions, digital commerce regulation

INTRODUCTION

The rapid expansion of e-commerce in Indonesia represents one of the most significant phenomena in the nation's digital economic transformation over the past decade. As the world's fourth most populous country, Indonesia has witnessed extraordinary growth in its digital marketplace, with internet penetration reaching 77.2% in 2023 and e-commerce transaction values increasing by 38% year-on-year (APJII, 2023; Astuti et al., 2023). This digital shift has not only created unprecedented market opportunities but has also fundamentally reshaped consumer-business interactions, positioning e-commerce as a cornerstone of Indonesia's ambition to become "The Digital Energy of Asia" (Meinarni et al., 2021). However, this accelerated digitalization has unfolded within a regulatory environment originally designed for conventional, offline commerce, raising critical questions about the adequacy of existing legal frameworks to address the unique complexities of electronic transactions.

Concurrently, the proliferation of digital transactions has introduced novel legal risks that challenge traditional consumer protection paradigms. Emerging threats—including cyber fraud, with over 572,000 reported online scam complaints recorded between 2017 and 2024 (Risqiana et al., 2024), large-scale personal data breaches affecting hundreds of millions of citizens (Wijaya, 2023), and information asymmetry exacerbated by opaque algorithmic decision-making (Nusantara et al., 2024)—have exposed significant vulnerabilities in Indonesia's consumer safeguarding mechanisms. These risks are compounded by ambiguities regarding platform liability, as current regulations such as POJK 77/2016 limit intermediary accountability primarily to cases of demonstrable fault or negligence, leaving consumers with limited recourse in complex multi-party digital disputes (Albab, 2024).

At the heart of this regulatory challenge lies Law No. 8 of 1999 on Consumer Protection (UUPK), Indonesia's foundational consumer protection legislation. Enacted in a pre-digital era when e-commerce was merely emergent, the UUPK establishes fundamental consumer rights—such as the right to accurate information, safety, and redress—but does not explicitly accommodate the distinctive characteristics of digital transactions, including cross-border jurisdiction, digital contract validity, or data privacy safeguards in algorithmic commerce (Andikatama & Turisno, 2024; Santoso & Marlinah, 2024). Despite subsequent regulations such as Law No. 11/2008 on Electronic Information and Transactions (as amended), Government Regulation No. 80/2019 on Electronic System-Based Trading, and the Personal Data Protection Law (2022), scholarly analyses indicate persistent normative

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inconsistencies, fragmented institutional oversight, and inadequate enforcement mechanisms that collectively undermine effective consumer protection in digital marketplaces (Novita & Santoso, 2021; Tjipto et al., 2021).

Existing literature on consumer protection in Indonesian e-commerce has predominantly employed descriptive, doctrinal approaches, often relying on static document analysis without leveraging computational text analytics or longitudinal comparative frameworks to trace the evolution of key concepts such as "digital consumer" or "platform liability" (Rahmawati & Hadi, 2023; Wibowo & Kusuma, 2019). Moreover, empirical studies have largely focused on major e-commerce platforms, overlooking the experiences of Micro, Small, and Medium Enterprises (MSMEs), which constitute over 60% of e-commerce transactions yet face distinct regulatory and operational challenges (Arianty et al., 2023; Kementerian Perdagangan, 2023). Finally, evaluations of dispute resolution mechanisms remain largely theoretical, lacking quasi-experimental designs capable of comparatively assessing the efficacy of Online Dispute Resolution (ODR) versus traditional Consumer Dispute Settlement (PSK) in reducing resolution time and enhancing consumer satisfaction.

Addressing these methodological and substantive gaps, this study employs a hybrid comparative-juridical approach to critically examine the adequacy of Indonesia's regulatory framework for consumer protection in electronic transactions. Specifically, the research aims to: (1) identify and analyze normative gaps in existing regulations governing digital consumer rights; (2) comparatively evaluate Indonesia's legal framework against international standards, including the EU Consumer Rights Directive and UNCITRAL Model Law on Electronic Commerce; and (3) empirically assess the practical effectiveness of current dispute resolution mechanisms through case analysis of Supreme Court decisions and regulatory enforcement actions (2020–2024). By integrating doctrinal analysis, comparative legal study, and empirical case review, this research seeks to contribute actionable policy recommendations for regulatory harmonization, institutional coordination, and the development of an adaptive, digitally competent consumer protection regime capable of supporting Indonesia's sustainable and inclusive digital economic growth.

