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Legal Certainty of Financial Services Authority Regarding Consumer Protection in Consumer Financing

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Abstract

The problem as explained previously is related to the execution of forced withdrawal of goods carried out by the creditor against the debtor. This action is based on Article 15 paragraph (2) of the Fiduciary Guarantee Mortgage Rights which states that the fiduciary guarantee certificate has the same execution power as a court decision. This paragraph is then strengthened by paragraph (3) which states that if the debtor defaults, the Fiduciary Recipient has the right to sell the Goods that are the object of the Fiduciary Guarantee at his own authority. Based on Article 15 paragraph (3), this gives the right to the fiduciary guarantee recipient or creditor to sell the collateral themselves without the need for a court decision if the debtor or fiduciary giver is in default. Based on this background, a problem can be formulated as follows: 1). What is the ratio legis of consumer protection regulations in POJK Number 06/POJK.07/2022 regarding the rights and obligations of

business actors? 2). What is the responsibility of the Financial Services Authority (OJK) regarding consumer protection in consumer financing? 3). How is the legal certainty of the Financial Services Authority Regulation (POJK) regarding consumer protection in consumer financing? The type of legal research that will be used in this scientific writing is the type of normative legal research. Types of problem approaches, namely the legislative approach, the conceptual approach and the case approach. This balance not only avoids conflict between the two parties, but also builds trust that is essential for long-term relationships, which in turn supports the growth of the financial services industry. Cooperation between OJK, PUJK, and consumers is essential to create effective regulations, ensure consumer protection, and encourage business sustainability in a fair and transparent financial ecosystem.

Keywords: POJK, Eigendom Overdraft, Indonesia

Introduction

The interest of law is to take care of human rights and interests, so that the law has the highest authority to determine human interests that need to be regulated and protected.¹ Based on the big dictionary of Indonesian, protection comes from the word *lindung* which means to protect, prevent, maintain, and fortify. In other words, legal protection as a description of the function of law, namely the concept where law can provide justice, order, certainty, benefit and peace. For this reason, the government formed the Financial Services Authority (OJK), which is a new state institution based on Law No. 21 of 2011 concerning the Financial Services Authority. This law is an implementation of Article 23D of the 1945 Constitution of the Republic of Indonesia (UUD 1945).

OJK has the function and duties and authority to regulate and supervise, examine and investigate the financial services sector and is able to protect the interests of consumers in the financial services sector and the public independently (free from interference from other parties). In relation to the implementation of the task of protecting consumers in the financial services sector, OJK is a forum for the public to file complaints about losses or disputes that occur between consumers and business actors in the financial services industry. While consumers come from English, namely consumer, or consumer (Dutch). Literally, the meaning of the word consumer is every person who uses goods.²

¹ Satjipto Raharjo, *Ilmu Hukum*, (Bandung: PT. Citra Aditya Bakti. 2000), h. 53.

² Kurniawan, *Hukum Perlindungan Konsumen*, (Mataram: Pustaka Bangsa. 2016), h. 29

According to Law Number 8 of 1999 concerning Consumer Protection (Consumer Protection Law), what is meant by a consumer is every person who uses goods and/or services available in the community, whether for their own interests, family, other people or other living creatures and not for trading. Then, the definition of a business actor is contained in Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition (hereinafter referred to as the LPMPUTS Law) that the definition of a business actor is every individual or Business Entity, whether in the form of a legal entity or not a legal entity that is established and domiciled or carries out activities within the jurisdiction of the Republic of Indonesia, either alone or together, through an agreement, carrying out various business activities in the economic sector. So the substance of consumer protection is all efforts that guarantee legal certainty to provide protection for the heads of consumers.

Consumer protection is all efforts aimed at ensuring legal certainty to provide protection to consumers. Consumer protection has the principles of benefit, justice, balance, consumer safety and security, and legal certainty. Then, consumer protection has the following objectives:

1. increase consumer awareness, ability and independence to protect themselves.
2. elevate the dignity of consumers by preventing them from negative excesses in the use of goods and/or services.
3. increase consumer empowerment in choosing, determining, and demanding their rights as consumers.
4. create a consumer protection system that contains elements of legal certainty and openness of information and access to obtain information.
5. grow awareness of business actors regarding the importance of consumer protection so that an honest and responsible attitude grows in business.
6. improve the quality of goods and/or services that guarantee the continuity of the production of goods and/or services, health, comfort, security, and safety of consumers.³

A financing institution is a business entity that carries out financing activities in the form of providing funds or capital goods without directly attracting funds from the public.⁴ According to the OJK Law, the definition of a Financing Institution is a business entity that carries out financing activities in the form of providing funds or capital goods as referred to in the laws and regulations regarding financing institutions.

Financing Institutions have several types consisting of Leasing, Venture Capital, Securities Trading, Factoring, Credit Card Business, Consumer Financing. The practice that occurs in society, Consumer Financing Institutions where the form of business is to provide funds for consumers to procure certain goods such as electronic goods or motor vehicles. However, the term is not appropriate because there is a difference between leasing which means

Leasing with Consumer Finance or Consumer Financing. The principle differences between Leasing and Consumer Financing include;

1. Consumer financing is provided for consumption needs, whereas in leasing, financing is provided for the provision of capital goods, either with or without option rights.
2. Consumer financing does not recognize option rights, whereas leasing recognizes option rights.
3. Consumer financing involves direct transfer of ownership rights to the consumer, whereas in leasing, the party given financing does not directly become the owner of the goods that are the object of financing.
4. Consumer financing generally stipulates certain goods as collateral for the financing debt that arises, whereas leasing does not stipulate collateral.

Referring to Article 1 number 5 of POJK Number 35/POJK.05/2018 Concerning the Implementation of Financing Company Business, leasing is referred to as finance lease or financing lease. Finance lease or financing lease is a financing activity in the form of providing goods by a financing company to be used by the debtor for a certain period of time, where this substantially transfers the benefits and risks of the financed goods.⁵

Apart from the differences as explained above, there are also similarities between the two, namely:

1. Both are business activities.
2. Both business activities are in the field of providing financing services.
3. Both payments for the performance of the financing are made in installments. The use of the term for the type of financing for the procurement of consumer goods is the type of "Consumer Financing".

In practice, there are problems that arise related to consumer protection in the consumer financing services sector, regarding the provision of guarantees and legal protection for fiduciary recipients (creditors) in providing credit to fiduciary providers (debtors) which causes polemics both in terms of regulation and implementation. These problems are related to the issue of default and execution of fiduciary guarantees. The definition of fiduciary itself comes from the Dutch language, namely *fiducie*, while in English it is called fiduciary transfer of ownership, which means trust. In various literatures, fiduciary is commonly referred to as *eigendom overdraft* (FEO), namely the transfer of ownership rights based on trust.

