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Legal Protection for Consumers in E-Commerce Transactions Based on the Civil Code and Consumer Protection Law

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ABSTRACT

This article examines these two legal instruments: The Civil Code and Law Number 8 of 1999 concerning Consumer Protection Law, discussing their advantages and disadvantages, and their relevance in addressing the challenges of the digital era. This research uses a normative approach with a literature review method of legislation and scientific journals. The study results indicate that the Civil Code provides basic protection through mechanisms for default and unlawful acts. In contrast, the Consumer Protection Act provides more specific and substantive consumer protection. Amid the development of electronic transactions, these two instruments need to be reviewed and integrated into a regulatory framework more adaptive to digital dynamics.

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INTRODUCTION

The development of information technology has brought significant changes to social interaction patterns, including in the field of trade. One of the most striking innovations is the emergence and rapid growth of e-commerce, which utilizes the internet as its primary medium. E-commerce makes it easier for consumers and businesses to conduct transactions without being limited by time and space. People can purchase goods and services with just a few clicks through various platforms such as marketplaces, online stores, and social media. According to a report from Google et al. (2022), The value of Indonesia's digital economy is estimated to reach USD 146 billion by 2025, with the e-commerce sector being a major contributor. This demonstrates that e-commerce has become vital to the Indonesian economic system.

This trend is accelerating with the rapid growth of internet penetration and mobile device usage in Indonesia. A 2023 APJII report showed that more than 70% of internet users in Indonesia have made online transactions, either through major marketplaces like Tokopedia and Shopee or through social media platforms. This change is also driven by new lifestyles emphasizing efficiency and practicality, particularly among millennials and Gen Z, reflecting the ongoing digital transformation in the economic sector. Furthermore, government support through MSME digitalization programs and electronic system regulations has strengthened e-commerce's position as a driver of national economic growth.

However, these technological developments also present new regulations and consumer protection challenges. Previously, physical and face-to-face trade shifted to remote transactions, where the parties were present only virtually. This changes the legal structure previously built on the principles of physical meetings and direct agreements. Therefore, it is necessary to examine how the Indonesian legal system responds to this transformation, particularly through the Civil Code and the Consumer Protection Law.

In practice, many consumers face serious challenges when conducting e-commerce transactions. One of the most common issues is the discrepancy between the goods received and the description displayed on the digital platform, which often leaves consumers feeling disadvantaged. Furthermore, fraud by unscrupulous sellers, non-delivery of goods, and unauthorized theft of consumers' data for commercial purposes are not uncommon. According to research by Zhang & Zhang (2024), E-commerce opens up significant opportunities for online fraud due to limited verification mechanisms and weak cross-platform oversight.

Another problem is the lack of clarity regarding business actors' responsibilities, particularly in cross-platform or cross-border transactions. In many cases, consumers are unsure who is responsible for a breach of contract, as businesses can easily conceal their identities through digital accounts. Even if identities are known, it is often difficult for consumers to assert their rights because businesses operate outside national legal jurisdictions. This hinders dispute resolution and creates consumer frustration, as Giotopoulos &

Papadopoulos (2025) highlight the lack of transparency in global e-commerce transactions.

In Indonesia, a study by Fahilly et al. (2025) showed that many consumers do not understand their rights, and there are still gaps in legal protection when dealing with digital businesses. This weakness in protection is exacerbated by the fact that most consumers lack a sufficient legal understanding of their rights and access to effective dispute resolution institutions. As a result, many consumers choose to resign or forgo legal proceedings due to complicated procedures and unclear protection mechanisms. This situation indicates an unequal bargaining position between consumers and businesses in the e-commerce ecosystem. The Consumer Protection Law and the Civil Code do not provide adequate operational instruments to ensure consumer rights' swift, affordable, and fair redress.

These issues have significant implications, both for individuals and for the legal system as a whole. The most immediate impact for consumers is financial loss, whether due to fraud, defective goods, or additional costs for returns of non-conforming items. Furthermore, consumers also experience non-material losses, such as disappointment, frustration, and even a loss of trust in digital transaction systems.