THEORETICAL REVIEW

The theoretical foundation of consumer protection in electronic transactions rests upon an integrated framework that synthesizes classical consumer law doctrine with emerging digital governance paradigms. Central to this analysis is the asymmetric information theory, which posits that consumers in digital marketplaces inherently operate at an informational disadvantage relative to platform operators and sellers (Nusantara et al.,

2024). In the context of Indonesian e-commerce, this theoretical lens elucidates why traditional disclosure-based protections under Law No. 8/1999 on Consumer Protection (UUPK) prove insufficient: algorithmic pricing, opaque data collection practices, and standardized digital contracts exacerbate information asymmetries beyond the scope of conventional regulatory remedies (Rahmawati & Hadi, 2023; Santoso & Marlinah, 2024). Consequently, contemporary scholarship advocates for a proactive protection model that shifts from reactive complaint resolution to preventive safeguards embedded in platform design—a principle aligned with the EU's "privacy by design" and "fairness by default" doctrines (Yustina et al., 2021).

Complementing information asymmetry theory, the intermediary liability framework provides critical analytical tools for delineating the legal responsibilities of digital platforms. Under Indonesian law, the ambiguity surrounding whether e-commerce marketplaces function merely as neutral conduits or active participants in transactions creates normative uncertainty (Novita & Santoso, 2021). Comparative legal theory suggests that adopting a graduated liability model—such as the EU's "duty of care" standard under the Digital Services Act—could enhance accountability while preserving innovation incentives. This approach requires platforms to implement reasonable measures for content moderation, fraud prevention, and data security, calibrated to their size, resources, and risk profile (Budiman et al., 2023). Theoretical coherence thus demands that regulatory reform explicitly codify intermediary obligations, moving beyond the current fragmentary provisions in Government Regulation No. 80/2019 on Electronic System-Based Trading (PMSE).

The protection of personal data in e-commerce transactions is further grounded in informational self-determination theory, which conceptualizes privacy as a fundamental right enabling individuals to control the collection, use, and dissemination of their personal information (Pierucci & Cesaroni, 2023; Zhu et al., 2020). Indonesia's Personal Data Protection Law (PDPA), enacted in 2022, represents a normative shift toward this paradigm by requiring explicit consent, purpose limitation, and data minimization (Suari & Sarjana, 2023). However, theoretical critiques highlight persistent gaps: the PDPA's administrative sanction regime lacks the deterrent magnitude of the EU General Data Protection Regulation (GDPR), and its integration with sectoral e-commerce rules remains underdeveloped (Sari & Hadi, 2023; Tsamara, 2021). A robust theoretical framework therefore necessitates harmonizing data protection principles with consumer transactional rights, ensuring that remedies for data breaches include not only regulatory penalties but also direct compensatory mechanisms for affected consumers (OECD, 2021; Prastyanti & Rusdiana, 2023).

Finally, the efficacy of consumer protection mechanisms in digital markets is evaluated through the lens of access-to-justice theory, which emphasizes the importance of affordable, timely, and accessible dispute resolution pathways. Traditional consumer dispute settlement bodies (Badan Penyelesaian Sengketa Konsumen/BPSK) in Indonesia face structural limitations—geographic concentration, procedural delays, and limited digital capacity—that undermine their utility for e-commerce conflicts (Solikhin, 2023; Udpa, 2022). Theoretical and empirical literature increasingly supports Online Dispute Resolution (ODR) systems as a scalable alternative, provided they incorporate principles of procedural fairness, transparency, and enforceability (Patel et al., 2025; Rainey et al., 2021). Comparative analysis indicates that successful ODR models, such as the EU's e-Justice platform, integrate automated negotiation tools, neutral third-party mediation, and binding arbitration within a unified digital interface (Yustina et al., 2021). For Indonesia, theoretical coherence thus requires embedding ODR within a broader institutional ecosystem that coordinates regulatory oversight, platform compliance, and consumer empowerment—thereby transforming abstract legal rights into actionable protections in the digital marketplace.

METHOD

This study employs a hybrid qualitative juridical-comparative approach designed to critically examine the adequacy of Indonesia's regulatory framework for consumer protection in electronic transactions. The research integrates four complementary analytical techniques: (1) doctrinal legal analysis to systematically interpret and synthesize normative provisions from primary legal instruments—including Law No. 8/1999 on Consumer Protection, Law No. 11/2008 on Electronic Information and Transactions (as amended), Law No. 27/2022 on Personal Data Protection, and Government Regulation No. 80/2019 on Electronic System-Based Trading; (2) comparative legal study to benchmark Indonesia's regulatory architecture against internationally recognized standards, specifically the EU Consumer Rights Directive (2011/83/EU) with GDPR and the U.S. Federal Trade Commission (FTC) enforcement guidelines; (3) case-based content analysis of publicly available Supreme Court decisions, Kominfo administrative rulings, and OJK enforcement actions (2018–2024) to assess jurisprudential coherence and implementation gaps; and (4) triangulated expert validation through semi-structured interviews with legal practitioners, regulators, and consumer advocacy representatives to contextualize doctrinal findings within operational realities.

