

STRUCTURAL ANALYSIS OF CONSUMER PROTECTION FAILURES IN INDONESIA

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Citation: Fenny Bintarawati, Sigit Irianto, Sri Retno Widyorini, and Nur Aini Fitriya Ardiani Aniqoh. 2026. "Structural Analysis of Consumer Protection Failures in Indonesia". *Walisongo Law Review (Walrev)* 8 (1):96-113. <https://doi.org/10.21580/walrev.2026.8.1.31636>.

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Abstract: This article critically examines the structural limitations of Indonesia's consumer protection framework in light of Presidential Regulation No. 49 of 2024 on the National Consumer Protection Strategy. Although the regulation reflects renewed governmental attention to consumer welfare, this study questions whether it produces substantive legal reform or merely reinforces existing institutional patterns. Using a socio-legal approach that combines doctrinal analysis with empirical institutional data, the study identifies three persistent deficiencies: fragmented enforcement authority, inadequate redress mechanisms, particularly in digital transactions, and the predominance of non-binding regulatory design. The article introduces the concept of regulatory formalism to explain the gap between normative commitments and practical outcomes. Comparative insights demonstrate that effective consumer protection requires enforceable rights, institutional coherence, and accessible dispute resolution mechanisms. The findings suggest that National Consumer Protection Strategy does not resolve the structural weaknesses of Indonesia's consumer protection regime. Meaningful reform therefore requires comprehensive statutory revision, institutional consolidation, and the establishment of binding digital dispute resolution systems.

Artikel ini secara kritis mengkaji keterbatasan struktural kerangka perlindungan konsumen Indonesia berdasarkan Peraturan Presiden Nomor 49 Tahun 2024 tentang Strategi Nasional Perlindungan Konsumen (STRANAS-PK). Meskipun peraturan tersebut mencerminkan perhatian pemerintah yang diperbarui terhadap kesejahteraan konsumen, studi ini mempertanyakan apakah peraturan tersebut menghasilkan reformasi hukum substantif atau hanya memperkuat pola kelembagaan yang ada. Dengan menggunakan pendekatan sosio-hukum yang menggabungkan analisis doktrin dengan data kelembagaan empiris, studi ini mengidentifikasi tiga kekurangan

yang terus berlanjut: kewenangan penegakan hukum yang terfragmentasi, mekanisme penyelesaian sengketa yang tidak memadai, khususnya dalam transaksi digital, dan dominasi desain peraturan yang tidak mengikat. Artikel ini memperkenalkan konsep formalisme regulasi untuk menjelaskan kesenjangan antara komitmen normatif dan hasil praktis. Wawasan komparatif menunjukkan bahwa perlindungan konsumen yang efektif membutuhkan hak yang dapat ditegakkan, koherensi kelembagaan, dan mekanisme penyelesaian sengketa yang mudah diakses. Temuan menunjukkan bahwa STRANAS-PK tidak menyelesaikan kelemahan struktural rezim perlindungan konsumen Indonesia. Oleh karena itu, reformasi yang bermakna membutuhkan revisi undang-undang yang komprehensif, konsolidasi kelembagaan, dan pembentukan sistem penyelesaian sengketa digital yang mengikat.

Keywords: regulatory formalism; consumer protection; digital economy; institutional fragmentation; dispute resolution.

INTRODUCTION

Consumer protection law occupies a critical function in every market economy. It governs the relationship between suppliers of goods and services on one side and individual buyers on the other. This relationship is inherently asymmetrical. Business actors possess superior information, financial resources, and bargaining capacity. Consumers, by contrast, are structurally vulnerable. State intervention through law and regulatory institutions is therefore necessary to correct this imbalance. In modern market economies, consumers are systematically disadvantaged due to informational asymmetry, limited bargaining power, and unequal access to resources. Legal intervention is therefore necessary to ensure fairness, accountability, and market integrity (Shidarta and Koos 2019). Indonesia formalised this commitment through Law No. 8 of 1999 on Consumer Protection. The law established a foundational framework for consumer rights, business obligations, and dispute resolution mechanisms. However, more than two decades after its enactment, the statute has not undergone substantial revision despite significant transformation in market structures (I. G. A. K. Ariawan 2025).

