

THE URGENCY OF STRENGTHENING CONSUMER PROTECTION IN THE FACE OF TECHNOLOGICAL DEVELOPMENTS

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Abstract

The development of digital technology has brought about significant changes in transaction patterns and relationships between consumers and businesses.

This progress has facilitated access to information and encouraged economic growth, but at the same time it has increased the risk of digital fraud, compromised personal data protection, reduced business transparency, and weakened legal protection for consumers. Law No. 8 of 1999 on Consumer Protection is considered unable to respond to the challenges of the digital era, mainly due to ineffective supervision, sanctions against business actors, and low public awareness of consumer rights. This study uses a literature review method using relevant national and international journals to identify challenges in digital consumer protection and strategies to strengthen it. The results of the study show that strengthening digital consumer protection needs to be done through regulation, alignment with electronic transactions, implementation of an Online Dispute Resolution (ODR) system, improvement of digital literacy among the public, and optimization of supervisory agencies. With these steps, the consumer protection ecosystem in Indonesia is expected to be able to adapt to technological developments and minimize the risks experienced by the public.

Keywords: *Consumer Protection, Digital Technology, Digital Literacy, Electronic Transactions, ODR*

INTRODUCTION

Developments related to consumer protection are essentially a global phenomenon, meaning that these developments are occurring in various countries around the world. ¹ Developments related to consumer protection as a global phenomenon certainly cannot be understood uniformly, meaning that not all countries in the world apply the same regulations and practices related to consumer protection. (Dewi et al., 2024)

Technological developments in the modern era have had a major impact on human lifestyles. These advances have brought many benefits, one of which is ease of access to digital information. Technological transformation has not only changed the way humans communicate and interact, but has also provided a new impetus for economic growth and business, both in Indonesia and internationally. Technology has now become the main driver of globalization, bridging the transition of various activities from analog to digital systems. Things that were previously limited to the local sphere are now able to reach a much wider audience on a global scale. (Dhian Novita & Santoso, n.d.)

The issue of consumer protection law is becoming increasingly relevant and attracting significant attention. Consumer protection is not only related to guaranteeing the rights of the public as users of goods or services, but also concerns the rights and obligations of business actors in order to create a fair balance. The government plays an important role as a regulator, supervisor, and controller so that the trading system runs in an orderly and mutually beneficial manner. Thus, the ultimate goal of improving the overall welfare of the community is achieved. The urgency of consumer protection, both in formal and material aspects, is increasingly felt in line with the rapid development of science and technology that drives the efficiency and productivity of producers in providing products or services. (Irfan+Ridha+(2), n.d.)

However, advances in digital technology that facilitate business and trade activities do not only have positive impacts. On the one hand, the public has gained easier access to information, communication, and online transactions. On the other hand, these developments have also opened up opportunities for the misuse of data and information, which can be detrimental to certain parties. Fast and open access can trigger an increased risk of privacy violations, digital fraud, and other harmful acts arising from the irresponsible use of technology. (Silalahi, n.d.)

As explained in the background section, this paper highlights two main issues, namely the challenges faced by consumers in the digital environment due to the rapid development of technology and how to strengthen consumer protection so that it keeps pace with technological advances.

The purpose of this paper is to analyze the impact of technological developments on the consumer protection legal system in Indonesia. It also aims to understand the role of the government in maintaining a balance between the rights and obligations of consumers and business actors. From this analysis, it is hoped that a consumer protection strategy can be developed that is more in line with technological changes and globalization.

LITERATURE REVIEW

The literature used in this study shows that the development of digital technology has changed the patterns of interaction and transactions between consumers and business actors, while also presenting new challenges in consumer protection. (Dhian Novita & Santoso) emphasize that technology encourages globalization, which expands the reach of trade, but also increases the risk of data and information misuse. (Silalahi) adds that digital advances not only bring benefits but also open up opportunities for privacy violations, online fraud, and personal data manipulation. (Puspitasari et al.) explain that the relationship between businesses and consumers is becoming increasingly indirect, so businesses often use exonerating clauses to avoid responsibility for consumer losses.