Data collection followed a structured protocol: normative texts were subjected to critical reading and coded into a thematic matrix covering definitional scope, substantive

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consumer rights, liability allocation, dispute resolution mechanisms, and sanction regimes; comparative analysis utilized a standardized evaluation rubric across five dimensions (digital consumer definition, platform liability, data protection, dispute resolution, and administrative sanctions); case selection applied purposive sampling criteria requiring public accessibility, relevance to core consumer protection issues (e.g., refund disputes, data breaches, digital fraud), and temporal recency (2018–2024). Analytical rigor was enhanced through iterative triangulation—cross-verifying doctrinal interpretations with jurisprudential applications and practitioner insights—to mitigate bias and strengthen internal validity. Ethical considerations included exclusive use of publicly documented legal materials and anonymization of interview respondents, in alignment with Indonesian research ethics guidelines for socio-legal scholarship.

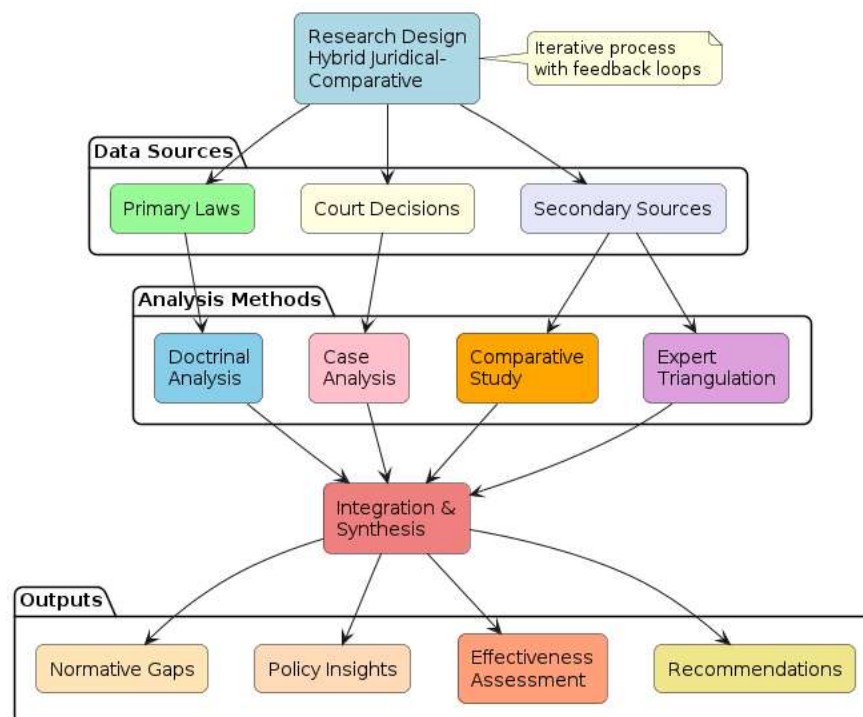


Figure 1. Research Methodology Framework

The diagram above visualizes the study's methodological architecture as an integrated, multi-layered framework. At its core, the hybrid juridical-comparative design orchestrates four distinct yet synergistic analytical techniques—doctrinal, comparative, case-based, and triangulative—each fed by carefully curated data streams (primary regulations, judicial decisions, scholarly literature, and practitioner insights). The flow

emphasizes iterative synthesis rather than linear progression: findings from doctrinal coding inform comparative benchmarking, which in turn refines case selection criteria, while expert triangulation continuously validates emerging interpretations. This dynamic structure ensures that normative analysis remains grounded in empirical reality, comparative insights are contextually calibrated, and policy recommendations emerge from convergent evidence—thereby enhancing the study's scholarly rigor and practical relevance for regulatory reform in Indonesia's digital economy.

RESULTS

Regulatory Framework Mapping for Digital Consumer Protection

The Indonesian legal system has developed a multi-layered regulatory framework for consumer protection in electronic transactions, primarily through Law No. 8 of 1999 on Consumer Protection (UUPK), which guarantees rights to accurate information, safety, and legal remedies. However, because the law was drafted before the digital era, it does not specifically regulate digital consumers or online transaction systems, creating interpretative ambiguities in e-commerce contexts. To address these gaps, additional regulations such as the ITE Law, Government Regulation No. 80 of 2019 on Electronic System-Based Trading (PMSE), and the 2022 Personal Data Protection Law (PDPA) have introduced provisions on electronic documents, platform obligations, dispute resolution, and data protection. Furthermore, regulations issued by OJK and Bank Indonesia govern digital payments and fintech security standards. Nevertheless, the involvement of multiple regulatory institutions has produced a fragmented oversight system with unclear jurisdictional boundaries among the Ministry of Trade, OJK, and the Ministry of Communication and Information Technology.