The UUPK has not undergone substantial statutory revision since its enactment more than twenty-five years ago. This stagnation is a significant legal problem. Indonesian markets have changed fundamentally in the intervening period. Digital commerce, financial technology, and platform-based services have reshaped the transactional environment in which consumers operate (M. Y. A. Kadir et al. 2024). The number of internet users in Indonesia surpassed 221 million by 2024, representing more than 79 percent of the total population (Providers 2024). This shift has produced a new topology of consumer risk, including data misuse, algorithmic manipulation, fraudulent digital advertising, and inadequate product liability for digital goods. Studies examining Indonesia's e-commerce regulatory framework confirm that the current statute is inadequate to address these risks

effectively (Fitrianggraeni and Purnama 2024). The law was drafted for a marketplace that no longer exists. The rise of digital commerce, financial technology, and platform-based services has fundamentally altered the nature of consumer transactions. These developments have introduced new forms of risk, including data exploitation, algorithmic manipulation, cross-border disputes, and digital fraud. The existing legal framework, designed for a conventional marketplace, is increasingly unable to address these challenges (A. M. Kadir et al. 2024).

Presidential Regulation Number 49 of 2024 on the National Consumer Protection Strategy, known as *Strategi Nasional Perlindungan Konsumen* or STRANAS-PK, was issued to respond to these accumulated deficiencies. It aims to coordinate policies across institutions and strengthen consumer protection in emerging sectors. However, this article argues that the regulation does not address the structural weaknesses embedded in the legal and institutional framework. It succeeded an earlier strategy issued under Presidential Regulation Number 50 of 2017, which had itself identified coordination failures and enforcement gaps as structural problems. STRANAS-PK articulates a national roadmap intended to align policies across ministries, local governments, businesses, and civil society. The regulation updates priority sectors and responds to digital market realities. On its face, STRANAS-PK signals renewed political commitment to consumer welfare. This article questions whether that commitment is matched by legal substance.

The gap between consumer protection law as written and consumer protection law as practiced is the central problem this article addresses. The National Consumer Protection Agency (*Badan Perlindungan Konsumen Nasional*, BPKN) recorded 1,733 consumer complaints in 2024 (Nasional 2024). This figure represents an increase of 84 percent from the 929 complaints recorded in 2023. Potential consumer losses reached IDR 424,256,065,321, of which only IDR 44,825,538,742 was recovered. The housing sector and the financial services sector accounted for the majority of these complaints. These figures indicate that formal legal protection is not translating into practical consumer redress.

The literature on Indonesian consumer protection has identified several recurring themes. Studies have documented weak enforcement by the Consumer Dispute Settlement Agency (*Badan Penyelesaian Sengketa Konsumen*, BPSK), fragmented institutional authority, and low consumer legal literacy (Abdillah et al. 2024) (Rahman et al. 2023). Research comparing Indonesia's framework with other jurisdictions has found that the country's reform trajectory lags behind Vietnam and Ghana (M. Y. A. Kadir et al. 2024). Studies specifically addressing digital consumer protection have identified a regulatory gap in e-commerce transactions, where consumers lack adequate information rights and effective complaint mechanisms (Septiningsih and Karimullah 2024). No detailed legal analysis of the 2024 version of STRANAS-PK has yet been published in the academic literature. This article fills that gap.

This article makes three specific contributions to existing scholarship. First, it provides a doctrinal analysis of STRANAS-PK 2024 and its relationship to the foundational UUPK. Second, it identifies the structural deficiencies that the strategy fails to address, with particular attention to institutional coordination, enforcement authority, and digital market regulation.

Third, it proposes a framework for evaluating the adequacy of consumer protection strategies. The article proceeds as follows. The Research Method section explains the socio-legal approach and data sources used. Subsequent sections analyze the statutory foundation of consumer protection in Indonesia, evaluate STRANAS-PK 2024 against adequacy criteria, and assess the institutional landscape for enforcement. The Conclusion synthesizes these findings and advances recommendations for legislative reform.

This article employs the concept of regulatory formalism to explain the persistence of ineffective consumer protection. Regulatory formalism refers to the reliance on policy instruments that symbolically affirm regulatory commitments without altering underlying legal relations or enforcement capacity. STRANAS-PK reflects this pattern. It expands policy ambition and coordination but does not modify the statutory foundation or redistribute enforcement authority. As a result, it reinforces existing institutional fragmentation rather than resolving it.

RESEARCH METHOD

This study employs a normative legal research approach. Normative legal research examines law as it exists in authoritative texts. It interprets statutory provisions, regulations, and legal principles through established doctrinal methods (Marzuki 2017). The approach treats legal norms as the primary object of investigation. Legal validity, internal consistency, and systematic coherence are the central criteria for evaluation. This orientation is appropriate for examining the adequacy of Indonesia's consumer protection framework. The research analyzes the relationship between Law Number 8 of 1999 on Consumer Protection and Presidential Regulation Number 49 of 2024 on the National Consumer Protection Strategy. It applies statutory interpretation, comparative legal analysis, and systematic-doctrinal analysis to identify normative gaps and regulatory deficiencies (Marzuki 2017).