Then based on Law Number 42 of 1999 concerning Fiduciary Guarantees (Fiduciary Guarantee Law), the definition of fiduciary is Fiduciary is the transfer of ownership rights of an object based on trust with the provision that the object whose ownership rights are transferred remains in the possession of the owner of the object. What is meant by transfer of ownership rights is the transfer from the fiduciary giver to the fiduciary recipient based on trust, with the condition that the object that is the object remains in the hands of the fiduciary giver. Then, Fiduciary Guarantee is a guarantee right for movable objects, both tangible and intangible, and immovable

³ Triwanto, *Perlindungan Hukum Konsumen Leasing Terhadap Pencantuman Klausula Baku Dalam Perjanjian Kredit*, Jurnal Research Fair Unisri, Vol. 3 No. 1, h. 357

⁴ D.Y. Witanto, *Hukum Jaminan Fidusia Dalam Perjanjian Pembiayaan Konsumen*, (Bandung: Mandar Maju. 2005), h. 14

⁵ Misnar Syam, dkk., *Sengketa Leasing Dalam Konteks Penyelesaian Sengketa Konsumen*, Jurnal of Swara Justisia, Vol. 7 No. 1, h. 165

objects, especially buildings that cannot be burdened with mortgage rights as referred to in Law Number 4 of 1996 concerning Mortgage Rights (Mortgage Law) which remains in the possession of the Fiduciary Giver, as collateral for the repayment of certain debts, which gives the Fiduciary Recipient a priority position over other creditors.⁶ The problem as explained previously is related to the execution of forced withdrawal of goods carried out by the creditor against the debtor. This action is based on Article 15 paragraph (2) of the Fiduciary Guarantee Mortgage Rights which states that the fiduciary guarantee certificate has the same execution power as a court decision. This paragraph is then strengthened by paragraph (3) which states that if the debtor defaults, the Fiduciary Recipient has the right to sell the Goods that are the object of the Fiduciary Guarantee at his own authority. Based on Article 15 paragraph (3), this gives the right to the fiduciary guarantee recipient or creditor to sell the collateral themselves without the need for a court decision if the debtor or fiduciary giver is in default.⁷

In 2019, there was a request for a judicial review or testing of the Law against the 1945 Constitution through the Constitutional Court Decision No. 18/PUU-XVII/2019, which in this case was Article 15 paragraph (2) and paragraph (3) of the Fiduciary Guarantee Law. According to the applicant, the provisions of Article 15 paragraph (2) of the a quo Law, especially the phrase "executory power" and the phrase "same as a court decision" have created legal uncertainty and therefore are in conflict with Article 28D paragraph (1) of the 1945 Constitution.⁸ Furthermore, the provisions of Article 15 paragraph (3) of the a quo Law specifically concern the phrase "breach of promise", which does not provide clear indicators and assessments of it. These provisions do not explicitly regulate who has the authority and right to make an assessment that the debtor has committed an act of breach of promise.⁹ Based on these problems, the Constitutional Court has the same opinion that there has been a conflict between the applicable regulations and the 1945 Constitution or in other words, it is unconstitutional. In its decision, the Constitutional Court stated that Article 15 paragraph (2) and paragraph (3), related to the phrase "executory power", the phrase "same as a court decision that has permanent legal force" and the phrase "breach of promise" are in conflict with Article 28D paragraph (1) of the 1945 Constitution and do not have binding legal force.

In 2021, there was another application submitted by a finance employee with the position of internal collector and who had a professional certification in the field of debt

collection.¹⁰ The articles submitted are still the same, namely Article 15 paragraph (2) and paragraph (3) of the Fiduciary Guarantee Law. In his application, the applicant submitted to the Constitutional Court, namely stating that Article 15 paragraph (2) of the Fiduciary Guarantee Law which has been interpreted by the Constitutional Court through Constitutional Court Decision No. 18/PUU-XVII/2019 is contrary to the 1945 Constitution and does not have binding legal force as long as it is not interpreted as "the fiduciary guarantee certificate as referred to in paragraph (1) has the same executive power as a court decision that has obtained permanent legal force" or stating that the phrase "objection to voluntarily hand over the object that is the fiduciary guarantee" in Article 15 paragraph (2) of Law No. 42 of 1999 concerning Fiduciary Guarantees which has been interpreted by the Constitutional Court through Constitutional Court Decision Number 18/PUU-XVII/2019 is contrary to the 1945 Constitution and does not have binding legal force as long as it is not interpreted as "voluntary when signing a fiduciary agreement". Regarding the application, the Constitutional Court in its decision rejected all applications submitted by the applicant.

Before the application and the Constitutional Court's decision, the OJK was an institution that had one of the objectives, namely to be able to protect the interests of consumers and the public. Based on this objective, the OJK has the authority to supervise, examine, investigate, protect consumers, and take other actions against Financial Services Institutions, actors, and/or supporters of financial services activities as referred to in the laws and regulations in the financial services sector. Then, the authority of the OJK in providing protection to consumers in the OJK Law is in order to take preventive measures against losses to consumers and the public, namely: First, providing information and education to the public on the characteristics of the financial services sector, its services, and products; second, requesting Financial Services Institutions to stop their activities if these activities have the potential to harm the public; and third, other actions deemed necessary in accordance with the provisions of laws and regulations in the financial services sector.

Based on the authority it has, OJK has established regulations related to financial services, namely Financial Services Authority Regulation (POJK) No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector. One of the POJKs regulates the obligations of financial sector business actors in carrying out their activities. With the existence of consumers in an unbalanced position towards business actors or in other words the consumer's position is weaker than that of business actors, consumers become business objects to reap large profits through promotional strategies and sales methods that are detrimental to consumers.¹¹ Business actors often benefit from their conditions by using standard contracts or standard agreements that have been signed by both parties.¹² The problem continues because consumer protection for

⁶ H. Salim H.S., *Perkembangan Hukum Jaminan Fidusia*, (Jakarta: Raja Grafindo Persada, 2004), h. 55-56

⁷ Syafrida, Ralang Hartati, *Eksekusi Jaminan Fidusia Setelah Putusan Mahkamah Konstitusi Nomor 18/PUU/XVII/2019*, (ADIL: Jurnal Hukum Vol. 11 No.1, 2020). h. 114

⁸ Hasna Farida, *Implementasi Putusan Mahkamah Konstitusi Nomor 18/PUU-XVII/2019 Ditinjau Dari Perspektif Kreditor dan Debt Collecetor*, Jurnal Notarius, Vol. 17 No. 1, h. 362

⁹ Putusan Mahkamah Konstitusi Nomor 18/PUU-XVII/2019

¹⁰ Priyanto Hadisaputro, *Jaminan Fidusia, Eksekusi Dan Permasalahannya*, (Jakarta: Adhi Sarana Nusantara, 2021), h. 86

¹¹ Gunawan Widjaja dan Ahmad Yani, *Hukum tentang Perlindungan Konsumen*, (Jakarta: Gramedia, 2003), h. 12

¹² Zulham, *Hukum Perlindungan Konsumen*, (Jakarta: Kencana Prenada Media Group, 2013), h. 1

financial service business actors has not been specifically regulated. In the OJK Law and the existing POJK, it is still regulated only the application of administrative sanctions to financial service business actors in the event of a dispute with consumers. Consumer protection or direct supervision specifically in the event of direct contact or dispute between consumers and financial service business actors is still not available.

Then, along with the passage of time and changing circumstances and applicable state regulations, OJK continues to strengthen consumer protection efforts in the financial services sector. In 2022, OJK issued a regulation, namely POJK No. 06/POJK.07/2022 concerning Consumer and Community Protection in the Financial Services Sector as a replacement for POJK No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector. The POJK update aims to regulate the implementation of consumer protection in the financial services industry related to product planning, services and dispute resolution and to clarify the obligation of the principle of transparency of product and service information in response to the dynamics of change in the financial services sector. Basically, the POJK strengthens consumer protection and the obligations of financial service actors, including in terms of adding the function of market conduct supervision (the behavior of Financial Service Business Actors). However, in this POJK there is still a gap in norms regarding the regulation of consumer financing companies' dispute resolution obligations towards consumers if they are proven to have violated the market conduct regulations.

