

Consumer Protection in Online Shopping

**M Susilo Agung Saputro, Nanda Puspitasari Wardoyo, Nurani Sofiyana, Shahnata Putri Dwi
Ramadhani, Aris Prio Agus Santoso**

S1 Law Study Program Faculty of Law and Business Duta Bangsa University Surakarta
Email: shahnataputri10@gmail.com

KEYWORDS

Online shopping,
consumer, legal
protection

ABSTRACT

Online shopping has become inevitable in today's computer and internet age. To meet customer needs, it was chosen for its convenience, convenience, and accessibility. However, despite such convenience, consumers face risks such as fraud, damaged goods, or non-conformity with product descriptions. Therefore, it is very important to protect customers who shop online legally. This research explores the literature study approach by reviewing literature relevant to legal protection for consumers in online shopping. The purpose of this study is to find problems related to consumer protection in online shopping and provide solutions or suggestions to improve the effectiveness of such legal protection. Customers should be protected when shopping online in the modern era. Preventive and repressive protection is essential to ensure that online transactions are safe and fair. A preventive approach means providing clear and transparent information and adequate technological security to prevent fraud, privacy violations, and other harm. Instead, repressive measures concentrate on applying strict punishment to individuals who commit unlawful acts, such as fraud on the internet. For example, Law Number 8 of 1999 concerning Consumer Protection applies in Indonesia. Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems also further regulates online purchases. Consumers who shop online may use a variety of settlement mechanisms, such as mediation, arbitration, or consumer settlement companies. Efforts involving various parties are needed to improve legal protection for customers who purchase goods over the internet. The government should increase supervision and enforcement if sellers commit violations. In addition, there needs to be an increase in consumer awareness of their rights when buying goods online.

INTRODUCTION

Online shopping (*online shopping*) is the process of purchasing goods or services over the internet. In online shopping, consumers can make transactions by visiting websites or applications from online stores or e-commerce platforms, selecting the desired goods or services, and making payments electronically. After that, the goods or services purchased will be sent to consumers in accordance with applicable regulations. Online shopping or online shopping via the internet, is a process of buying goods or services from those who sell via the internet, or buying and selling services online without having to meet face to face with the seller or buyer directly. So, online shopping is the process of buying and selling goods, services and others that are done online without meeting first between the seller and the buyer.

Online shopping has become an indispensable part of the modern lifestyle, making it easy for consumers to purchase a variety of products and services without having to leave the comfort of their homes. However, these technological advances also bring new challenges related to legal protection for consumers. Along with the rapid growth of e-commerce, there are also various problems such as fraud, defective goods, and discrepancies with product descriptions that threaten consumer rights. Therefore, effective legal protection is essential to ensure consumer safety and confidence in online shopping.

One formulation of the problem that arises is the extent to which the effectiveness of legal protection for consumers in online shopping can be realized. Although there are regulations governing consumer protection in online shopping, there are still frequent violations that harm consumers. Therefore, it is necessary to consider what efforts can be made to improve the effectiveness of legal protection.

In addition, dispute resolution is also an issue that needs attention in the context of legal protection for consumers in online shopping. While there are dispute resolution mechanisms available, the process is often complex and time-consuming, so consumers are often reluctant to use them. Therefore, it is necessary to consider more effective and efficient dispute resolution mechanisms in the context of online shopping.

Solutions or recommendations that can increase the effectiveness of legal protection for consumers in online shopping, including increasing consumer awareness, consumers need to know how to protect themselves, such as checking the seller's reputation, reading product reviews, and storing proof of transactions. Second, to increase merchant transparency and compliance, sellers must ensure that the information they provide to consumers is clear, accurate, and not misleading. They must also comply with applicable regulations and be prepared to take responsibility for the products or services they sell. As well as, stricter law enforcement. The government needs to increase law enforcement against violations committed by sellers in online shopping. This includes tougher sanctions for perpetrators who commit fraud or business practices that harm consumers. With the implementation of these solutions, it is hoped that legal protection for consumers in online shopping can be increased so that consumers can make online transactions more safely and comfortably.

Problem Statement

1. How can consumer protection in online shopping be improved to address the risk of fraud, defective goods, and discrepancies with product descriptions?
2. How can effective and efficient dispute resolution mechanisms be implemented in legal protection for consumers in online shopping to ensure fairness for consumers and sellers and minimize future conflicts?