Meanwhile, (Famillia Putri et al.) found that the flood of information on digital platforms often obscures important messages, including consumer protection education, making it difficult for the public to distinguish between valid and invalid information. (Juliana et al.) also highlighted the high risk of data leaks due to the massive collection of information by digital platforms, which requires stricter supervision and ethics in the use of technology. In line with this, (Peluang et al.) emphasized that Law No. 8 of 1999 has not been able to address the challenges of the digital economy due to the weak supervision system and sanctions against business actors. (Hinirim Gultom et al) then offer strategies to strengthen consumer protection through digital regulatory updates, the development of Online Dispute Resolution (ODR), increased digital literacy, and the strengthening of supervisory institutions. Overall, these studies underscore the need for legal system adaptation and public education to address the complexity of modern digital transactions.

RESEARCH METHOD

Qualitative research using a literature study approach, namely research in which all data is obtained through searching and analyzing scientific journals relevant to the theme of consumer protection and digital technology development. Data was collected from various scientific sources such as national and international journals discussing issues of technological development, misuse of personal data, risks of digital transactions, and the urgency of strengthening consumer protection. In addition to journals, this study also refers to secondary legal materials such as scientific books, academic articles, and regulations including the Consumer Protection Law and regulations related to information technology. Data collection was carried out through literature searches using specific keywords in journal databases such as Google Scholar.

RESULTS AND DISCUSSION

In Indonesia, the consumer protection system is regulated by various laws and regulations, both general and specific. In addition to the Consumer Protection Law, there are also regulations in certain fields that provide additional protection, such as in the fields of food, health, financial services, and information technology. Technological and industrial developments have widened the gap between traditional and modern lifestyles.

In traditional societies, the goods consumed are usually produced in a simple manner. The relationship between consumers and businesses is also relatively simple, and consumers can often meet directly with businesses.

In contrast, in modern societies, consumers and businesses do not always have to meet face-to-face. They can conduct transactions using advances in information technology, such as in electronic commerce or e-commerce. Problems such as damage to goods, loss during delivery, or delays can be considered violations of consumer rights. Businesses sometimes hide behind exonerating clauses, which remove their legal responsibility. These clauses are often criticized for being contrary to the principles of fairness in contracts and protection for the weaker party. (Puspitasari et al., n.d.)

In an increasingly advanced digital age, environmental communication faces a variety of increasingly complex challenges. The abundance of information available on social media often causes environmental messages to be drowned out by unreliable content. (Famillia Putri et al., n.d.) On the other hand, low public participation in environmental issues shows that the messages being conveyed have not been able to effectively inspire public attention. Another challenge is the difficulty in evaluating the impact of environmental communication campaigns or programs on changes in public attitudes and behavior, as digital interactions do not always reflect real actions in the field. In the field of consumer protection, the development of digital businesses brings both new opportunities and risks.

Changes in public shopping patterns towards online transactions increase vulnerability to fraud, such as goods that do not match their description, fake stores, and misuse of personal data. The lack of transparency regarding seller identity, product quality, or return policies is a major problem that needs to be addressed. This situation calls for stricter regulations and increased consumer digital literacy so that transactions can be carried out safely and wisely. On the other hand, the use of computer technology also raises ethical dilemmas that cannot be ignored. Privacy issues are a major concern because technology enables the massive collection and processing of personal data. This raises concerns about the purpose of using such data, who has access to it, and how the protection of individual privacy rights can be maintained.

In addition to privacy, data security is also a major challenge amid rampant cyber attacks, information leaks, and data theft practices. This situation emphasizes that technological development requires not only innovation, but also moral responsibility, strong regulations, and user awareness in maintaining the security and ethics of digital technology use (Juliana et al., 2023).