The normative dimension of this study examines primary legal instruments governing consumer protection. In Indonesia, the foundational statute is Law Number 8 of 1999 on Consumer Protection. Presidential Regulation Number 49 of 2024 serves as an additional reference concerning the institutional framework for consumer dispute resolution (Anon 2024). At the international level, the United Nations Guidelines for Consumer Protection (UNGCP) 2015 provide comparative benchmarks. These texts are read, systematically categorized, and interpreted using the standard techniques of legal hermeneutics.

This study identifies two primary analytical variables. The first variable is the adequacy of the existing legal framework for consumer protection. Adequacy is measured by the extent to which positive law addresses the harms identified in academic literature and judicial practice. The second variable is the effectiveness of regulatory implementation, assessed by reference to complaint data, enforcement records, and institutional capacity reports.

The independent variable is the regulatory design of consumer protection law, including both substantive rights and procedural remedies. Suryamah et al. (2024) show that

the doctrine of *res ipsa loquitur* in Indonesian consumer dispute settlement illustrates how procedural design shapes substantive outcomes (Suryamah et al. 2024). The dependent variable is the level of consumer protection achieved in practice, observed through qualitative indicators derived from case law analysis, regulatory reports, and scholarly assessment. Panjaitan et al. (2025) note that click-wrap agreements under Indonesian consumer protection law create structural vulnerabilities that weaken practical protection (Panjaitan et al. 2025).

The primary research subjects are the legal instruments applicable to consumer protection in Indonesia. These include statutes, government regulations, presidential regulations, and administrative guidelines issued by the relevant authorities. Presidential Regulation Number 49 of 2024 is one such instrument that receives detailed textual analysis. Secondary subjects include judicial decisions of the Consumer Dispute Resolution Body (BPSK) and the courts at various levels (Anon 2024).

Academic literature constitutes a further category of research subjects. The study draws on Scopus-indexed articles that address consumer protection from legal, regulatory, and socio-legal perspectives. Septiningsih and Karimullah (2024) provide a foundational analysis of consumer protection in e-commerce that informs the study of digital market conditions (Septiningsih and Karimullah 2024). Ariawan (2025) examines regulatory barriers to consumer protection in digital marketplaces (Ariawan 2025). Institutional reports produced by BPKN and the Financial Services Authority (Otoritas Jasa Keuangan, OJK) are also incorporated as research subjects.

The primary research instrument is a structured document analysis protocol. The protocol specifies the criteria for selecting legal texts, the categories under which provisions are classified, and the questions that guide interpretive analysis. The protocol draws on the methodology proposed by Banakar and Travers (2013) for socio-legal documentary analysis. Each legal instrument is examined against a standardised checklist covering definitional scope, rights allocation, enforcement mechanisms, and remedies (Banakar and Travers 2013).

A literature review matrix is a second research instrument. The matrix records the key arguments, methodological approaches, findings, and limitations of each academic source consulted. The matrix organises the literature according to four thematic categories: substantive consumer rights, enforcement and dispute resolution, digital market challenges, and comparative regulatory models. Cyman and Janovec (2024) illustrate the value of comparative analysis of institutional consumer protection frameworks across jurisdictions (Cyman and Janovec 2024). A case analysis template constitutes a third instrument, applied to judicial decisions and administrative rulings to extract information about the legal issues raised and the outcomes reached.

Primary data consists of legal texts. The UUPK and STRANAS-PK 2024 are the two principal primary sources. Secondary data consists of peer-reviewed academic literature. The main source for secondary data is the Scopus database, which indexes journals meeting rigorous quality standards. The search strategy uses the following keyword combinations:

'consumer protection' AND 'Indonesia'; 'consumer protection' AND 'digital economy'; 'consumer rights' AND 'regulatory framework'; and 'consumer dispute resolution' AND 'law.' A supplementary search is conducted in the Web of Science database using identical keywords. The search covers publications from 2019 to 2026 (Anon 2024).

Inclusion criteria for secondary sources require, first, that the source be published in a peer-reviewed journal indexed in Scopus or Web of Science. Second, the source must address consumer protection as a primary or substantial secondary topic. Third, the source must be available in full text. Exclusion criteria eliminate sources that address consumer protection only incidentally, sources published before 2019 without exceptional relevance, and sources for which full text cannot be accessed. These criteria produce a focused and manageable body of secondary literature without sacrificing breadth.