From a macro perspective, legal uncertainty in e-commerce transactions can undermine public trust in the e-commerce system. If allowed to persist, this situation could hamper the growth of the e-commerce industry and reduce the potential of Indonesia's digital economy. This contradicts the government's vision to encourage national digital transformation and make e-commerce a leading sector in economic inclusion. Research by Christofi et al. (2024) and Crespo-Gonzalez et al. (2024), it was revealed that trust is a key variable in the sustainability of e-commerce, and legal uncertainty is a major inhibiting factor in developing a sustainable digital ecosystem.

Equally important, the weakness of legal protection for consumers reflects the state's suboptimal function in ensuring justice and protecting people's rights. In an ideal legal system, the state plays a regulatory and protective role for weaker parties, such as consumers. Therefore, a deeper examination of the effectiveness of the applicable legal system in responding to the challenges of the digital era, particularly in the context of e-commerce, is necessary.

While numerous studies have addressed consumer protection in trade in general, studies specifically examining the effectiveness of the synergy between the Civil Code and the Consumer Protection Law in the context of e-commerce transactions are still minimal. Most studies focus on a single regulation or solely address technological protection aspects, such as system security and personal data, without examining the underlying civil law structure.

Research by Syafriana (2016) noted that the contract system in the Indonesian Civil Code (KUHP) does not yet have a mechanism capable of anticipating the digital nature of e-commerce contracts, such as click-wrap agreements or non-face-to-face transactions. As the fundamental law for contracts, the Civil Code still uses a conventional approach that cannot address the complexities of technology-based transactions. Furthermore, Law No. 8 of 1999 concerning Consumer Protection does not explicitly regulate consumer protection mechanisms in electronic transactions. This creates a legal vacuum and normative uncertainty, potentially weakening consumers' legal standing in digital transactions.

Furthermore, insufficient empirical research examines how consumers, businesses, and law enforcement can effectively implement these two legal instruments. Therefore, an in-depth and critical legal review is needed to evaluate these regulations' appropriateness, completeness, and implementation challenges in addressing the real-world problems consumers face in e-commerce practices.

This research aims to provide a critical and in-depth analysis of how legal protection for consumers in e-commerce transactions is regulated under the Civil Code and the Consumer Protection Law, and to assess whether these provisions can be effectively implemented amidst technological developments. A normative approach will examine existing regulations, while a comparative approach will be used to compare digital consumer protection practices in other countries with more adaptive legal systems.

By identifying existing normative and structural weaknesses, this research will develop legal recommendations that can serve as the basis for strengthening regulations, whether through revising laws, drafting implementing regulations, or developing technology-based dispute resolution mechanisms (online dispute resolution). This aligns with the findings of Mayayise (2024), which emphasizes the need for a hybrid regulatory approach that combines civil law and digital protection.

Thus, this research is not only academically significant as a contribution to developing consumer and civil law theory, but also has practical value in supporting public policies that adapt to technological developments. This research will bridge the gap between the legal needs of a digital society and the national legal system, which is still adjusting to the realities of the e-commerce era.

LITERATURE REVIEW

Civil Code

The Civil Code, a legacy of Dutch law, regulates legal relations between parties in Article 1233, which states that obligations can arise from agreements or laws. In the consumer context, the relationship between a business actor and a consumer generally arises from a sales agreement (Article 1457). The business actor must deliver goods of the promised quality, and the consumer has the right to receive the goods in good condition.

If a business actor fails to fulfill its obligations, it may be deemed to have committed a breach of contract (Article 1243). In this case, consumers can sue for damages, including costs, actual losses, and loss of profits. This provides the basis for consumers to pursue their legal rights.

In addition to breach of contract, Article 1365 of the Civil Code stipulates that any unlawful act that harms another person requires the perpetrator to compensate for the loss. If a product causes physical injury or damage due to a manufacturing defect, the consumer can sue for damages based on the unlawful act.