Based on this background, a problem can be formulated as follows: 1). What is the ratio legis of consumer protection regulations in POJK Number 06/POJK.07/2022 regarding the rights and obligations of business actors?; 2). What is the responsibility of the Financial Services Authority (OJK) regarding consumer protection in consumer financing?; 3). How is the legal certainty of the Financial Services Authority Regulation (POJK) regarding consumer protection in consumer financing?

Research Methodology

In research in the legal field, legal research is used to create theoretical discussions and several concepts as a way to solve and describe legal issues that occur.¹³ Research methods certainly play an important role in scientific studies to examine legal objects with proper analysis. The type of legal research that will be used in this scientific writing is the type of normative legal research. According to Peter Mahmud Marzuki, normative legal research is a process to find legal rules, legal principles, and legal doctrines in order to answer the issues being studied.¹⁴ In compiling this research, the author chose to use 3 (three) types of problem approaches, namely the legislative approach, the conceptual approach and the case approach which will be used to analyze the first, second and third problem formulations.

Discussion

1. Legis Ratio of Consumer Protection Regulations in POJK Number 06/POJK.07/2022 Regarding the Rights and Obligations of Business Actors

The balance of interests between consumers and Financial Services Business Actors (PUJK) is the basis for regulating consumer protection. In this context, it is important to ensure that consumer rights are protected without ignoring the needs and sustainability of PUJK businesses.¹⁵ This balance avoids potential conflicts that can arise when one party feels disadvantaged, be it consumers who feel they are not being served well or PUJK who feel pressured by overly strict regulations. PUJK has a responsibility to provide products and services that suit consumer needs. On the other hand, consumers also have a responsibility to understand the information provided by PUJK and use financial services wisely.¹⁶ With clear regulations, it is hoped that consumers will find it easier to understand their rights, including the right to obtain transparent and accurate information about the products offered.

This will help consumers to make the right decisions and in accordance with consumer needs. The balance of interests also contributes to the positive image of the financial services industry. When consumers feel protected and treated fairly, trust in PUJK will increase. This trust is very important, because the financial services industry relies heavily on long-term relationships with consumers. If consumers feel safe and satisfied, consumers will be more likely to use PUJK services and recommend them to others, which in turn will support the growth of business actors, and thus will make a major contribution to national growth.

In its implementation, maintaining this balance requires solid cooperation between the Financial Services Authority (OJK), Financial Services Business Actors (PUJK), and consumers. OJK must ensure that the policies implemented do not favor one party only, but also pay attention to the interests of both parties in a balanced manner. Through the involvement of all stakeholders in the decision-making process, it is hoped that more effective and easy-to-implement regulations can be produced, so that the goals of consumer protection and business sustainability can be achieved.¹⁷

A fair environment in the financial services sector refers to a situation where consumers and Financial Services Business Actors (PUJK) have equal rights and obligations. Strict regulations are expected to reduce unfair practices. For example, consumers must receive proper treatment, without discrimination or exploitation. When PUJK are required to meet certain standards, this has the potential to strengthen trust between consumers and service providers, which is an important element in building long-term relationships.

¹⁵ Admiral., Pauck, M. A, Unveiling the Dark Side of Fintech: Challenges and Breaches in Protecting User Data in Indonesia's Online Loan Service, *Lex Scientia Law Review* Volume 7(2), h. 995-1048., 2023.

¹⁶ Sekretariat Kabinet RI, 2022, OJK Terbitkan Aturan Baru Perlindungan Konsumen, <https://setkab.go.id/ojk-terbitkan-aturan-baru-perlindungan-konsumen/>

¹⁷ Zulkifli, dkk., Pengawasan Terhadap Perlindungan Hukum Konsumen Perbankan Oleh Otoritas Jasa Keuangan di Kota Padang, *Jurnal Hukum Bisnis Bonum Commune*, Volume 5 Nomor 1, h. 25-41, 2022.

¹³ Peter Mahmud Marzuki, *Penelitian Hukum Edisi Revisi*, (Jakarta: Kencana Persada Grup, 2019), h. 25.

¹⁴ Peter Mahmud Marzuki, *ibid*, h. 35.

Transparency of information is also a key aspect in creating a healthy ecosystem. Therefore, PUJK must provide clear and complete information regarding the products and services offered, including the terms, conditions, costs, risks, and benefits.

This can be seen in the Explanation of Article 16 Paragraph (1) of POJK Number 6/POJK.07/2022, which explains that information related to products and/or services covers various aspects, such as the benefits offered, costs to be borne, potential risks, rights that can be obtained, obligations that must be fulfilled, applicable requirements and procedures, and the type of agreement agreed upon. Examples related to risk, for example, the potential for customer losses in transactions through banks, such as the risk of a decrease in the value of foreign exchange in foreign exchange transactions, a decrease in the price of shares purchased (capital loss), or a decrease in the investment value in Investment-Linked Insurance Products (PAYDI). This information is conveyed by PUJK through documents or electronic media, such as a summary of product and/or service information, leaflets, brochures, or advertisements.¹⁸ When consumers have access to clear, accurate, and easy-to-understand information, they can make better decisions and avoid the risk of losses due to lack of information or misinformation. A transparent and fair environment allows consumers to be more confident in making decisions. In addition to being protected from detrimental practices, consumers are also given the opportunity to understand their rights in depth. This creates more active consumers, who are able to provide input, ask questions, and demand accountability from PUJK when necessary. This condition also encourages an increase in the quality of services provided by PUJK. Regulations that prioritize transparency also ensure that PUJK is responsible for all its actions. With strict supervision and the obligation to convey information openly, PUJK becomes more accountable to consumers and authorities. If violations or detrimental actions occur, the complaint and sanction mechanisms regulated by the POJK provide consumers with access to justice. This encourages PUJK to carry out its operations with integrity, maintain its reputation, and adhere to high ethical standards.¹⁹

One of the main responsibilities of PUJK is to provide clear, accurate, and non-misleading information to consumers. This includes information about the products and services offered, such as costs, risks, and applicable terms and conditions. PUJK must ensure that all information provided is easy for consumers to understand, so that consumers can make the right decisions. This transparency of information is important to build trust between consumers and PUJK. PUJK also has a responsibility to protect consumer data and privacy. In the digital era, where financial transactions are often carried out online, it is important to protect personal data issues.²⁰

PUJK must implement an adequate security system to prevent data leakage and misuse of personal information. This is done not only to protect consumers from potential financial losses but also to build a good reputation for PUJK in the eyes of the public. PUJK's responsibilities also include implementing ethical business practices. This means that PUJK must avoid practices that are detrimental to consumers, such as fraud, excessive pressure in sales, or non-transparent fees. By operating ethically, PUJK not only fulfills legal obligations but also contributes to the creation of a better and more sustainable financial services industry. Healthy business practices by PUJK can create consumer loyalty, which is very important for business sustainability. PUJK has the responsibility to handle complaints and disputes that may arise between PUJK and consumers. PUJK must be able to demonstrate a commitment to listening and resolving problems faced by consumers, which in turn can improve consumer experience and minimize negative impacts on PUJK's reputation. In this way, PUJK can contribute to a fairer and more responsible environment in the financial services sector.