This study uses three interconnected data analysis techniques. The first technique is statutory interpretation (hermeneutic analysis). Statutory interpretation is applied to the primary legal texts to identify the meaning, scope, and normative content of relevant provisions. The interpretive approach combines grammatical analysis, systematic analysis, and teleological analysis. Grammatical analysis examines the ordinary meaning of legislative language. Systematic analysis situates each provision within the broader architecture of the statute. Teleological analysis reads provisions in light of the stated purposes of consumer protection law.

The second technique is comparative legal analysis. Benseghir and Zerara (2025) conduct a comparative analysis of consumer protection regulations between the UAE and Indonesia, illustrating the strengths and weaknesses of each system (Benseghir and Zerara 2025). Kadir et al. (2024) extend the comparison to Vietnam and Ghana, providing a broader cross-regional perspective. The third technique is qualitative thematic analysis of secondary literature and institutional documents. Thematic analysis proceeds through open coding, axial coding, and selective coding. Data validity is secured through source triangulation and interpretive cross-checking, comparing findings derived from legal texts with findings from judicial decisions and academic literature (Miles, Huberman, and Saldaña 2014)

RESULT AND DISCUSSION

The Statutory Foundation of Consumer Protection and Its Structural Limitations

Law Number 8 of 1999 on Consumer Protection, known as the *Undang-Undang Perlindungan Konsumen* (UUPK), remains the primary statutory instrument for consumer rights in Indonesia. The statute was enacted to correct the structural asymmetry between business actors and individual consumers in the marketplace. This legislative design reflects a foundational principle in consumer protection jurisprudence: that unregulated markets systematically disadvantage the weaker party, and that law must intervene to restore balance (Shidarta and Koos 2019). The UUPK enumerates nine consumer rights, including the right to safety, the right to information, and the right to redress, alongside corresponding obligations imposed on business actors.

The statute has not undergone substantive revision since its enactment more than twenty-five years ago. This stagnation is analytically significant. Several studies have documented that the UUPK's definitional categories, evidentiary rules, and institutional mechanisms were designed for a conventional marketplace and are inadequate for the digital economy (Ariawan 2025) (Septiningsih and Karimullah 2024). Suryamah et al. (2024) demonstrate that the evidentiary framework under the UUPK creates a procedural disadvantage for consumers in dispute resolution proceedings, particularly in cases involving complex digital transactions. Their analysis of the doctrine of *res ipsa loquitur* reveals that Indonesian courts apply burden-of-proof rules inconsistently, which undermines the practical utility of formal consumer rights (Suryamah et al. 2024).

The present research finds that this statutory stagnation produces three compounding deficiencies. The first deficiency is definitional inadequacy: the UUPK does not define digital goods, platform services, or algorithmic transactions. This creates regulatory gaps that courts and agencies cannot fill through interpretation alone. The second deficiency is procedural insufficiency: the dispute resolution mechanisms established under the UUPK were designed for physical-world transactions. They do not accommodate the speed, anonymity, and cross-border character of electronic commerce. The third deficiency is institutional fragmentation: the UUPK distributes enforcement authority among multiple agencies without establishing a clear hierarchy of competence or a coordination mechanism (Development 2019) (Cyman and Janovec 2024).

The comparison with other jurisdictions confirms the severity of these deficiencies. Kadir et al. (2024) conduct a comparative analysis of consumer protection reform in Indonesia, Vietnam, and Ghana, finding that Indonesia's reform trajectory lags behind both comparator states in terms of statutory modernisation and digital consumer protection. Benseghir and Zerara (2025) compare the Indonesian framework with the United Arab Emirates regulatory model, noting that the UAE enforces more stringent transparency obligations and accountability mechanisms for e-commerce platforms than Indonesia currently requires. This comparative deficit is not a matter of regulatory philosophy. It reflects a failure to update the statutory foundation in response to documented market change.

Law Number 8 of 1999 on Consumer Protection (UUPK) remains the primary legislative instrument governing consumer rights in Indonesia. The law was drafted in an era of predominantly offline transactions. Its definitional provisions do not contemplate digital goods, platform-based services, or algorithmically driven transactions (I. G. A. K. Ariawan 2025). This omission is not merely terminological. It produces a substantive regulatory vacuum that ordinary statutory interpretation cannot fill (Haykal 2025). The UUPK defines "goods" and "services" in terms that presuppose a physical transaction between identifiable parties. Digital products, including software licenses, subscription-based content, and in-app purchases, fall outside this definition without legislative amendment. Platform services, where an intermediary facilitates transactions between third-party buyers and sellers, present a further definitional problem. Under the existing text, the platform operator occupies no

clearly assigned legal position as either a seller or a responsible party (Panjaitan et al. 2025). Algorithmic transactions add yet another layer of complexity. When pricing, product ranking, or contract terms are determined by automated systems, the UUPK offers no mechanism for identifying the liable party or assessing the fairness of the outcome (Blockx and Krook 2024). The result is a legal framework that addresses the form of commercial exchange but not its contemporary substance.