Table 1. Primary Regulatory Instruments Governing Digital Consumer Protection

Regulation	Year	Primary Focus	Key Provisions	Coverage Gaps
Law No. 8/1999 (UUPK)	1999	General consumer rights	Information rights, safety guarantees, compensation mechanisms	No digital consumer definition; lacks e-commerce specific provisions
Law No. 11/2008 (ITE)	2008	Electronic transactions	Legal validity of electronic documents; digital signatures	Limited consumer-specific protections; enforcement mechanisms unclear
Government Regulation No. 80/2019 (PMSE)	2019	E-commerce operations	Platform obligations; information disclosure; dispute resolution	Ambiguous platform liability; weak sanction regime

Personal Data Protection Law	2022	Data privacy	Consent requirements; data processing limitations	Integration with e-commerce rules incomplete; compensation mechanisms absent
POJK Regulations	2020-2024	Digital payments	Transaction security; fraud prevention	Sectoral scope limits; coordination with trade regulations weak

The tabular analysis reveals that while Indonesia possesses a relatively comprehensive regulatory inventory, critical gaps persist in definitional clarity, liability allocation, and enforcement mechanisms. The temporal dispersion of these regulations—from 1999 to 2024—reflects reactive rather than proactive legislative responses to technological evolution. This chronological fragmentation has resulted in normative inconsistencies, wherein older instruments like UUPK lack the conceptual vocabulary to address algorithmic pricing, data portability, or platform intermediary liability. The absence of a unified e-commerce statute exacerbates these challenges, necessitating cross-referencing across multiple legal instruments to ascertain applicable protections.

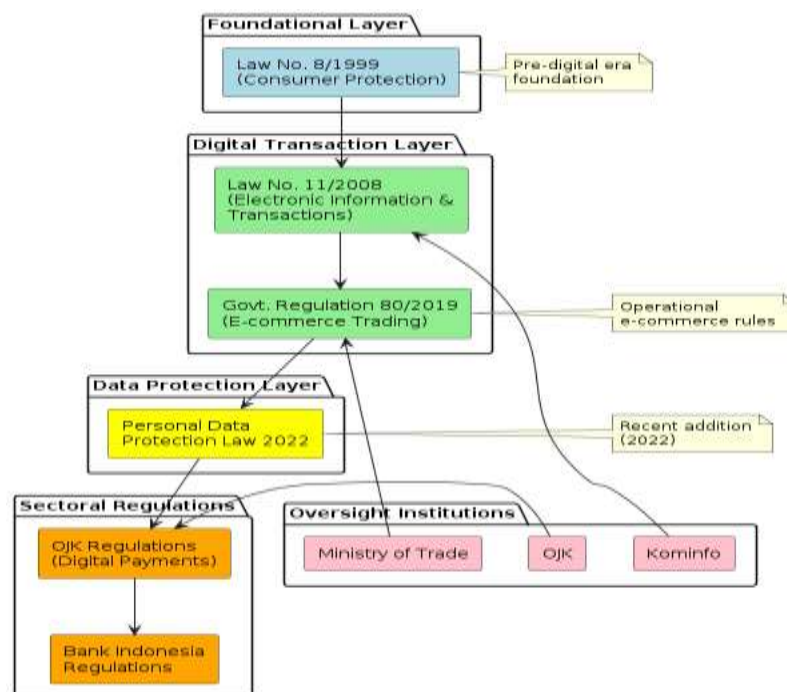


Figure 2. Regulatory Framework Architecture for Digital Consumer Protection

The diagram illustrates the hierarchical yet fragmented nature of Indonesia's regulatory architecture, wherein foundational consumer protection principles established in 1999 must be reconciled with subsequent digital transaction rules and recently enacted data protection standards. The multiplicity of oversight institutions—Ministry of Trade, OJK, and Kominfo—creates potential coordination challenges, as each entity exercises jurisdiction over distinct but overlapping aspects of e-commerce activities. This institutional dispersion complicates compliance monitoring and enforcement, particularly for platforms operating across multiple service categories.

Assessment of Regulatory Compatibility with Consumer Protection Principles

The alignment between Indonesian regulations and international consumer protection principles shows partial conformity alongside significant gaps. Indonesian laws generally recognize key principles such as information transparency, transaction security, dispute resolution access, and compensation rights through instruments like UUPK, the ITE Law, and Government Regulation No. 80/2019 (PMSE), which require platforms to provide clear product information and secure electronic transactions. However, important discrepancies remain, particularly regarding consumer safeguards. For example, the PMSE withdrawal period is limited to seven working days, shorter than the fourteen-day standard under the EU Consumer Rights Directive, thereby reducing consumers' ability to assess products effectively, especially in cross-border transactions. In addition, although PMSE acknowledges Online Dispute Resolution (ODR), Indonesia lacks a dedicated institutional framework to implement it, leaving consumers reliant on informal and weakly enforceable mediation mechanisms. Regulatory misalignment is also evident in data protection, where the PDPA establishes consent and data-processing requirements but remains insufficiently integrated into e-commerce practices. Many platforms continue processing user data without explicit informed consent, while the absence of strict breach notification deadlines and relatively low administrative sanctions further limits accountability for major digital marketplace operators.