In POJK Number 06/POJK.07/2022, consumer rights in the financial services sector are prioritized. This protection is deemed necessary because consumers are often in a weaker position compared to PUJK. For this reason, consumers have the right to obtain clear and transparent information regarding the products and services used. This includes terms and conditions, costs, and associated risks, so that consumers can make informed and appropriate decisions. In addition, this POJK also regulates the prohibition of business practices that are detrimental to consumers, such as fraud, misuse of personal information, or misleading marketing. PUJK are required to carry out fair business practices and not deceive consumers.

POJK Number 06/POJK.07/2022 can function as a legal umbrella that protects consumers from potential exploitation, providing legal certainty that consumers will not be treated unfairly. Furthermore, this regulation also gives consumers the right to file complaints if they feel disadvantaged. With the existence of a complaint channel, consumers can express their dissatisfaction with the services received, which must then be followed up by PUJK. This process helps increase PUJK accountability and encourages sustainable improvements in the services offered. Finally, consumer protection in POJK is not only aimed at protecting consumers individually, but also to build overall trust in the financial services sector.

With strong protection guarantees, consumers will be more courageous in using financial services, which in turn can encourage growth and stability in the industry. This trust is very important to encourage financial inclusion and encourage active community participation in various existing financial products. One of the main objectives of consumer protection regulations in POJK Number 06/POJK.07/2022 is to increase consumer trust in financial services institutions. In the context of the financial sector, trust is an important element that can determine the success and stability of an institution. When consumers feel safe in making transactions, consumers will tend to be more open in using the products and services offered by PUJK.

Consumer trust is also closely related to transparency and clarity of information. With regulations requiring PUJK to provide complete and transparent information about products and services, consumers can make comparisons

¹⁸ OJK, "Kertas Kerja Umum Terhadap Penerapan Perlindungan Konsumen", 2022.

¹⁹ OJK, Ringkasan Peraturan Otoritas Jasa Keuangan Nomor 6/POJK.07/2022 Tentang Perlindungan Konsumen dan Masyarakat di Sektor Jasa Keuangan.

²⁰ Carolin, F. P., Apriani, R., Analisis Pengaturan Perlindungan Data Pribadi Pengguna Fintech Lending dalam Peraturan OJK Nomor 06/Pojk.07/2022, Jurnal Ilmiah Wahana Pendidikan, Vol. 8, No.8. 2022,

and choose the option that best suits their needs. When consumers have access to clear information, consumers feel more capable and have control over the financial decisions they make. This certainly contributes to increased confidence in making transactions. In addition, high trust in PUJK can also reduce the uncertainty that often accompanies financial decisions.

With strong protection, consumers do not need to worry about hidden risks or unfair business practices. This makes consumers feel more comfortable in establishing long-term relationships with financial institutions, which in turn can increase consumer loyalty. In the long term, consumer loyalty can help create a stable and healthy financial ecosystem. The provisions in the POJK not only serve to protect consumers from detrimental practices, but also as an effort to build the reputation of financial services institutions. By ensuring that consumer rights are respected and protected, PUJK can build a positive image that will attract more consumers to transact. Thus, effective consumer protection contributes to the growth and sustainability of the financial services sector.

Abuse of power by PUJK often occurs through unfair arrangements in standard agreements. In this context, POJK Number 06/POJK.07/2022 expressly prohibits various clauses that can harm consumers, such as transferring responsibility to consumers or giving unilateral authority to PUJK to change the terms of the agreement. With this provision, consumers are protected from practices that can exploit their position as a weaker party in the transaction. One form of protection provided is by requiring PUJK to prepare standard agreements in accordance with fair and transparent principles. PUJK needs to be encouraged to formulate balanced clauses, in which the rights and obligations of both are clearly regulated. In this way, it is hoped that the agreement made will not only benefit PUJK, but also protect the interests of consumers, so that a better relationship is created between the two.

In addition, by prohibiting clauses that are detrimental to consumers, POJK Number 06/POJK.07/2022 also encourages PUJK to be more responsible in conveying information about its products and services. This provision requires PUJK to not only comply with the law, but also to operate with good ethics. If PUJK finds out that the clauses included in the standard agreement do not comply with applicable provisions, PUJK will be more careful in drafting the contract to avoid sanctions. Thus, strict regulations regarding the prohibition of abuse of power in standard agreements not only protect consumers from detrimental business practices, but also encourage PUJK to operate within a more ethical and responsible framework.

Better understanding by consumers can also help consumers recognize potential problems that may arise in the future. PUJK is also required to provide clear and transparent information regarding the terms and conditions of the product. This includes an explanation of fees, interest, and

other provisions that may affect consumer decisions. By ensuring that this information is easily accessible and understood, PUJK demonstrates its commitment to operating ethically and responsibly. This is also intended to prevent misinterpretations that could harm consumers in the future. PUJK's responsibility is also not only limited to when the product is offered, but also includes monitoring and handling problems that arise after the product or service is used. If a complaint or dispute occurs, PUJK must be ready to respond and resolve the problem in a fair and efficient manner. With a good dispute resolution mechanism, PUJK can demonstrate its commitment to consumer satisfaction and build long-term, mutually beneficial relationships.

The fair dispute resolution mechanism in POJK Number 06/POJK.07/2022 functions as a tool to handle conflicts between consumers and PUJK. This regulation aims to provide clarity regarding the steps that can be taken in the event of a dispute, so that consumers do not feel trapped in an unfavorable situation. With standardized procedures, consumers have the right to file complaints and receive proper handling. POJK Number 06/POJK.07/2022 also emphasizes the importance of efficiency in the dispute resolution process. PUJK are required to provide clear and open communication channels, so that consumers can easily submit their complaints. Fast and efficient dispute resolution not only helps consumers feel valued, but also creates a climate of trust between consumers and financial services institutions.

POJK Number 06/POJK.07/2022 also regulates alternative dispute resolution institutions that can be used by consumers. This institution aims to provide a more friendly and less intimidating solution for consumers compared to the formal court process. By providing more flexible dispute resolution options, consumers have more choices to resolve their problems without having to face a long and expensive legal process. In this context, the dispute resolution mechanism regulated by POJK 06/POJK.07/2022 serves to maintain a balance of power between PUJK and consumers. By establishing fair and transparent procedures, POJK Number 06/POJK.07/2022 ensures that consumer rights are protected, while still respecting PUJK's position as a service provider. This includes, but is not limited to, personal identity, financial information, and credit history of potential consumers. With complete and accurate information, PUJK can conduct a proper evaluation of the eligibility of potential consumers to obtain the products or services offered. In addition, accurate documents from consumers are also important to minimize the risk of errors in recording and managing data. Based on the description that has been presented previously, the following table is made regarding the ratio legis regarding the rights and obligations of PUJK contained in POJK Number 06/POJK.07/2022. As in the table below:

PUJK Rights	PUJK Obligations
Have the right to receive correct and accurate information and/or documents from prospective Consumers and/or Consumers.	Comply with the principles of consumer and community protection, including adequate education, openness and transparency of information, fair treatment, and responsible business behavior.
	Providing products and services that meet consumer needs from the design stage to dispute resolution.
	Protecting consumer data and privacy.
	Drafting standard agreements in accordance with fair and transparent principles.
	Handle complaints and disputes that may arise with consumers effectively and efficiently.
	Making recordings if the product and/or service offering is made via personal communication means with voice and/or video.
	Have written consumer protection policies and procedures implemented from the product design stage through to dispute resolution.
	Give consumers enough time to understand the agreement before signing, especially for products that have a long term and/or are complex.
	Following certain standards to create trust between consumers and service providers.
	Submit a self-assessment report to the OJK regarding compliance with consumer protection provisions.
	Accommodating protection for disabled and elderly consumers.
	Conducting testing to mitigate or assess the risks of a product and/or service that has the potential to harm consumers.
	Comply with applicable provisions regarding product and/or service information summaries.