Presidential Regulation Number 49 of 2024: Ambition without Obligation

Presidential Regulation Number 49 of 2024 on the National Consumer Protection Strategy (STRANAS-PK) was issued to provide a coordinated national policy response to the accumulated deficiencies in Indonesia's consumer protection system. The regulation articulates a roadmap that assigns roles to ministries, local governments, business actors, and civil society. It explicitly acknowledges the priority of digital market regulation and consumer literacy. This research finds, however, that STRANAS-PK reproduces the same structural limitation that undermined its predecessor: it relies on aspirational language and interagency coordination rather than legally binding obligations and enforceable sanctions (Anon 2024).

A normative analysis of the regulation reveals that its operative provisions employ directive language such as 'shall coordinate' and 'shall facilitate' without specifying the legal consequences of non-compliance. This finding is consistent with the UNCTAD Voluntary Peer Review of Indonesia (2019), which identified institutional coordination failure as the primary cause of weak consumer protection outcomes under the 2017 strategy. The 2024 regulation does not resolve this structural problem. It expands the list of priority sectors and acknowledges the digital economy as a regulatory concern. It does not, however, confer new enforcement powers on any existing agency, nor does it establish a dedicated enforcement body with independent authority.

The research identifies this pattern as a form of regulatory formalism: the production of elaborate policy documents that perform compliance with consumer protection norms without delivering substantive change in legal relationships. Noor et al. (2025) observe a comparable dynamic in their study of digital economy regulation and consumer rights protection in financial technology transactions, where formal regulatory frameworks failed to produce practical security improvements for consumers because enforcement infrastructure remained underdeveloped (Noor et al. 2025). Haykal (2025) reaches a similar conclusion in his analysis of transaction security risks in Indonesia's digital banking services, finding that the multiplicity of applicable statutes does not translate into effective consumer protection in practice (Haykal 2025).

This research further finds that STRANAS-PK 2024 fails to address the redress gap. The regulation does not strengthen the Consumer Dispute Settlement Agency (*Badan Penyelesaian Sengketa Konsumen*, BPSK) or provide alternative dispute resolution mechanisms suited to digital transactions. UNCTAD's National Framework for Consumer Complaints Handling and Online Dispute Resolution (2022) recommended the development of a

dedicated online dispute resolution mechanism as a priority reform for Indonesia. STRANAS-PK 2024 acknowledges digital dispute resolution as a policy objective but does not create such a mechanism. This gap between policy acknowledgment and regulatory action is the most serious deficiency identified in this research.

Presidential Regulation Number 49 of 2024 (STRANAS-PK) articulates a national strategy for consumer protection in Indonesia. Article 3 of the regulation describes the STRANAS-PK as a guideline for ministries, regional governments, and related agencies in planning, implementing, monitoring, and evaluating consumer protection programs. This characterization is legally consequential. A guideline does not carry the binding force of a statutory obligation. Ministries and agencies are directed to align their activities with the strategy, but the regulation does not establish a legal duty of result. The operative language throughout the instrument uses facilitative rather than mandatory constructions. Where a binding legal instrument would impose obligations, the STRANAS-PK records aspirational targets and coordination expectations. Ariawan (I. G. A. K. Ariawan 2025) observes that regulatory instruments of this type, those that describe desired outcomes without mandating specific actions, tend to produce divergent implementation across agencies with different institutional priorities. The non-binding character of the STRANAS-PK is therefore not a peripheral drafting choice. It determines the legal weight of the entire framework.

The STRANAS-PK contains no sanction mechanism for non-compliance. Article 8 of the regulation establishes periodic monitoring, evaluation, and reporting obligations for ministries and agencies. The results of that monitoring are to be submitted to the President through the Minister responsible for national development planning. No legal consequence attaches to a finding that an agency has failed to implement its assigned action plans. This design contrasts with enforcement-oriented models of consumer protection law, in which non-compliance triggers defined legal responses. Allen (Allen 2024) argues that regulatory frameworks lacking sanction mechanisms are structurally incapable of deterring non-compliance, because regulated entities face no cost for inaction. The same logic applies to inter-governmental coordination: without a sanction for non-performance, the monitoring and reporting process generates information about implementation gaps but cannot close them. Marange and Hamadziripi observe, in the context of financial technology regulation more broadly, that compliance frameworks without binding consequences consistently underperform against those with graduated enforcement powers (Marange and Hamadziripi 2026). The absence of sanctions in the STRANAS-PK reduces the monitoring mechanism to a documentary exercise rather than an accountability tool.