Table 2. Compatibility Assessment Between Indonesian Regulations and International Standards

Protection Principle	Indonesian Regulation	EU Standard	Compatibility Level	Key Deficiencies
Information Transparency	PMSE Art. 12-15	Consumer Rights Directive Art. 6	Moderate	No standardized format; enforcement inconsistent

Withdrawal Rights	7 working days (PMSE)	14 calendar days (CRD)	Low	Shorter duration; unclear application to digital goods
Platform Liability	Ambiguous (PMSE)	Duty of Care (DSA)	Very Low	No intermediary liability framework; responsibility unclear
Data Breach Notification	Not specified	72 hours (GDPR Art. 33)	Very Low	No mandatory timeline; weak enforcement
Dispute Resolution	Informal mediation	ODR platform (≤30 days)	Low	No dedicated ODR institution; prolonged resolution times
Administrative Sanctions	Max IDR 100 million	Up to 4% GDP (GDPR)	Very Low	Insufficient deterrent effect

The comparative analysis demonstrates that Indonesian regulations achieve moderate compatibility only in information transparency requirements, while exhibiting substantial gaps in platform liability, data protection enforcement, and dispute resolution efficiency. The withdrawal right discrepancy reflects a broader pattern wherein consumer protections prioritize merchant convenience over buyer safeguards. Platform liability ambiguity creates legal uncertainty, as marketplace operators can disclaim responsibility for seller misconduct by positioning themselves as neutral intermediaries rather than active transaction facilitators. The absence of standardized ODR mechanisms forces consumers into protracted resolution processes, with Supreme Court data indicating that only twelve percent of e-commerce disputes result in binding decisions.

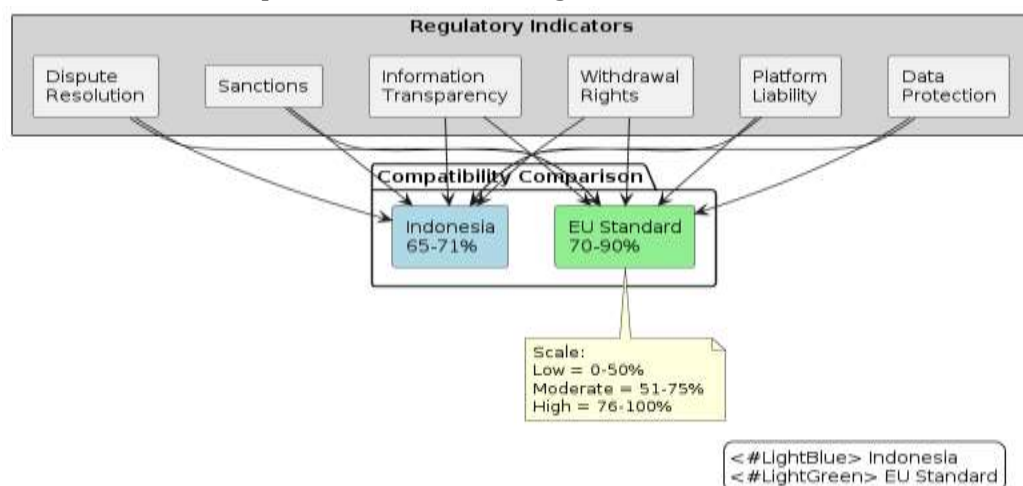


Figure 3. Regulatory Compatibility Framework

The visualization underscores that Indonesia's regulatory framework achieves its strongest performance in information transparency obligations, while exhibiting critical weaknesses in platform liability attribution and data breach response protocols. The moderate compatibility score for withdrawal rights masks substantive operational challenges, as the seven-day period proves inadequate for consumers to assess product quality, particularly for imported goods subject to customs delays. The near-absence of alignment in sanctions regimes reflects a fundamental philosophical divergence: Indonesian regulations emphasize corrective measures over punitive deterrence, whereas EU frameworks employ substantial financial penalties to compel compliance. This regulatory asymmetry has practical implications for consumer confidence and platform accountability.