Research Methods

The purpose of writing this article is to identify problems related to consumer protection in online shopping, as well as provide solutions or recommendations that can increase the

effectiveness of legal protection. Thus, it is hoped that this article can make a useful contribution in an effort to improve consumer protection in online shopping.

This research uses a literature study approach to explore this approach involving a comprehensive literature review of sources relevant to legal protection for consumers in online shopping. In achieving the research objectives, the main focus will also be given to understanding the legal protection for consumers in online shopping as well as effective and efficient dispute resolution mechanisms in legal protection for consumers in online shopping.

Results and Discussion

1. Consumer protection in online shopping

Legal protection in buying and selling online is a set of rules and mechanisms that aim to protect consumers who make transactions through online platforms. This includes protection against fraud, security of personal data, defective or inappropriate goods, and other consumer rights that may be overlooked in the context of online transactions.

In various countries, there are already regulations that regulate legal protection for consumers in buying and selling online. For example, in Indonesia, there is Law Number 8 of 1999 concerning Consumer Protection which has been amended by Law Number 8 of 2019 which regulates consumer rights and obligations in online transactions. In addition, there is also Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems which regulates in more detail about online buying and selling.

Law Number 8 of 1999 concerning Consumer Protection is a set of legal rules to protect consumers. In Article 1 number 1. Law Number 8 of 1999 concerning Consumer Protection What is meant by Consumer Protection is: "Consumer protection is all efforts that ensure legal certainty to provide protection to consumers".

Consumer protection is actually synonymous with the protection provided by law against consumer rights. It is generally known that there are four basic consumer rights, namely:

- 1) The right *to safety*;
- 2) The right *to be informed*;
- 3) The right *to choose*;
- 4) The right *to be heard*

These four fundamental rights are recognized internationally. In its development, consumer organizations that are members of *The International Organization of Consumers Union (IOCU)* added several more rights, such as the right to consumer education, the right to compensation, and the right to get a good and healthy environment.

Law Number 8 of 1999 concerning Consumer Protection and Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems are two important regulations in regulating online buying and selling in Indonesia. The following is a brief analysis of the two regulations:

Law Number 8 of 1999 concerning Consumer Protection (Consumer Protection Law):

- 1) This law provides a strong legal basis to protect consumers in various aspects including in the context of buying and selling online.
- 2) This law regulates consumer rights such as the right to information, the right to security, the right to compensation, and the right to be protected from harmful business practices.
- 3) In the context of buying and selling online, this law provides a legal basis for consumers to obtain clear and correct information about the product or service to be purchased, as well as provides the right for consumers to file complaints and obtain compensation if losses occur due to online purchases.

Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems (PP Trading Through Electronic Systems):

- 1) This PP is a derivative regulation from Law No. 8 of 1999 which more specifically regulates trade carried out through electronic systems, including online buying and selling.
- 2) This PP regulates the requirements and procedures for online buying and selling transactions, including provisions on information that must be provided by sellers to consumers, dispute resolution mechanisms, and procedures for using electronic signatures.
- 3) This regulation also authorizes the government to supervise and regulate trade through electronic systems, thus providing additional protection for consumers in buying and selling online.

Thus, these two regulations provide a strong legal basis to protect consumers in buying and selling online in Indonesia. However, effective implementation and close monitoring from the government remain necessary to ensure that consumer rights are properly protected in online transactions.

Legal protection for consumers in online shopping does need to be improved to overcome risks such as fraud, defective goods, and discrepancies with product descriptions. Some steps that can be taken to improve legal protection for consumers in online shopping include:

- 1) Clear regulation: The government can make clear and firm regulations related to online shopping transactions, including regulating the rights and obligations of consumers and online merchants.
- 2) Strong law enforcement: Governments need to ensure that existing laws are properly enforced to protect consumers, including through crackdowns on fraudulent practices and other consumer rights violations.
- 3) Rating and feedback systems: E-commerce platforms can provide a system of ratings and feedback from consumers to online merchants to help consumers make better decisions when shopping online.
- 4) Increased consumer awareness: Consumer education and awareness campaigns about their rights in online shopping are also very important to protect consumers from the risk of fraud and other consumer rights violations.
- 5) Mediation and dispute resolution: Building effective mediation and dispute resolution mechanisms can help consumers resolve issues with online merchants more efficiently.