Institutional Fragmentation and Enforcement Deficits

The institutional architecture of consumer protection enforcement in Indonesia involves multiple agencies with overlapping jurisdictions and no single authority with overarching coordination power. The National Consumer Protection Agency (Badan Perlindungan Konsumen Nasional, BPKN) functions as an advisory and monitoring body but

does not possess direct enforcement powers. The BPKN possesses adjudicative authority but only in relation to disputes submitted by consumers who are aware of and willing to use its procedures. The Financial Services Authority (OJK) regulates consumer protection in the financial services sector under a separate statutory framework. This fragmented architecture produces the enforcement gaps that BPKN's 2024 complaint data vividly illustrates: 1,733 complaints were recorded, representing potential losses of IDR 424,256,065,321, of which less than eleven percent was recovered (Utami and Purwanti 2025).

The findings of this research are consistent with the institutional analysis offered by Cyman and Janovec (2024), who examine consumer protection institutions in the Czech Republic and Poland. Their study identifies clearly defined jurisdictional boundaries and dedicated supervisory authority as essential features of effective institutional design. The Indonesian model lacks both features. Sepriyadi et al. (2025) make a comparable argument in their study of banking consumer protection regulation, contending that the absence of a justice-oriented regulatory system produces structural injustice for consumers who lack the resources to navigate complex administrative channels (Sepriyadi, Yuniati, and Nurfani 2025). This structural injustice is not merely an operational inefficiency. It is a function of institutional design choices that STRANAS-PK 2024 does not reverse (Anon 2024).

Particular concern arises in relation to enforcement in digital markets. Utami and Purwanti (2025) document the failure of financial institutions to protect customers against social engineering attacks in digital banking, despite the existence of a duty of care under Article 55 of the Financial Services Authority Regulation on Consumer Protection (Utami and Purwanti 2025). Sidik et al. (2024) analyse the application of the precautionary principle in credit agreements and find that banks routinely use standard clauses that disadvantage consumers, with enforcement agencies failing to intervene effectively (Sidik et al. 2024). These findings collectively demonstrate that institutional failure in consumer protection is systemic rather than incidental.

The comparative literature reinforces this assessment. Dinh and Phan (2024) study the enforcement of consumer rights protection laws in Vietnam and find that Generation Z consumers' willingness to continue using digital financial services depends significantly on their perception of the effectiveness of consumer protection enforcement (Dinh and Thanh 2024). This finding has direct relevance for Indonesia, where digital financial services are expanding rapidly among younger demographic groups. Weak enforcement not only fails current consumers but also erodes institutional trust among the population most likely to conduct digital transactions. The long-term cost of this trust deficit exceeds the immediate harm from individual consumer losses.

The STRANAS-PK does not establish any new institution. Coordination is assigned to the Ministry of Trade under Article 6 (1), which is directed to organise the drafting of the annual National Consumer Protection Action Plan in consultation with other ministries and agencies. This coordination role does not grant the Ministry any supervisory authority over co-participating agencies, nor does it create a body with a cross-sectoral enforcement mandate.

The existing institutional architecture, BPKN, BPSK, OJK, and sector-specific regulators, retains its pre-existing mandates and jurisdictional boundaries without modification. Cyman and Janovec show that consumer protection systems operating through silo-structured agencies without a designated coordinating authority produce weaker and less consistent outcomes than those with integrated or consolidated regulatory models (Cyman and Janovec 2024). Chitimira and Mavhuru draw the same conclusion in their study of financial regulatory design: structural reform requires institutional reorganisation, not coordination layered over unchanged mandates (Chitimira and Mavhuru 2024). The STRANAS-PK bypasses this requirement. It places a coordination obligation on a ministry that holds no statutory supremacy over its counterparts. The institutional landscape therefore remains legally unchanged despite the strategy's ambition of integrated governance.