However, the Civil Code has several limitations. Its individualistic approach fails to consider the unequal relationship between consumers and businesses. Consumers are often burdened with complex and expensive proof and lack institutional support to defend their rights.

The Civil Code regulates the basis of binding relationships between parties, including sales and purchase agreements. Article 1320 of the Civil Code stipulates the requirements for a valid agreement: agreement between the parties, legal capacity, a specific object, and a lawful cause. In the context of e-commerce, agreements often occur through clicks or automated approvals, raising legal validity issues (Nasrullah & Fibriyanti, 2024; Wibowo et al., 2024).

Law No. 8 of 1999 concerning Consumer Protection

The Consumer Protection Act is a special law that provides substantive legal protection for consumers. Enacted in 1999, the UUPK addresses the weaknesses in protection provided by the Civil Code, particularly regarding oversight, consumer empowerment, and clarity of consumer rights. Article 3 of the Consumer Protection Law emphasizes its objectives: to provide legal protection to consumers, create a healthy trading system, and increase business actors' awareness of their social responsibilities.

The Consumer Protection Law guarantees consumer rights, such as the right to information, the right to security, and the right to compensation. Article 4 states that consumers have the right to comfort, security, and safety when consuming goods and/or services. In e-commerce transactions, this protection is tested when consumers do not receive goods as described or experience financial loss due to system errors. Furthermore, as stipulated in Article 7, businesses have an obligation to provide accurate and non-misleading information and to guarantee the quality of the goods/services offered.

Furthermore, Article 8 of the Consumer Protection Law prohibits businesses from providing misleading information. However, due to weak oversight, many consumers fall victim to deceptive advertising on digital platforms.

One of the advantages of the Consumer Dispute Resolution Law is the existence of an out-of-court dispute resolution mechanism through the Consumer Dispute Resolution Agency. The Consumer Dispute Resolution Agency can resolve disputes through mediation, conciliation, or arbitration. Consumer Dispute Resolution Agency decisions are final and binding, although they can be appealed to the district court. A study by Wardani et al. (2022) showed that the Consumer Dispute Resolution Agency in Buleleng Regency has resolved various consumer dispute cases quickly and efficiently, despite facing constraints such as limited human resources and infrastructure.

The Consumer Protection Law imposes strict administrative, civil, and criminal sanctions. Criminal sanctions are stipulated in Article 62, which can include a maximum prison sentence of five years or a fine of up to IDR 2 billion for businesses that violate the provisions. Businesses' responsibilities include compensation, recall of defective products, and a public apology.

METHODOLOGY

The research conducted in this article will use the Normative Juridical research method. This method focuses on the use of legal theories, legal concepts, norms, and applicable laws and regulations as the primary materials for analysis (Suyanto, 2023). The Normative Juridical approach allows the author to systematically study, analyze, and interpret legal data relevant to the research topic.

By utilizing the Normative Juridical approach, this research aims to provide a deep understanding of how legal theories, legal concepts, and legal norms are applied in the context of the legal issues being studied (Sunggono, 2019)The analysis will compare existing legal norms with actual circumstances or relevant legal theories, leading to conclusions that can contribute to the development of legal science and practice in Indonesia. Through this approach, the research is expected to significantly contribute to the understanding and development of law in Indonesia, particularly concerning the topic under study.

RESEARCH RESULT AND DISCUSSION

Consumer Protection Based on the Civil Code

Before the introduction of specific regulations regarding consumer protection, the Civil Code (Burgerlijk Wetboek) served as the general legal basis for resolving disputes between consumers and businesses. Although the Civil Code does not explicitly mention the term "consumer," the substance of legal protection can be found in provisions regarding agreements, breach of contract, and unlawful acts.

Article 1233 of the Civil Code states that a contract arises from an agreement or law. In consumer transactions, the legal relationship between a business actor and a consumer arises from a sales and purchase agreement (Article 1457 of the Civil Code) that binds both parties. The consumer is the buyer with the right to receive goods/services according to the promises or quality offered. In contrast, the business actor must deliver the goods in good faith.