In this context, Article 67 paragraph 3 of Law Number 27 of 2022 concerning Personal Data Protection also provides strict sanctions for anyone who deliberately and unlawfully uses personal data that does not belong to them, with the threat of imprisonment for up to five years or a maximum fine of five billion rupiah. This provision shows that the state provides serious protection against the misuse of personal data in the digital age. In line with this, the Electronic Information and Transactions Law (ITE Law), specifically Articles 26 and 28 paragraphs 1 and 2, emphasizes the obligation of all parties to maintain the confidentiality of personal data and prohibits the dissemination of false, misleading, or harmful information to consumers in electronic transactions. This provision provides additional legal basis for combating online fraud, product information manipulation, and digital identity abuse, which are rampant in the modern digital commerce ecosystem.

Law No. 8 of 1999 concerning Consumer Protection has not been able to meet the legal challenges that have arisen in the current digital economy era. The growth in the number of online businesses has rendered the monitoring system ineffective, so that consumers are often left helpless in the face of losses, personal data leaks, and online fraud. Therefore, weak consumer protection from a legal perspective is a major challenge in efforts to protect consumers in the digital era. (Peluang et al., n.d.)

One of the main weaknesses in efforts to protect consumers in Indonesia is the low level of public awareness regarding their rights as users of goods or services. Many individuals are not aware that they are entitled to safe products, adequate services, and quality assurance in accordance with standards. This condition is exacerbated by the weak enforcement of the Consumer Protection Law (UUPK), in which business actors who violate the law often do not receive proportional sanctions. This indecisiveness has an impact on the lack of deterrent effect, so that practices that harm consumers tend to be repeated. Therefore, strengthening law enforcement and increasing public awareness of consumer rights must be a priority.

Additionally, oversight of business activities needs to be enhanced through the establishment or optimization of supervisory agencies that focus specifically on consumer protection. Controls on commercial practices must be stricter, both in terms of supervision and enforcement. Heavier administrative sanctions and fines need to be applied consistently in order to create a healthier business climate. (575-Main File Manuscript-2378-1-10-20241223, n.d.)

Strategy for Strengthening Consumer Protection in the Digital Age

1. Update and harmonize regulations related to digital transactions. There is an urgent need for specific laws governing the electronic commerce ecosystem to provide a clear legal framework regarding rights, obligations, and protection mechanisms in online transactions.
2. Development of Online Dispute Resolution (ODR) mechanisms. A fast, efficient, and easily accessible digital dispute resolution system will provide consumers with a solution to resolve issues without having to go through costly and time-consuming litigation processes. The ODR model also allows for cross-platform and cross-regional dispute handling with greater flexibility.

3. Improving digital and legal literacy among the public. Massive public education through national campaigns, educational curricula, and collaboration with digital platforms will help build a more critical, rights-aware, and capable consumer base in dealing with the risks of digital transactions.

By consistently implementing these strategies, Indonesia can strengthen the digital consumer protection ecosystem while ensuring that technological advancements do not create new vulnerabilities for the public. (Hinirim Gultom et al., 2025)

CONCLUSION

The development of digital technology has had a significant impact on the consumer protection system in Indonesia. Although digitization makes it easier to access information and conduct transactions, this development also poses risks of online fraud, personal data leaks, and weakens the transparency and accountability of business actors. Existing regulations, particularly the 1999 Consumer Protection Law, are considered inadequate to address the increasingly complex challenges in the digital world.

Weak supervision, low public awareness of consumer rights, and indecisiveness in law enforcement further exacerbate the condition of consumer protection. Therefore, strengthening consumer protection is an urgent need through regulatory updates in line with the digital ecosystem, increasing public digital literacy, optimizing supervisory agencies, and implementing digital dispute resolution (ODR) mechanisms. These efforts are very important so that the digital ecosystem in Indonesia can run more safely, fairly, and be able to protect consumer interests amid rapid technological developments.

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Legislation

Law Number 8 of 1999 Concerning Consumer Protection

Law No. 27 of 2022 on Personal Data Protection Law on Information and Electronic Transactions (ITE)