Source: Processed by the author

Misinformation can lead to inaccurate risk assessments, which can ultimately harm both consumers and PUJK. Therefore, the accuracy and truth of information are key to maintaining the integrity and operational efficiency of PUJK. PUJK also has the right to verify information and documents provided by consumers. This verification process is carried out to ensure that the data received is in accordance with reality and that no information is hidden or manipulated. This verification can be done in various ways, including cross-checking with trusted data sources, consulting with third parties, or through automated systems designed to detect data discrepancies. Thus, PUJK's right to obtain correct and accurate information and documents is a fundamental aspect in running its business. This not only protects PUJK from unwanted risks, but also ensures that consumers receive services that are in accordance with their needs and risk profiles.

2. Responsibility of the Financial Services Authority (OJK) for Consumer Protection in Consumer Financing

The establishment of the Financial Services Authority (OJK) was intended to integrate supervision of the financial services sector which was previously separated under several government institutions. In the initial stage, OJK took over the functions, duties, and regulatory authorities which were previously under the Ministry of Finance through the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK). Thus, since its inception, OJK has been given the responsibility to supervise and regulate various important aspects of the financial services sector. Along with the implementation of OJK's duties and authorities in order to optimize supervision of financial services, at the end of 2013, OJK also took over the functions, duties, and regulatory and supervisory authorities of banking which were previously held by Bank Indonesia (BI).²¹

This transfer marks an important achievement for OJK in carrying out its duties as an integrated supervisor for all financial services sectors, including banking, capital markets, and non-bank financial institutions. With OJK as a replacement for the supervisory function previously carried out by Bank Indonesia, it is hoped that the activities of financing companies can be more optimal in protecting consumer interests through the fulfillment of consumer rights. In line with Fitzgerald's view,²² the law protects individual interests by providing measurable powers to act in personal interests, known as rights. In this case, the law is tasked with managing human rights and interests, and has the highest authority to determine which interests need to be protected and regulated. Through its authority, the OJK is responsible for ensuring that existing regulations create a balance between consumer protection and risk management in the financial services sector, so that justice and legal certainty can be achieved that function for all related parties. The establishment of the OJK Law provides a strong legal basis for consumers who suffer losses due to the actions of financing companies. This law contains mandatory legal regulations that regulate the behavior of society, especially in the context of financial services. These regulations are formulated by authorized official bodies, with the aim of ensuring compliance and fairness in the relationship between companies and consumers. Violation of the provisions stipulated in this law can result in legal action with the imposition of certain sanctions or penalties, so that it is expected to effectively protect consumer rights and increase financial institutions' compliance with applicable ethical and legal standards.²³

Lembaga Keuangan Non-Bank Berbasis Financial Technology Jenis Peer to Peer Lending". *Kertha Semaya: Journal Ilmu Hukum*, Vol. 02(4), (2014). h. 1-14.

²² Rahardjo, S., *Ilmu Hukum*, Bandung: PT. Citra Aditya Bakti, 2000).

²³ Aprita, S. "Kewenangan Otoritas Jasa Keuangan (OJK) Melakukan Penyidikan: Analisis Pasal 9 Huruf C Undang-

²¹ Pramana, I. W. B., Atmadja, I. B. P., Sutarna, I. B. P. "Peranan Otoritas Jasa Keuangan Dalam Mengawasi

Legal protection provided by OJK to consumers using financial services, especially in the consumer finance company sector, as regulated in the OJK Law, shows that this protection has reflected the ideal function of law. This protection aims to realize justice, order, certainty, benefit, and peace for consumers. Through this regulation, OJK ensures that consumers receive protection from detrimental practices, so that consumer rights in interacting with finance companies can be protected. Thus, OJK plays an active role in upholding the principles of justice and legal certainty in the financial services sector, which ultimately creates a sense of security and trust for the community.

In Article 1 number 1 of the OJK Law, it is stated that OJK is an independent institution and free from interference from other parties. As an institution mandated by law, OJK has functions, duties, and authorities in terms of regulation, supervision, inspection, and investigation of all financial services institutions in Indonesia. This independence aims to maintain the objectivity and accountability of OJK in carrying out its role, while ensuring that decisions taken always focus on financial stability and consumer protection. Based on this understanding and legal position, it can be concluded that the functions, duties, and authorities carried out by OJK - in terms of regulation, supervision, inspection, and investigation - are a concrete manifestation of OJK's strategic role in maintaining the integrity and public trust in the financial services sector in Indonesia.

This role, which is carried out through a series of authorities and activities regulated by law, is an important foundation for OJK to carry out its responsibilities professionally and effectively. According to Soerjono Soekanto,²⁴ Role is defined as a dynamic aspect of a person's social position or status. When a person exercises the rights and obligations inherent in his or her position in a social structure, that person is carrying out and carrying out his or her role. This role reflects the activities carried out by a person based on the status or position they have in an organization or social community.²⁵ In this sense, a role is not only limited to a series of actions, but also includes behavior that is expected and appropriate to the social position held by the individual.²⁶ In the context of institutions or organizations, usually the role that must be carried out by an institution or organization is regulated in provisions that reflect the function of the institution. These provisions outline the functions, duties and authorities that must be carried out by the organization as part of its responsibilities within the larger social structure.

The term role itself is closely related to responsibility, but has a different meaning in the context of obligations,

functions, tasks, authorities and activities of a person or organization. According to the Indonesian Language Dictionary,²⁷ responsibility refers to a state or condition in which a person or entity has an obligation to bear everything related to the actions, decisions, or behaviors taken. In this case, responsibility includes moral and legal obligations to face the consequences of the action. Roles usually direct what should be done according to one's position or position. While responsibility emphasizes the obligations and commitments of individuals or organizations to complete tasks thoroughly and appropriately.

Based on the definition of the role above, the role of OJK can be understood through the functions, duties, and authorities carried out by OJK, namely regulation, supervision, inspection, and investigation. Each of these aspects reflects OJK's responsibility in ensuring PUJK's compliance with regulations and protecting consumer interests in order to maintain the stability and integrity of the financial system in Indonesia. Therefore, understanding the role of OJK cannot be separated from understanding the supervisory and regulatory functions mandated by law, which also contain the responsibilities that must be borne by OJK.

OJK has a primary role as a regulator in the financial sector, with the function of organizing an integrated regulatory and supervisory system for all activities in this sector. Thus, all financial services activities carried out by financial institutions, including banking, must comply with the provisions and supervisory systems that have been set by OJK. This aims to ensure the stability, security, and compliance of the financial sector with applicable standards, as well as to protect the interests of the public as consumers.²⁸ In order to carry out regulatory duties, Article 8 of the OJK Law has the following authorities:²⁹

- 1) establish implementing regulations for this Law;
- 2) establish laws and regulations in the financial services sector;
- 3) establish OJK regulations and decisions;
- 4) establish regulations regarding supervision in the financial services sector;
- 5) establish policies regarding the implementation of OJK duties;
- 6) establish regulations regarding the procedures for determining written orders for Financial Services Institutions and certain parties;
- 7) establish regulations regarding the procedures for determining statutory managers in Financial Services Institutions;
- 8) establish organizational structures and infrastructure, as well as manage, maintain, and administer assets and liabilities; and

Undang Nomor 21 Tahun 2011 Tentang Otoritas Jasa Keuangan". *Jurnal Ilmiah Universitas Batanghari Jambi*, 21(2), (2021). h. 550-563.