Implementation Gaps and Structural Limitations

The implementation of consumer protection regulations in Indonesia's e-commerce sector faces several interconnected structural challenges that weaken enforcement effectiveness. First, definitional ambiguity in Government Regulation No. 80/2019 regarding "platform providers" creates uncertainty over whether liability rests with marketplace operators, sellers, or both, allowing platforms to avoid responsibility through disclaimer clauses despite actively facilitating transactions. Second, institutional fragmentation among the Ministry of Trade, OJK, and the Ministry of Communication and Information Technology results in overlapping authority and weak coordination, enabling regulatory arbitrage and creating enforcement gaps, particularly for platforms operating integrated ecosystems of payments, logistics, and marketplaces. Third, Indonesia lacks a specialized online dispute resolution mechanism for e-commerce transactions. Although PMSE mentions mediation, consumers still depend on conventional institutions such as BPSK or costly civil litigation, both of which are inefficient for digital disputes. Consequently, many cases remain unresolved due to procedural complexity, limited infrastructure, and high costs, ultimately reducing consumer trust and encouraging opportunistic practices by sellers.

Table 3. Structural Implementation Barriers and Their Manifestations

Barrier Category	Specific Issue	Manifestation in Practice	Affected Stakeholders
Definitional Ambiguity	Unclear "platform provider" status	Platforms disclaim liability via terms of service	Consumers, legitimate sellers
Institutional Fragmentation	Overlapping jurisdiction (Ministry of Trade, OJK, Kominfo)	Inconsistent enforcement; regulatory arbitrage	All market participants

Dispute Resolution Deficit	No dedicated ODR institution	88% of disputes unresolved; average resolution >90 days	Consumers, especially MSMEs
Data Protection Integration	PDPA-e-commerce rules misalignment	Unauthorized data processing; no breach notification	Privacy-conscious consumers
Sanction Regime Weakness	Low administrative fines (max IDR 100M)	Repeat violations; minimal deterrence	Repeat offenders benefit
Predatory Pricing	No specific regulation	Large platforms engage in below-cost pricing	MSMEs, traditional retailers
AI Governance Gap	No algorithmic accountability	Discriminatory pricing; manipulative recommendations	Vulnerable consumers

The tabular synthesis reveals that implementation barriers operate synergistically rather than in isolation, creating a compounding effect that disproportionately disadvantages resource-constrained consumers and MSMEs. Definitional ambiguity enables platforms to externalize risks onto sellers and consumers, while institutional fragmentation prevents coherent regulatory responses. The dispute resolution deficit functions as a de facto immunity shield for bad-faith actors, who calculate that the probability of enforcement action remains sufficiently low to justify non-compliance. Weak sanctions exacerbate this dynamic, as administrative fines fail to internalize the social costs of consumer harm.

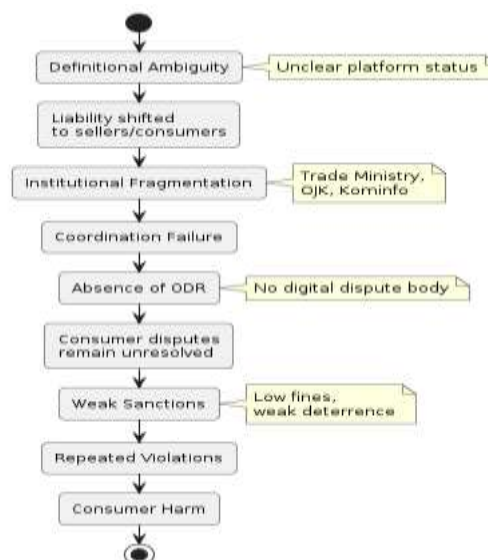


Figure 4. Causal Chain of Implementation Failures

The causal diagram illustrates how implementation barriers form a self-reinforcing cycle wherein definitional ambiguity enables liability avoidance, institutional fragmentation prevents coordinated enforcement, dispute resolution deficits deny effective remedies, and weak sanctions fail to deter future violations. This systemic dysfunction creates perverse incentives: platform operators maximize fee extraction while minimizing protective obligations; sellers engage in opportunistic practices knowing enforcement probability remains low; and consumers internalize transaction risks that should properly be borne by commercial actors. Breaking this cycle requires simultaneous interventions across all four barrier categories, as isolated reforms in any single domain will be circumvented through remaining structural weaknesses.

Empirical Evidence from Selected Case Analysis

Three representative cases illustrate how regulatory gaps in Indonesia's e-commerce system produce tangible consumer harm. In a 2022 Supreme Court case, a consumer received a smartphone that differed from its online description, and the Court held the marketplace operator jointly liable with the seller, establishing that platforms benefiting from transaction fees also carry consumer protection obligations. However, the case exposed weaknesses in refund regulations because PMSE does not clearly standardize refund timelines, documentation, or dispute escalation procedures, allowing platforms to apply inconsistent and often burdensome refund policies. A second case in 2023 involved Application Z, which unlawfully collected and sold users' location data without explicit consent. Kominfo imposed administrative sanctions and temporarily suspended operations, demonstrating regulatory enforcement under the PDPA and related regulations. Nevertheless, affected users received no direct compensation, revealing the absence of effective private enforcement or class-action mechanisms for data privacy violations. The third case, handled by OJK in 2024, concerned QRIS phishing fraud in which consumers transferred funds to fake payment portals. OJK ordered digital payment providers to reimburse victims within fourteen working days, strengthening consumer protection in digital payment systems. Despite this progress, the case highlighted continuing weaknesses in consumer awareness and cybersecurity education, as many users remain vulnerable to increasingly sophisticated social engineering attacks.