If a business actor fails to fulfill the terms of the agreement or fails to deliver goods of the promised quality, they are deemed to have committed a breach of contract (Article 1243 of the Civil Code). Aggrieved consumers can sue for compensation for costs, losses, and interest. Therefore, the Civil Code protects civil sanctions for breach of contract.

Article 1365 of the Civil Code also serves as the basis for consumer protection against unlawful acts. If a business actor engages in an irrational or illegal act that results in a loss for the consumer, the business actor can be sued for compensation. For example, if a defective product causes injury to a consumer, the consumer can sue under the Consumer Protection Act without having to prove an agreement.

While the Civil Code provides a basis for protection, its approach remains individualistic and formalistic. The burden of proof rests entirely with consumers, who often lack the legal capacity or resources to sue businesses. The lack of explicit provisions regarding consumer rights, oversight, and dispute resolution institutions makes the Civil Code inadequate to address the complex issues of modern consumerism.

Consumer Protection Based on Law Number 8 of 1999

The enactment of Law No. 8 of 1999 concerning Consumer Protection was a significant milestone in strengthening the legal framework for consumer protection in Indonesia. The Consumer Protection Law serves as a lex specialis that complements and strengthens the norms stipulated in the Civil Code, with a more responsive approach to the power imbalance between businesses and consumers.

Article 3 of the Consumer Protection Act states that this law aims to increase consumer awareness, ability, and independence in protecting themselves; increase the responsibility of business actors; and create a fair and transparent consumer protection system.

The Consumer Protection Law covers the legal relationship between businesses and consumers in all sectors of goods and services trade, both in person and online. This law also serves as the basis for technical arrangements in implementing regulations such as Government Regulations, Ministerial Regulations, and Authority Regulations.

The Consumer Protection Law explicitly stipulates consumer rights in Article 4, including the right to comfort, security, and safety; the right to choose and obtain accurate information; and the right to be heard and receive legal protection. Meanwhile, business actors' obligations are regulated in Article 7, which requires them to act honestly, not to mislead, and to guarantee the quality of goods/services. Violations of these provisions can result in administrative, civil, and even criminal sanctions.

The Consumer Dispute Resolution Law introduces the Consumer Dispute Resolution Agency as a non-litigation forum that provides a faster, more affordable, and fair alternative for dispute resolution. The Consumer Dispute Resolution Agency has the authority to: Mediate and adjudicate disputes; and Issue final and binding decisions. Furthermore, consumers can still resort to litigation or other mediation if dissatisfied with the Consumer Dispute Resolution Agency outcome.

The Consumer Protection Law strictly stipulates criminal and civil sanctions for businesses that commit violations, including disseminating false information, selling expired goods, and misleading advertising. Criminal sanctions can include a maximum of five years' imprisonment and a maximum fine of IDR 2 billion (Article 62 of the Consumer Protection Law). In contrast, civil liability can include compensation, product recall, or refunds.

Although the Consumer Protection Law (UUPK) was created before the rapid development of e-commerce, many of its principles remain relevant. In practice, the UUPK is now used as the primary legal basis for resolving disputes on digital platforms, including e-marketplaces, social media transactions, and the use of online transportation services. However, legal experts are also pushing for the UUPK to be revised and adapted to the challenges of the digital era, such as personal data protection, recommendation algorithms, and platform liability (Fathni, Basri, et al., 2023; Fathni, Jauhari, et al., 2023).

Dynamics of Consumer Protection in E-Commerce

One of the main problems in e-commerce is information asymmetry. Sellers know more about products than buyers, while buyers rely solely on images and reviews. Research by Maharani & Prakoso (2024) states that failure to manage digital information poses the risk of consumer protection violations.

In digital transactions, evidence of agreements, such as screenshots or transaction history, is often not considered legally binding, especially if the business actor is overseas. This is exacerbated by the lack of an effective and nationally recognized Online Dispute Resolution (ODR) mechanism.