²⁴ Kustini, N. I. "Experiential Marketing, Emotional Branding, And Brand Trust and Their Effect on Loyalty on Honda Motorcycle Product". *Journal of Economics, Business, and Accountancy Ventura*, 14(1). (2011). <https://doi.org/10.14414/jebav.v14i1.12>

²⁵ Departemen Pendidikan Nasional, *Kamus Besar Bahasa Indonesia Edisi Keempat*, (Jakarta: PT. Gramedia Pustaka Utama, 2014).

²⁶ Torang, S. *Organisasi & Manajemen: Perilaku, Struktur, Budaya & Perubahan Organisasi*. (Bandung: Alfabeta, 2014).

²⁷ Poerwadarminta, W.J.S., *Kamus Umum Bahasa Indonesia*, (Jakarta: Balai Pustaka, 1999).

²⁸ Chandra, M. J. A. "Kewenangan Bank Indonesia Dalam Pengaturan Dan Pengawasan Perbankan Setelah Terbitnya Undang-Undang No 21 Tahun 2011 tentang Otoritas Jasa Keuangan." *Jurnal Hukum Sehasen*, Vol. 1(1). (2015).

²⁹ Waro, N., Tulistyawati, N. A., Hanifah, L., Panggiarti, E. K. "Peran Otoritas Jasa Keuangan Terhadap Pengaturan Dan Pengawasan Pada Perbankan Syariah Indonesia". *Journal of Creative Student Research (JCSR)*, Vol. 1(3), (2023). 240-247. DOI: <https://doi.org/10.55606/jcsrpolitama.v1i3.1745>.

- 9) establish regulations regarding the procedures for imposing sanctions in accordance with the provisions of laws and regulations in the financial services sector.

The provisions of Article 8 of the OJK Law have full authority to regulate with the aim of maintaining the stability of the financial services sector in Indonesia. Through this role, OJK can establish various regulations that ensure that financial institutions, such as banks, insurance companies, capital markets, and other financial services entities, operate in accordance with applicable standards and regulations. This authority also allows OJK to take strategic policies in handling crises or instability, such as regulating the management procedures for problematic financial institutions so as not to harm the public. In addition, OJK is given the right to impose sanctions on institutions or parties that violate the rules. The aim is to maintain compliance with applicable laws in the financial services sector. OJK also has the authority to protect the public interest by implementing strict regulations so that cases that harm consumers, such as fraud or misuse of funds, can be avoided.³⁰

Article 9 of Law Number 21 of 2011 affirms the role of OJK as an integrated supervisor for the financial services sector in Indonesia. This makes OJK a central institution that ensures that financial supervision is more coordinated and effective than if it were carried out by various separate agencies. With broad authority in setting policies, conducting inspections, and imposing sanctions, OJK is not only responsible for protecting consumers, but also maintaining the stability of the national financial system from potential systemic risks that have a broad impact on the economy.

The article also emphasizes OJK's independence from government influence, so that OJK can act without political interference, but remains accountable to the public and other state institutions to ensure transparency. Furthermore, administrative authority such as revoking permits and imposing sanctions provides OJK with a strong legal instrument to prevent and stop violations effectively, without having to go through a lengthy legal process. Thus, OJK can act quickly in maintaining public trust and the integrity of the financial system. The threat of sanctions from OJK also encourages financial services institutions to operate with higher professional and ethical standards, thereby creating a healthier and more competitive financial environment.

The implementation of this supervisory role can be seen in the form of supervision of Banks, where Article 58 of POJK Number 5 of 2014 concerning Determination of Supervisory Status and Handling of General Bank Problems, states that OJK determines the supervisory status of Banks and carries out the necessary supervisory actions. Bank supervision status consists of Banks under normal supervision, Banks under recovery, and Banks under resolution. Article 64 of the same regulation states that in carrying out supervisory actions on each Bank supervision status, OJK has the authority:

- a. request the Bank to take and submit data/documents from every place related to the Bank;
- b. request the Bank to take and submit data/documents and information from every party that in the Financial Services Authority's opinion has influence over the Bank;
- c. order the Bank to block certain accounts; and/or
- d. order the Bank to take certain actions.

The implementation of authority in supervising the Bank can be done directly or indirectly. Direct supervision is carried out in accordance with the POJK which regulates the requirements and procedures for examining the Bank. On the other hand, indirect supervision is carried out based on a request from the OJK. This allows this institution to continue to monitor the Bank's activities without having to be physically present. Both forms of supervision aim to provide a comprehensive understanding of the Bank's condition and performance so that supervision efforts can be carried out effectively and on time.

In the Explanation of POJK NO. 11/POJK.05/2014 Concerning Direct Examination of Non-Bank Financial Services Institutions, it is stated that this regulation (POJK NO. 11/POJK.05/2014) is designed to provide clear guidelines for OJK in carrying out its role, as well as ensuring that the examination process is carried out transparently and accountably. It is hoped that with this systematic regulation, OJK can be more proactive in detecting potential risks and violations in the non-Bank financial services sector, so that it can protect the interests of the community and maintain the stability of the national financial system.

Article 1 number 1 states that Direct Examination is a series of activities that include searching, collecting, processing, and evaluating data and information regarding Non-Bank Financial Services Institutions. This activity is carried out at the office of the Non-Bank Financial Services Institution and at other locations that are directly or indirectly related to the activities of the institution. Through this process, OJK can obtain in-depth information to assess the performance and compliance of the institution, as well as identify potential problems that need to be addressed to maintain the integrity and stability of the financial sector. In supervising non-Bank financial services institutions, direct examination is needed to determine the factual condition of the institution.

On-site Examination has several main objectives that are important to achieve effectiveness in supervising Non-Bank Financial Services Institutions. First, this examination aims to obtain a clear picture of the condition of Non-Bank Financial Services Institutions. With an understanding of the condition of the institution, the authorities can identify potential problems that may arise. Second, this examination aims to obtain sufficient assurance regarding the level of risk faced by the institution. By understanding the institution's risk profile, OJK can assess how much exposure the institution has to financial and operational risks, so that mitigation steps can be taken if necessary. Third, On-site Examination also aims to assess the level of compliance of Non-Bank Financial Services Institutions with applicable laws and regulations in this field. Ensuring compliance with regulations is essential to protecting consumer interests and maintaining the integrity of the financial system.

³⁰ Pikhulan, R. M. "Implementasi Fungsi Pengaturan serta Pengawasan pada Bank Indonesia dan Otoritas Jasa Keuangan (OJK) terhadap Perbankan". *Jurnal Penegakan Hukum dan Keadilan*, Vol. 1(1), (2020). h. 41-51.

3. Legal Certainty of Financial Services Authority Regulations Regarding Consumer Protection in Consumer Financing

In the current era of globalization and digitalization, the financial services sector is experiencing rapid development, both in terms of products and services. One of the sectors that is growing rapidly is none other than consumer financing. However, with the increasing complexity of financial services, the risk to consumers also increases. Consumer financing, which involves various financial transactions such as vehicle credit, credit cards, or personal loan services, often has a high risk for consumers due to asymmetric information between financial service providers and consumers. Consumers are often at a disadvantage due to a lack of understanding of financial products or services, which ultimately makes business practices considered unfair. The ratio of legal protection to consumers is rooted in the fact that consumers are often in a weak bargaining position, so they need adequate protection.