With these steps, it is hoped that legal protection for consumers in online shopping can be increased so that consumers feel safer and more comfortable when transacting online.

2. Effective and efficient dispute resolution mechanisms

In many countries, there are various dispute resolution mechanisms available to consumers in online shopping, such as mediation, arbitration, or through consumer dispute resolution agencies. This mechanism aims to provide an alternative dispute resolution that is fast, efficient, and fair for consumers who experience problems in online transactions. Although dispute resolution mechanisms are in place, there are still some challenges in making them effective. One of them is consumer awareness of the available dispute resolution mechanisms. Many consumers are unaware of their rights in terms of dispute resolution, so they do not take advantage of them when they experience problems.

The dispute resolution process in online shopping is often considered complicated and time-consuming. This can discourage consumers from using available dispute resolution mechanisms. Therefore, efforts are needed to simplify the dispute resolution process to make it more accessible to consumers. It is important for dispute resolution mechanisms to provide adequate protection for consumers. This includes the security of personal data of consumers involved in the dispute resolution process, as well as the assurance that consumer rights will be respected and protected. It is important for dispute resolution mechanisms to provide adequate protection for consumers. This includes the security of personal data of consumers involved in the dispute resolution process, as well as the assurance that consumer rights will be respected and protected.

In a global context, cooperation between countries in terms of dispute resolution is also important. This can be done through international agreements that regulate cross-border dispute resolution, so that consumers who make transactions with sellers from other countries can also get the same protection. With effective dispute resolution mechanisms, increased consumer awareness, easier processes, adequate protection, and good international cooperation, it is hoped that dispute resolution in legal protection for consumers in online shopping can run better and consumers can feel safer in conducting online transactions.

Dispute resolution in consumer protection is an important step to ensure that aggrieved consumers can obtain justice and appropriate redress. Some commonly used dispute resolution mechanisms in consumer protection are as follows:

- 1) **Mediation:** Mediation is a dispute resolution process involving a neutral third party (mediator) to help both parties reach an agreement. The mediator acts as a facilitator to help the disputing parties to find a solution acceptable to both parties.
- 2) **Arbitration:** Arbitration is an out-of-court dispute resolution process conducted by an independent third party (arbitrator). The decision of the arbitrator shall be final and binding on both parties. Arbitration is often faster and more flexible than court proceedings, but usually entails higher costs.
- 3) **Consumer Court:** If mediation or arbitration is unsuccessful, the consumer may choose to resolve his or her dispute through the courts. The court will consider the evidence and render a final decision. Courts are often a last resort because the process is more complex and requires greater costs. Some countries have special courts to resolve consumer disputes, including disputes in online shopping. These consumer courts usually have simpler procedures and are more affordable than general courts.
- 4) **Consumer Dispute Resolution Agencies:** Some countries have specialized dispute resolution agencies dedicated to resolving consumer disputes. These institutions usually have simpler procedures and lower costs than courts, so they can be a better option for consumers.
- 5) **Online Dispute Resolution:** In the context of online shopping, there are also online dispute resolution mechanisms that can be used by consumers. Some e-commerce platforms provide facilities to resolve disputes online through established mediators or dispute resolution procedures.

In practice, the selection of an appropriate dispute resolution mechanism depends on the complexity of the dispute, the needs of the disputing parties, as well as other factors such as cost and time. Most importantly, dispute resolution mechanisms should provide effective protection for consumers and promote fair and equitable resolution.

Conclusion

In the ever-growing digital age, online shopping has become a popular choice for consumers to meet their needs. However, behind its ease and comfort, there are risks that need to be faced by consumers, such as fraud, defective goods, or non-compliance with the product description. Therefore, legal protection for consumers in buying and selling online is very important.

In Indonesia, there are already regulations governing consumer protection in buying and selling online, such as Law Number 8 of 1999 concerning Consumer Protection and Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems. Despite this, there are still violations that harm consumers, mainly due to consumers' lack of awareness about their rights and the complexity of the dispute resolution process.

To improve legal protection for consumers in buying and selling online, efforts involving various parties are needed. The government needs to increase supervision and law enforcement against violations committed by sellers. In addition, education to consumers about their rights

in buying and selling online also needs to be improved so that consumers are more aware of their rights.