One crucial aspect not yet comprehensively protected in the Civil Code or the Consumer Protection Law is the privacy and security of consumers' personal data. According to Giotopoulos & Papadopoulos (2025) modern digital consumer protection encompasses not only goods/services but also the right to control personal information.

Efforts to Strengthen Consumer Protection

Harmonization is needed between the Consumer Protection Law, the Civil Code, and technology regulations such as ITE and the Personal Data Protection Law. The government should push for updates to the Civil Code to include clauses on e-contracts and cross-border transactions.

Governments and e-commerce platforms must improve consumer literacy and strictly monitor digital content to prevent fraud. This aligns with a study by Zhang & Zhang (2024), which found that digital education contributes to increased legal protection. Digital dispute resolution systems are crucial for handling consumer complaints quickly, affordably, and fairly. Several countries have adopted ODR as part of their digital consumer protection systems.

In the digital economy, consumer protection challenges are increasingly complex. Online transactions, e-commerce platforms, and the use of personal data pose new risks that are not yet fully addressed in the Consumer Protection Law (UUPK) or the Civil Code.

Research by Masturi et al. (2025) shows that legal protection for consumers in the digital realm remains weak, particularly in addressing online fraud, false advertising, and data privacy violations. Therefore, the Consumer Protection Law must include regulations on personal data protection, digital platform liability, and online dispute resolution (ODR) mechanisms.

Legal protection for consumers in Indonesia still faces conceptual and practical challenges. The Civil Code provides a general legal foundation but is insufficiently adaptive to modern dynamics. In contrast, the Consumer Protection Law (UUPK) offers more responsive and pro-consumer protection. However, to face the challenges of digitalization, both legal instruments need to be revised and synergized to provide optimal safety.

Efforts to reform consumer protection law must include creating specific regulations for digital transactions, strengthening institutions such as the Consumer Protection and Assurance Agency and consumer courts, and increasing public legal literacy. This will ensure Indonesia's consumer protection legal framework is stronger, fairer, and more relevant.

CONCLUSIONS AND RECOMMENDATIONS

The Civil Code and the Consumer Protection Law regulate consumer protection in e-commerce transactions in Indonesia. However, these regulations do not fully accommodate the dynamics of digital transactions. Legal reforms, increased literacy, and a digital dispute resolution system are needed to ensure adequate consumer protection and adapt to technological developments.

Overall, the Civil Code provides a general legal foundation for civil transactions between consumers and businesses through obligations, breach of contract, and torts. However, its private, formal, and individual nature limits its protection in the modern context.

In contrast, the Consumer Protection Law is a more progressive and comprehensive legal instrument that provides substantive, procedural, and institutional consumer protection. With its firm normative approach, balanced division of rights and obligations, and efficient resolution mechanisms, the Consumer Protection Law is Indonesia's backbone of consumer protection. However, new challenges in the digital era require continuous adjustments to ensure these two legal instruments remain relevant and practical in consumer fairness.

FURTHER STUDY

Further research is needed to empirically explore the extent to which consumers understand and utilize their rights under the Civil Code and the Consumer Protection Law in online shopping practices and the factors that most influence their level of trust. Comparative studies with other countries' policies, such as the e-Commerce Directive and the General Data Protection Regulation in the European Union, can also reveal best practices worth adopting, particularly in regulating electronic contracts and personal data protection.

Furthermore, evaluating various Online Dispute Resolution (ODR) models, both government-initiated and private platforms, is crucial for assessing their speed, cost, and user satisfaction. This will allow for recommendations on effective and accessible digital dispute resolution mechanisms. Research on the role of digital identity verification technology and blockchain is also highly relevant, as the potential for greater business accountability and consumer data security can strengthen consumers' legal standing in the digital space. Finally, developing specific legal instruments for e-contracts, such as standard electronic contract clauses as part of the revised Civil Code or implementing regulations for the Consumer Protection Law, can provide certainty about the rights and obligations of parties in non-face-to-face transactions. With an integrated research agenda like this, it is hoped that more adaptive, responsive, and comprehensive policy recommendations and legal frameworks will be developed to protect consumers in the e-commerce era.

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