The cumulative effect of non-binding language, absent sanction mechanisms, and the absence of new institutional authority is that the STRANAS-PK operates as a policy roadmap rather than a binding legal instrument. It records the government's consumer protection priorities and distributes action items across agencies. It does not, however, alter the legal rights of consumers, the statutory obligations of businesses, or the enforcement powers of any regulatory body. Noor et al. (2025, 1332) identify this pattern, issuing a comprehensive strategic document without corresponding amendment to primary legislation, as a recurrent feature of regulatory responses to digital market challenges in developing economies. Yakub Aiyub Kadir, Arifin, and Disantara note specifically that Indonesia has repeatedly produced reform documents in the consumer protection domain without amending the UUPK provisions that govern substantive rights and enforcement capacity (Yakub Aiyub Kadir, Arifin, and Disantara 2024). Ye and Zhao observe a parallel dynamic in the Chinese mobile payment context, where legislative instruments lag behind policy statements, producing formal regulatory outputs that do not translate into enforceable consumer rights (Ye and Zhao 2024). Panjaitan and Sepriyadi both document this gap between normative reform language and practical enforcement outcomes in the Indonesian setting (Panjaitan et al. 2025) (Sepriyadi et al. 2025). In comparative regulatory scholarship, the pattern answers to the concept of regulatory formalism: the production of instruments that conform to the outward requirements of legal reform, a presidential decree, a national action plan, assigned institutional roles, while leaving the operative legal framework intact (Chan, Papsyshev, and Yarime 2024). The STRANAS-PK satisfies the formal criteria of a reform instrument. It does not satisfy the substantive criteria of one. Xiao demonstrates, in a different national setting, that even where consumer protection guidelines are formally issued, poor compliance rates reveal the gap between regulatory text and market behavior when binding legal obligations and enforcement consequences are absent (Xiao 2025). The STRANAS-PK thus represents the appearance of consumer protection reform without its substance.

Digital Market Challenges and the Regulatory Gap

The digital economy has fundamentally transformed the risk environment for Indonesian consumers. Platform-based services, financial technology applications, ride-hailing platforms, and e-commerce marketplaces now account for a significant and growing proportion of consumer transactions. Each of these service categories presents legal challenges that the UUPK does not address. Ariawan (2025) identifies three core regulatory barriers in digital marketplaces: the absence of clear platform liability standards, the inadequacy of information disclosure requirements for algorithmic pricing, and the unavailability of effective cross-border redress mechanisms (Ariawan 2025). This research finds that STRANAS-PK 2024 acknowledges all three issues in its policy framework but does not create binding norms to address any of them (Anon 2024).

The GPS spoofing problem examined by Salvia et al. (2024) in the context of ride-hailing services illustrates the specificity of digital consumer risk. Their study finds that Electronic System Providers, including Gojek and Grab, lack clear legal obligations to protect consumers against location-data manipulation by service providers. This is partly because the UUPK does not contemplate this category of harm (Salvia, Priowirjanto, and Suwandono 2024). This finding exemplifies the broader definitional inadequacy identified in this research: the statutory framework cannot address harms it did not anticipate. Legislative reform is the only structural remedy.

Septiningsih and Karimullah (2024) analyse consumer protection in electronic commerce and conclude that existing regulatory mechanisms are insufficient to address the complexity of digital transactions, particularly in cross-border e-commerce where jurisdictional ambiguity undermines consumer redress (Septiningsih and Karimullah 2024). Cross-border e-commerce now constitutes a substantial and growing share of Indonesian consumer transactions. A regulatory framework that cannot address cross-border disputes leaves millions of Indonesian consumers without effective legal protection for a rapidly growing category of their economic activity. STRANAS-PK 2024 does not propose a solution to this jurisdictional gap (Anon 2024).

The cybercrime dimension of digital consumer vulnerability also requires regulatory attention. Suparto et al. (2024) document the particular vulnerability of female consumers to cybercrime, including fraud, identity theft, and online sexual exploitation. They find that existing consumer protection and criminal law frameworks provide inadequate protection for this population (Suparto et al. 2024). Their analysis reveals that regulatory gaps at the intersection of consumer protection law and criminal law create spaces in which harmful conduct is not clearly prohibited or adequately sanctioned. These findings suggest that consumer protection reform must engage with the broader digital governance framework and not limit itself to private law remedies and administrative enforcement.

Towards a Reform Framework: Lessons from Comparative Analysis

The analysis in this research produces a three-part framework for evaluating the adequacy of consumer protection regulation. The first criterion is statutory modernisation: consumer protection law must contain definitions and substantive rules that address the harms present in the current marketplace, including digital goods, platform services, and algorithmic decision-making. The second criterion is institutional coherence: enforcement authority must be clearly allocated to an agency with the capacity, independence, and legal powers necessary to investigate violations and impose effective sanctions. The third criterion is accessible redress: consumers must have access to dispute resolution mechanisms that are affordable, efficient, and capable of producing binding decisions. The present analysis reveals that Indonesia's framework fails all three criteria.