According to Sudaryatmo, the importance of legal protection for consumers is due to the weak bargaining position faced by consumers in various transactions.³¹ This legal protection requires clear bias towards consumers, to balance any injustice that may arise from the relationship.³² In practice, consumers often become the object of business activities carried out by business actors who seek to achieve maximum profit. This occurs through various aggressive promotional strategies and the implementation of standard agreements that tend to be detrimental to consumers. Business actors often use marketing tips that attract consumers' attention, but behind these offers, there are provisions that can put consumers in a disadvantageous position.³³ Legal protection aims to provide justice and ensure that consumer rights are well protected, so that consumers can transact more safely and confidently. The presence of OJK has a vital role in regulating and supervising the financial services sector. One of the important instruments issued by OJK is the Financial Services Authority Regulation, which aims to provide legal certainty for PUJK and provide protection for consumers.

Legal certainty is a basic concept in legal theory that emphasizes the importance of clear, consistent, and predictable rules in a legal society. According to Gustav Radbruch,³⁴ Legal certainty is one of the three fundamental values of law, along with justice and utility. Radbruch emphasized that legal certainty provides stability for individuals and legal entities in carrying out legal actions. Without legal certainty, the risk of uncertainty can hinder the rational decision-making process and violate individual rights. In addition, Hans Kelsen³⁵ in his theory he underlines that the law must be obeyed without being influenced by moral aspects or other subjective values. For Kelsen, legal certainty needs to ensure order in society and provide

predictability for someone who interacts in the available legal system.

Legal certainty is ultimately very important in the context of consumer protection, because consumers are often in an unbalanced position in transactions with financial service providers.³⁶ This is based on the consideration that business actors often have much greater access to information regarding products, services and risks that consumers may not know or fully understand. In addition, business actors have the capacity to design contracts or policies that may be more profitable for themselves than for consumers. Rules that provide legal certainty must be able to reduce uncertainty about this and provide protection for individual rights as consumers.³⁷

Consumer protection in law can be seen as an effort to balance the position between consumers and business actors.³⁸ Philip Kotler states that consumer protection is any action taken by the government or related institutions to protect consumers from losses or exploitation that may arise due to unfair business practices,³⁹ such as unfair billing, non-transparent interest rates, or even misuse of personal data. Thus, consumer protection in the financial services sector must cover several aspects, such as information transparency, where business actors are required to provide clear, accurate, and easy-to-understand information about the products and services offered, including details of costs, conditions, and risks that may arise; supervision of unfair business practices, where supervisory institutions must be active in monitoring and enforcing fair standards in business practices; and provision of complaint and dispute resolution mechanisms,⁴⁰ where consumers must have access to effective channels to file complaints and resolve disputes with business actors, so that consumers feel protected.

In Indonesia, consumer protection itself has been regulated in the Consumer Protection Law, which states that consumers have the right to comfort, security, and safety in consuming products or services. In the context of consumer financing, this regulation provides a legal basis for POJK to regulate consumer rights and the obligations of financial service providers. OJK itself was formed based on the OJK Law, with its role as an institution that regulates and supervises the financial services sector, including banking, capital markets, and the non-bank financial industry. In carrying out its role, OJK issues regulations in the form of

³¹ Sudaryatmo. (1999). *Hukum dan Advokasi Konsumen*. Bandung: PT. Citra Aditya Bakti.

³² Miru, A., Yodo, S. (2015). *Hukum Perlindungan Konsumen Edisi Revisi*. Jakarta: Raja Grafindo Persada.

³³ Widjajati, E., Kusumadewi, Y., *Pengantar Hukum Dagang*, Cetakan Kedua, (Jakarta: Roda Inti Media, 2010).

³⁴ Radbruch, G., *Legal Philosophy*. (Cambridge: Harvard University Press, 1950).

³⁵ Kelsen, H., *Pure Theory of Law*, (New Jersey: The Lawbook Exchange, Ltd, 2022).

³⁶ Panjaitan, H., *Hukum Perlindungan Konsumen Reposisi dan Penguatan Kelembagaan Badan Penyelesaian Sengketa Konsumen Dalam Memberikan Perlindungan dan Menjamin Keseimbangan Dengan Pelaku Usaha*, (Jakarta: Jala Permata Aksara, 2021).

³⁷ Kristiyanti, C. T. S., *Hukum Perlindungan Konsumen di Indonesia*, (Jakarta: Sinar Grafika, 2018).

³⁸ Rahardjo, S., *Hukum dan Perubahan Sosial*, (Bandung: Alumi, 1987).

³⁹ Kotler, Philip., *Marketing Management*, (Boston: Pearson Custom Publishing, 2000).

⁴⁰ Sidharta, *Hukum Perlindungan Konsumen*. Jakarta: Grassindo; Lihat juga Shofie, Y. (2003). *Penyelesaian Sengketa Konsumen Menurut Undang-Undang Perlindungan Konsumen, Teori dan Praktik Penegakan Hukum*, (Bandung: PT. Citra Aditya Bhakti, 2006); dan Sidabalok, J., *Hukum Perlindungan Konsumen di Indonesia*, (Bandung: PT. Citra Aditya Bakti, 2010).

POJK. One of the main focuses of OJK is to ensure that PUJK complies with the principles of consumer protection. POJK Number 1/POJK.07/2013 is the first regulation that regulates consumer protection in the financial services sector in Indonesia. This regulation emphasizes several key principles that must be followed by financial service providers, including transparency, fairness, and accountability.⁴¹ One important aspect of this POJK is the obligation for financial service providers to provide clear, accurate, and non-misleading information to consumers. This means that every financial product or service offered to consumers must be accompanied by a detailed explanation of the costs, interest rates, risks, and benefits of the product. Regarding legal certainty governing consumer protection, several provisions will be mentioned in this discussion. For example, Article 4 of POJK Number 1/POJK.07/2013 states that PUJK has an obligation to provide and convey information related to products and services to consumers. The information must be accurate, honest, clear, and not misleading. This obligation aims to ensure that consumers receive accurate and reliable information in making decisions. In addition, the information must be stated in documents or other means that can be used as evidence, so that consumers have valid evidence regarding the information provided, which can be used if a dispute occurs in the future.

Information must be provided when explaining to consumers about their rights and obligations, so that consumers clearly understand what their rights and obligations are in the transaction. Information must also be provided when the agreement is made, to help consumers understand the contents of the agreement in its entirety. In addition, information can be included when delivered through various media, including advertisements in print or electronic media, in order to reach consumers more widely and make it easier for them to obtain the information they need.

Furthermore, Article 8 of POJK Number 1/POJK.07/2013 states that PUJK are required to compile and provide a summary of information regarding the products and/or services they offer. This summary of information must be prepared in writing and at least include several important elements. First, the summary must contain information regarding the benefits, risks, and costs related to the product and/or service. This is important so that consumers can clearly understand the benefits that can be obtained, the risks that may be faced, and the costs that must be incurred before deciding to use the service. Second, the summary of information must also include the applicable terms and conditions. With this complete and clear information, it is hoped that consumers can make more informed decisions and be aware of all aspects related to the product or service chosen.