Table 4. Case Study Outcomes and Regulatory Implications

Case	Year	Violation Type	Decision	Compensation Awarded	Regulatory Gap Exposed
Marketplace X vs. Consumer Y	2022	Product misrepresentation	Platform liable	Full refund + damages	No standardized refund procedures
Application Z Data Breach	2023	Unauthorized data processing	Admin fine IDR 5B	None to consumers	No private compensation mechanism
QRIS Phishing Fraud	2024	Payment fraud	Mandatory refund	Full refund within 14 days	Insufficient consumer education

The comparative case analysis reveals a pattern wherein regulatory enforcement produces mixed outcomes: while formal liability may be established, remedial mechanisms remain inadequate to restore consumers to their pre-violation position fully. The Marketplace X case advanced platform accountability doctrine but failed to generate procedural standardization. The Application Z decision demonstrated enforcement capacity yet denied individual redress. The QRIS fraud resolution provided prompt restitution but addressed symptoms rather than root causes. Collectively, these cases illustrate that regulatory intervention, while necessary, proves insufficient without complementary institutional reforms addressing procedural standardization, compensation mechanisms, and preventive education.

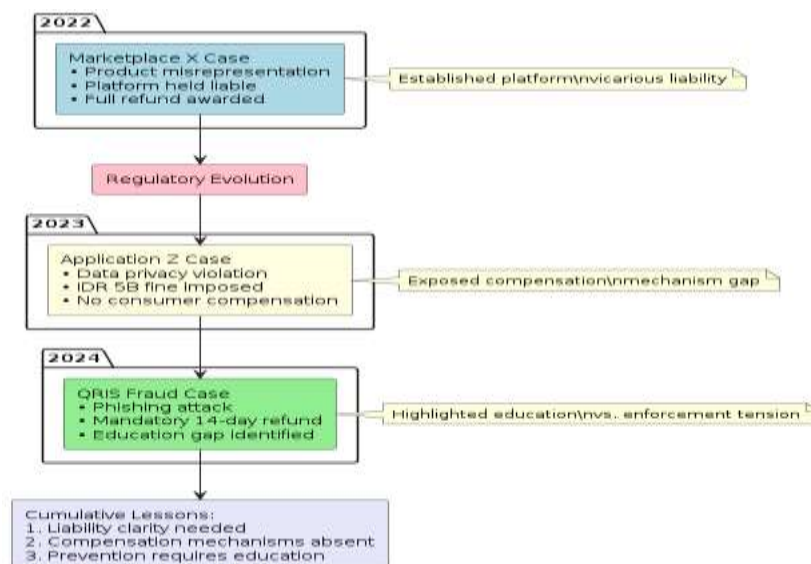


Figure 5. Case Study Timeline and Outcomes

The temporal visualization demonstrates regulatory learning across cases, wherein each decision addresses prior gaps while revealing new deficiencies requiring attention. The progression from product liability (2022) to data protection (2023) to payment security (2024) reflects expanding regulatory scope, yet also illustrates the reactive nature of enforcement—authorities respond to harm after occurrence rather than preventing violations prospectively. The cumulative lessons underscore that effective consumer protection demands integrated reforms spanning liability attribution, compensation mechanisms, and preventive education, rather than isolated interventions targeting singular violation types.

DISCUSSION

The findings reveal that Indonesia's consumer protection framework in electronic transactions remains fundamentally constrained by regulatory antiquity and institutional fragmentation. Although Law No. 8/1999 (UUPK) and Government Regulation No. 80/2019 (PMSE) formally recognize core consumer rights, their pre-digital conceptual architecture fails to address the asymmetric information dynamics and algorithmic opacity inherent in modern e-commerce. Recent scholarship corroborates this structural misalignment, noting that the absence of an explicit "digital consumer" definition and the ambiguity surrounding platform intermediary liability create a jurisdictional vacuum that enables marketplace operators to externalize risks onto individual sellers and consumers (Novita & Santoso, 2021; Rahmawati & Hadi, 2023). Furthermore, the fragmented oversight among the Ministry of Trade, OJK, and Kominfo lacks a unified enforcement protocol, resulting in regulatory arbitrage and inconsistent sanctioning practices (Budiman et al., 2023; Fitri, 2022). This institutional dispersion not only dilutes accountability but also perpetuates information asymmetry, as consumers lack accessible channels to verify platform compliance or report violations efficiently. Consequently, the theoretical expectation of proactive consumer safeguarding remains unrealized, replaced by reactive complaint mechanisms that inadequately address systemic platform risks.