Bibliography

- Anggraini, O. E., Yulifa, W. R., & Santoso, A. P. A. (2020, September). Legal protection for consumers of product warranties in business law. In Proceedings of the National Seminar on Law, Business, Science and Technology (Vol. 1, pp. 161-161).
- Aziz, M. F., & Hidayah, M. A. (2020). The need for special arrangements for Online Dispute Resolution (ODR) in Indonesia to facilitate e-commerce dispute resolution. *Journal of Rechts Vinding: National Legal Development Media*, 9(2), 275.
- Basri, H. (2020). Legal protection for consumers in conducting e-commerce transactions is reviewed from the Consumer Protection Law Law Number 8 of 1999 (Case Study of Kerudungbyramana Bandung). *Pamulang Law Review*, 2 (2), 131.
- Erlinawati, M., & Nugrahaningsih, W. (2017). Implementation of Law Number 8 of 1999 concerning Consumer Protection of Online Business. *Porch of the Law*, 11(01), 27-40.
- Hanifah, M. (2016). Juridical Review: Mediation as an Alternative to Civil Dispute Resolution in Court. *ADHAPER: Journal of Civil Procedural Law*, 2(1), 1-13.
- Ichsan, R. N., SE, M., Sarman Sinaga, S. E., & Lukman Nasution, S. E. I. (2020). Solving business problems in electronic transactions (e-commerce). CV. Sentosa Deli Mandiri.
- Indonesia, R. (1999). Law No. 8 of 1999 concerning consumer protection. *State Gazette of the Republic of Indonesia Year*, 8.
- Kadly, E. I., Rosadi, S. D., & Gultom, E. (2021). Validity of blockchain-smart contracts in electronic transactions: Indonesia, America and Singapore. *Journal of Socio-Humanities Sciences*, 5(1), 199-212.
- Lestari, S. B. (2015). 3. ONLINE SHOPPING AS A LIFESTYLE. *Journal of Social Sciences*, 14(2), 24-41.
- Mujiyana, M., & Elissa, I. (2013). Analysis of factors that influence purchasing decisions via the internet in online stores. *J@ IT Undip: Journal of Industrial Engineering*, 8(3), 143-152.
- Number, U. U. (8). in 1999 on Consumer Protection.
- Novita, Y. D., & Santoso, B. (2021). The Urgency of Updating Consumer Protection Regulations in the Digital Business Era. *Indonesian Journal of Legal Development*, 3(1), 46-58.
- Prastyanti, R. A. (2013). Evaluation of the effectiveness of Law No. 11 of 2008 concerning Electronic Information and Transactions in the Implementation of E Commerce. *AmbassadorCom*, 5.
- Riswanto, A., Joko, J., Napisah, S., Boari, Y., Kusumaningrum, D., Nurfaidah, N., & Judijanto, L. (2024). *Digital Business Economics: Dynamics of Business Economics in the Digital Age*. PT. Sonpedia Publishing Indonesia.
- Sandy, A. K. (2022). *JURIDICAL REVIEW OF DEFAULTS IN ONLINE BUYING AND SELLING ACCORDING TO LAW NUMBER 8 OF 1999 AND CIVIL CODE* (Doctoral dissertation, Sultan Agung Islamic University).
- Saragih, A. E., & Bagaskara, M. F. (2023). Legal protection of consumers in e-commerce transactions. *Civilia: Journal of Legal Studies and Civic Education*, 2(1), 145-155.
- Setiantoro, A., Putri, F. D., Novitarani, A., & Njatrijani, R. (2018). The urgency of consumer law protection and e-commerce dispute resolution in the era of the ASEAN Economic Community. *Journal of Rechts Vinding: National Legal Development Media*, 7(1), 1-17.
- SIMAMORA, D. S. (2020). *Normative Review of Online Dispute Resolution as a Method of E-Commerce Dispute Resolution* (Doctoral dissertation, SULTAN SYARIF KASIM RIAU STATE ISLAMIC UNIVERSITY).

Consumer Protection in Online Shopping

Sitompul, M. G., Syaifuddin, M., & Yahanan, A. (2016). Online Dispute Resolution (ODR): Prospects for e-commerce dispute resolution in Indonesia. *Journal of the Renaissance*, 1(2), 75-93.

Joseph Shofie, S. H. (2018). *Capita selecta of consumer protection law in Indonesia*. PT Citra Aditya Bakti.