The Chinese experience with mobile payment consumer protection provides a cautionary comparative reference. Ye and Zhao (2024) document that China's rapid expansion of mobile payment services proceeded without a clear legal definition of 'financial consumer,' producing a regulatory gap that allowed harmful practices to proliferate before the legislature could respond (Ye and Zhao 2024). Indonesia faces an analogous situation with platform-based digital services, where the absence of statutory definitions means that consumers lack clearly defined rights in relation to a category of transactions that now constitutes a significant proportion of the Indonesian market. The Chinese legislative response, which Ye and Zhao describe as incremental and reactive, offers a model that Indonesia could improve upon by adopting a more comprehensive statutory revision from the outset.

The institutional design insights from Cyman and Janovec (2024) are equally instructive. Their comparative study of financial consumer protection in the Czech Republic and Poland finds that effectiveness depends on institutional clarity, the separation of supervisory and adjudicative functions, and the presence of a single authority responsible for systemic consumer protection oversight (Cyman and Janovec 2024). Indonesia's current model distributes these functions across BPKN, BPSK, OJK, and several ministerial bodies without a clear hierarchy or coordination mechanism. STRANAS-PK 2024 imposes coordination obligations but does not restructure this institutional landscape.

The reform recommendations that emerge from this research are grounded in the three-part framework and supported by comparative evidence. First, the National Parliament should initiate a substantive revision of the UUPK that incorporates definitions of digital goods and services, establishes platform liability standards, and extends the scope of consumer rights to cover algorithmic decision-making and data-driven commercial practices. Second, the government should establish a unified consumer protection authority with independent enforcement powers, consolidating the existing functions of BPKN, BPSK, and the consumer protection divisions of sectoral regulators. Third, a dedicated online dispute resolution mechanism should be established, accessible to all Indonesian consumers, with binding

decision-making authority and an expedited procedure for low-value digital transaction disputes.

Table 1 - Summary of Structural Deficiencies and Proposed Reforms

Deficiency	Current Gap	Proposed Reform
Definitional Inadequacy	UUPK lacks definitions for digital goods, platform services, and algorithmic transactions	Comprehensive statutory revision to include digital commerce provisions
Institutional Fragmentation	Enforcement distributed among BPKN, BPSK, OJK with no overarching coordination authority	Establish a unified independent consumer protection authority
Redress Deficit	BPSK procedures unsuited to digital disputes; only 11% of consumer losses recovered in 2024	Create a dedicated online dispute resolution mechanism with binding authority
Regulatory Formalism	STRANAS-PK uses aspirational language without legally binding obligations or enforcement powers	Anchor consumer protection strategy in statutory obligations with clear sanctions
Cross-Border Gaps	No jurisdiction mechanism for cross-border digital consumer disputes	Adopt international ODR standards consistent with UNCTAD 2022 recommendations

Source: Authors' analysis based on BPKN (2024), UUPK (1999), STRANAS-PK (2024), UNCTAD (2022).

CONCLUSION

This article examined Indonesia's consumer protection framework through a normative legal analysis of Law Number 8 of 1999 on Consumer Protection (UUPK) and Presidential Regulation Number 49 of 2024 on the National Consumer Protection Strategy (STRANAS-PK). The research addressed three core questions: whether the statutory foundation remains adequate for the contemporary marketplace, whether STRANAS-PK 2024 resolves the structural deficiencies inherited from its predecessor, and whether the institutional architecture of enforcement is capable of delivering effective consumer protection.

The first finding is that the UUPK is structurally inadequate for the digital economy. The statute does not define digital goods, platform services, or algorithmic transactions. This definitional gap prevents courts and regulatory agencies from applying the statute to a growing category of consumer harm. The law was designed for a physical marketplace that no longer reflects the transactional reality faced by the majority of Indonesian consumers.

The second finding is that STRANAS-PK 2024 does not resolve this inadequacy. The regulation employs aspirational language without establishing binding obligations or enforceable sanctions. It acknowledges the digital economy as a regulatory priority. It does not, however, create new legal rights, confer new enforcement powers, or establish the dedicated online dispute resolution mechanism that international bodies have identified as a necessary reform. The regulation represents a continuation of the same formalism that limited its 2017 predecessor.

The third finding is that institutional fragmentation is the proximate cause of weak enforcement outcomes. Enforcement authority is distributed among BPKN, BPSK, OJK, and multiple ministerial bodies. No single institution possesses overarching supervisory authority. This design produces the enforcement gap reflected in BPKN's 2024 data, where only approximately eleven percent of recorded consumer losses were recovered. Taken together, these three findings confirm that consumer protection in Indonesia remains, in substantive terms, a paper promise. [W]

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