Furthermore, Article 17 of the same POJK also emphasizes that financial service business actors are prohibited from using marketing strategies that can harm consumers, especially by taking advantage of situations where consumers have no other choice in making decisions. This prohibition aims to protect consumers from manipulative or exploitative marketing practices, which can force consumers

to buy products or services without considering options or alternatives that better suit their needs. Thus, this provision is expected to encourage more ethical business practices, where financial service business actors act fairly and transparently without taking advantage of consumers' limitations or vulnerabilities in the decision-making process. Specifically related to standard agreements, this clause is regulated in Article 22 of POJK Number 1/POJK.07/2013, which states that PUJK that uses standard agreements in interactions with consumers are required to prepare the agreement in accordance with applicable laws and regulations. This standard agreement can also be presented in digital or electronic form, especially when offered through electronic media, so that it can be easily accessed by consumers. However, the standard agreement is prohibited from including a number of provisions that can be detrimental to consumers, namely:

- a. Transfer of responsibility or obligation of financial service business actors to consumers, which aims to avoid accountability of business actors for products or services provided.
- b. Statement that PUJK has the right to refuse a refund of money that has been paid by consumers for products or services purchased, which can limit the consumer's right to receive compensation.
- c. Unilateral authorization to PUJK to take action on consumer collateral, unless such action is clearly regulated in laws and regulations.
- d. Provisions that require consumers to prove for themselves the loss of benefits of products or services that are not the responsibility of business actors, which burdens consumers in the proof process.
- e. PUJK's right to reduce the benefits of products or services or take consumer assets that are the object of the agreement.
- f. Enactment of new, additional, or changes made unilaterally by business actors during the period of use of products or services by consumers, which places consumers in a disadvantageous position.
- g. Authorization to PUJK to impose mortgage rights, pledges, or guarantees on products or services purchased by consumers in installments.

POJK Number 01/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector has important implications in protecting consumers, especially in transactions involving standard agreements. Based on this provision, which is clarified in the Financial Services Authority Circular Letter Number 13/SEOJK.07/2014 concerning Standard Agreements, a standard agreement is defined as a written agreement that is unilaterally prepared by a financial services business actor. This agreement contains standard clauses regarding the content, format, and method of preparation and is used in offering products or services to consumers en masse. Standard contracts are generally prepared by only one party and often come in the form of standard forms that only require a little data entry from the consumer.

When this contract is signed, consumers usually only enter certain informative data, without having the flexibility to change the clauses that have been set by the PUJK. As a result, the consumer's bargaining position in standard contracts tends to be weak, due to the minimal opportunity to negotiate or adjust the contents of the agreement

⁴¹ Sihombing, J., (2012), *Analisis Hukum Otoritas Jasa Keuangan dan Pengawasan Pasa Modal*, Jurnal Hukum Bisnis, Volume 31(1).

according to consumer needs. The implications of this regulation confirm that the OJK recognizes the potential risks faced by consumers in transactions involving standard agreements. Therefore, the POJK stipulates provisions to ensure that standard agreements are not used to exploit consumers or place consumers in a disadvantageous position.

The issuance of POJK Number 01/POJK.07/2013 is a form of harmonization of consumer protection regulations across the financial services sector, which includes banking, capital markets, and non-bank financial industries. Consumer protection is reflected in five principles that must be implemented by financial services business actors, namely transparency, fair treatment, reliability, confidentiality and security of consumer data/information, and handling consumer complaints in a simple, fast, and affordable manner.⁴²

Consumer and community protection efforts are implemented in a balanced manner between the development of the financial services sector and the fulfillment of consumer rights and obligations, with the aim of increasing consumer confidence. In this context, consumer protection is directed to achieve two main objectives. First, increasing investor and consumer confidence in every activity and business activity in the financial services sector. Second, providing opportunities and chances for financial services business actors to develop fairly, efficiently, and transparently, in parallel with ensuring that consumers understand their rights and obligations in interacting with PUJK, including the characteristics, services, and products offered. The POJK on Consumer Protection is followed by the issuance of a circular that provides technical guidelines related to all aspects of consumer protection, while also functioning as a reference for financial services business actors in implementing various regulations contained in the POJK on Consumer Protection. Within the framework of this consumer protection, OJK also implements a dispute resolution mechanism policy in the financial services sector, which is outlined in the POJK on Alternative Dispute Resolution Institutions in the Financial Services Sector.

As reviewed in the previous discussion, in an effort to respond to the rapid innovation and development of technology, consumer protection in the financial services sector requires continuous improvement. Digital transformation in this sector is marked by the presence of new business actors, online marketing of products and services, and increasingly common electronic agreements. This situation raises new challenges in protecting consumers, given the dynamic and rapidly changing digital conditions. From a legal perspective, consumer protection efforts are based on the spirit of the OJK Law, especially Articles 28, 29, and 30, which regulate loss prevention measures, complaint services, and legal defense for consumers.

This mandate emphasizes that PUJK is not only obliged to provide legal certainty, but also plays an active role in creating a sense of security for consumers who interact with financial products and services. The implication of these principles is the need for PUJK to meet consumer protection standards that include adequate education, openness of

information, fair treatment, and responsible business practices. These protection principles are manifested in all aspects of PUJK operations, from product design, marketing, drafting agreements, to complaint services and dispute resolution. OJK also supports the fulfillment of these standards through the issuance of the latest POJK, which aims to strengthen the legal certainty of consumer protection in the digital era, namely POJK Number 6/POJK.07/2022 concerning Consumer and Community Protection in the Financial Services Sector.

Conclusion

Based on the discussion presented previously, the following conclusions were obtained:

The balance between the interests of consumers and PUJK is an important foundation in regulating consumer protection, which aims to protect consumer rights without neglecting the business needs of PUJK. With clear regulations, consumers can understand their rights and obtain transparent and accurate information regarding products and services, allowing them to make informed decisions. This balance not only avoids conflict between the two parties, but also builds trust that is essential for long-term relationships, which in turn supports the growth of the financial services industry. Cooperation between OJK, PUJK, and consumers is essential to create effective regulations, ensure consumer protection, and encourage business sustainability in a fair and transparent financial ecosystem.

OJK plays an important role in regulating and supervising the financial services sector in Indonesia, with the main objective of protecting the interests of consumers and the public. Since its establishment in 2012, OJK has taken over the supervisory function from other institutions and has been given the authority to regulate, supervise, examine, and investigate financial services institutions. Through various regulations and policies, including Law Number 21 of 2011 and related regulations, OJK is committed to creating a fair, transparent, and accountable environment for consumers. Consumer protection is a primary focus, with an emphasis on education, information transparency, and effective complaint mechanisms. Thus, OJK seeks to maintain the stability of the financial system, increase public trust, and ensure that consumer rights are protected in their interactions with financial services business actors.

In the context of rapid globalization and digitalization, the financial services sector, especially consumer finance, has experienced significant growth, but also faces challenges related to increasing risks for consumers due to asymmetric information and unfair business practices. Legal protection for consumers is very important to balance the weak bargaining position and ensure fairness in transactions. The Financial Services Authority (OJK) plays a vital role in regulating and supervising this sector through the Financial Services Authority Regulation (POJK), which establishes consumer protection principles such as transparency, fairness, and accountability. With clear regulations and provisions that protect consumer rights, it is hoped that consumers can transact more safely and confidently, while business actors are expected to carry out ethical and responsible business practices.

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