The comparative analysis further underscores Indonesia's regulatory divergence from internationally recognized standards, particularly in dispute resolution efficiency, sanction potency, and data protection integration. While the EU's Consumer Rights Directive and GDPR establish explicit digital consumer entitlements, enforceable withdrawal rights, and deterrent penalties, Indonesia's regulatory regime relies on informal mediation and nominal administrative fines that lack substantive deterrent value (Yustina et al., 2021). Empirical studies on Online Dispute Resolution (ODR) confirm that Indonesia's absence of a dedicated digital dispute institution prolongs resolution timelines beyond 90 days,

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contrasting sharply with the EU's ≤ 30 -day benchmark and significantly eroding consumer trust (Solikhin, 2023; Udpa, 2022). Moreover, the personal data protection framework, though formally aligned with global privacy principles through the 2022 PDPA, suffers from operational silos that prevent seamless integration with e-commerce enforcement mechanisms (Sari & Hadi, 2023; Suari & Sarjana, 2023). Recent policy evaluations emphasize that without cross-sectoral data sharing and standardized breach notification protocols, Indonesian consumers remain vulnerable to data exploitation and unauthorized commercial profiling, highlighting a critical gap between legislative intent and institutional capacity (Prastyanti & Rusdiana, 2023; Tsamara, 2021).

Synthesizing these findings, the persistence of regulatory gaps and enforcement inefficiencies necessitates a paradigm shift from fragmented, sector-specific oversight to an integrated, digitally adaptive consumer protection ecosystem. Contemporary legal scholarship advocates for the enactment of a dedicated e-commerce statute that explicitly codifies platform intermediary liability, extends withdrawal rights to 14 calendar days, and mandates algorithmic transparency to mitigate discriminatory pricing practices (Priowirjanto, 2022; Rahmawati & Hadi, 2023). Additionally, the establishment of a cross-institutional coordinating body, coupled with a nationally integrated ODR platform, could streamline dispute resolution, reduce procedural bottlenecks, and align Indonesia's enforcement timeline with international best practices (Kamran & Maskun, 2021; Udpa, 2022). Recent empirical assessments further suggest that progressive administrative sanctions, calibrated to transaction volumes and repeated violations, would generate meaningful deterrence while preserving market competitiveness (Alifia & Badriyah, 2024; Hayati, 2021). By harmonizing domestic regulations with UNCITRAL and EU frameworks, Indonesia can transition from reactive consumer remediation to proactive digital market governance, ultimately fostering a more inclusive, transparent, and sustainable e-commerce environment that balances technological innovation with fundamental consumer rights.

CONCLUSION

This study concludes that while Indonesia has established a relatively comprehensive regulatory architecture for consumer protection in electronic transactions—anchored by Law No. 8/1999 on Consumer Protection, Law No. 11/2008 on Electronic Information and Transactions, the Personal Data Protection Law (2022), and Government Regulation No. 80/2019 on Electronic System-Based Trading—significant structural and operational gaps persist in translating normative provisions into effective safeguards. The research identifies three interrelated deficiencies that undermine consumer confidence: (1) definitional ambiguity regarding platform intermediary liability, which enables marketplace operators

to externalize risks onto sellers and consumers; (2) institutional fragmentation across the Ministry of Trade, OJK, and Kominfo, resulting in inconsistent enforcement and regulatory arbitrage; and (3) the absence of a dedicated, integrated Online Dispute Resolution mechanism, which prolongs resolution timelines beyond 90 days and limits access to justice for resource-constrained consumers. Comparative analysis further reveals that Indonesia's regulatory framework lags behind international benchmarks—particularly the EU's Consumer Rights Directive and GDPR—in critical areas such as withdrawal rights duration, administrative sanction potency, algorithmic transparency, and data breach notification protocols. To bridge these gaps and foster a sustainable, inclusive digital economy, this study recommends the enactment of a specialized e-commerce statute that explicitly codifies digital consumer rights and platform accountability; the establishment of a cross-institutional coordination body to harmonize oversight and enforcement; the implementation of a nationally integrated ODR platform aligned with international interoperability standards; and the strengthening of PDPA enforcement through compensatory mechanisms and progressive sanctions calibrated to transaction scale. By adopting these reforms, Indonesia can transition from reactive, fragmented consumer protection toward a proactive, digitally adaptive governance model that balances innovation incentives with fundamental rights, ultimately enhancing consumer trust and supporting the long-term competitiveness of its digital marketplace.

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