

The Effectiveness of Consumer Protection Arrangements in E-Commerce Transactions on the Shopee Marketplace Platform in Indonesia

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ABSTRACT

Consumer protection in e-commerce transactions in Indonesia, especially on marketplace platforms such as Shopee, has become an important issue along with the rapid development of technology and the increase in digital transactions. The regulations, which include Law No. 8/1999 on Consumer Protection, Government Regulation No. 80/2019 on Trading through Electronic Systems, and Law No. 19/2016 on Electronic Information and Transactions (ITE), provide a clear legal basis for consumer protection. However, the implementation of these regulations requires more effective supervision, strict enforcement of sanctions, and a clear dispute resolution mechanism. In addition, the role of marketplace platforms in ensuring transaction security and protection of consumers' personal data is also crucial. Stricter supervision from the government and increased transparency from platforms will provide more assurance for consumers in transacting online. This research aims to explore the effectiveness of consumer protection regulations on the Shopee marketplace platform, as well as the challenges and solutions that can be taken to improve such protection.

INTRODUCTION

The rapid development of e-commerce in Indonesia in recent years has brought about significant changes in the way consumers conduct transactions. Marketplace platforms, such as Shopee, have become the primary choice for many consumers to fulfill their daily needs. However, alongside the growth of digital transactions, various new issues have also emerged, particularly those related to consumer protection. Although these platforms provide convenience and accessibility, consumers often face challenges regarding product quality, payment security, and fraud during transactions. This situation has highlighted the urgent need to ensure adequate protection for consumers in the realm of e-commerce.

In Indonesia, consumer protection is regulated under Law Number 8 of 1999 concerning Consumer Protection, which grants basic rights to consumers, such as the right to clear and accurate information, the right to receive goods as promised, and the right to compensation in the event of losses caused by defective products or inadequate services. Nevertheless, with the evolution of digital transactions, the challenges of consumer protection are becoming more complex, especially regarding the imbalance of information between sellers and

buyers, as well as the limited supervision over transactions occurring on e-commerce platforms.

A concrete example of the importance of consumer protection is the occurrence of fraud cases on Shopee, involving unscrupulous sellers. Several consumers have reported fraud related to goods being delivered that do not match the description or, in some cases, goods not being delivered at all. This has led to consumer distrust of e-commerce platforms, which may ultimately hinder the growth of the e-commerce industry itself (Amin et al., 2023). In this context, consumer protection regulations need to be strengthened and adapted to current needs, by ensuring the presence of stricter supervisory mechanisms and more effective law enforcement.

Consumer protection on e-commerce platforms, particularly in marketplaces such as Shopee, also faces significant challenges related to the processes of product returns and dispute resolution. As a platform that facilitates transactions between consumers and sellers, Shopee is not always able to control the quality of goods sold or guarantee timely delivery. Therefore, it is essential to ensure that existing regulations clearly delineate the responsibilities of e-commerce platforms in protecting consumers from harmful practices, such

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as fraud and the sale of defective goods. In addition, mechanisms for returns and dispute resolution must be easily accessible and efficient, so that consumers feel adequately protected.

Overall, while the government has undertaken efforts to regulate consumer protection through various legal frameworks, the challenges emerging in the e-commerce sphere—especially in marketplaces like Shopee—require a more adaptive and comprehensive legal approach. Clearer regulations regarding platform responsibilities, as well as effective enforcement mechanisms, are urgently needed to foster trust and provide optimal protection for consumers in e-commerce transactions in Indonesia.

One of the main issues encountered in e-commerce transactions, particularly on Shopee, is the lack of adequate oversight of sellers' business practices (Putra & Arifin, 2021). In the absence of stringent supervision, sellers may easily violate rules, such as by providing misleading product information, delivering goods that do not match the descriptions, or even committing fraud by avoiding refunds for consumers who encounter problems (Amin et al., 2023). Although Shopee as a platform offers mechanisms for returns and refunds, these problems are often not easily resolved, resulting in consumer dissatisfaction and financial losses.

Although there are regulations governing consumer protection, such as the Consumer Protection Act and the Government Regulation on the Operation of Electronic Systems (PP 71/2019), ambiguity still persists regarding the responsibility of digital platforms in resolving disputes between consumers and sellers (Sulaiman et al., 2023). Law enforcement against fraudulent practices or the misuse of information is often hindered by the imbalance between the obligations of e-commerce platforms and individual sellers. This raises questions concerning how effective current regulations are in providing real protection to consumers harmed in e-commerce transactions.

Moreover, e-commerce transactions are rendered less effective due to the insufficient understanding of rights and obligations by both consumers and sellers, especially within digital platforms (Fitra, Rahman, & Arief, 2022). Many consumers also experience difficulties in obtaining appropriate protection when encountering issues with sellers. Although Shopee provides features to file claims, these claims often require extended processing times, and refunds or product returns are not always managed efficiently. This indicates that despite the existence of regulations, their

implementation remains suboptimal, and consumer protection cannot yet be fully relied upon to address transactional problems on e-commerce platforms.

Given the rapid growth of e-commerce, enhanced supervision of digital transactions is crucial to ensure consumer protection. As a platform connecting multiple parties, Shopee must bear the responsibility of ensuring that all transactions conducted within its ecosystem comply with prevailing consumer protection regulations. Without adequate oversight, consumers become vulnerable to fraudulent practices and disadvantageous transactions. Therefore, it is essential to strengthen the supervision by relevant authorities and ensure that e-commerce platforms are held accountable for any violations that occur.

Clear and firm law enforcement mechanisms must also be established to act as a deterrent to perpetrators of fraud and other violations on e-commerce platforms. Although consumers may submit reports or complaints, there is often no guarantee that their rights will be promptly and effectively upheld. In the absence of effective law enforcement, harmful practices toward consumers will continue, thereby undermining the reputation of the e-commerce industry as a whole. Thus, improvements in supervision and law enforcement are crucial in creating a safer and more transparent digital ecosystem (Hariani & Irfan, 2023).

This study aims to analyze how the regulation of consumer protection in e-commerce transactions, especially on the Shopee marketplace platform, can be effectively implemented. Furthermore, this research will explore the extent to which supervisory mechanisms and the enforcement of consumer protection regulations can prevent the infringement of consumer rights by sellers on e-commerce platforms. It is expected that the findings of this study will provide a clearer picture of the role of existing regulations in safeguarding consumers, as well as offer policy recommendations to enhance consumer protection within Indonesia's digital ecosystem.

RESEARCH METHOD

In this research, the approach employed is a literature study with a normative juridical method. The literature study allows the researcher to extract information and insights from various written sources relevant to the research topic, such as statutory regulations, legal doctrines, and expert opinions. The normative juridical approach focuses on the analysis of existing legal norms by examining the statutory provisions regulating consumer protection in e-commerce transactions, particularly

those applicable in Indonesia. This study reviews and compares various legal regulations related to e-commerce transactions, such as Law Number 8 of 1999 concerning Consumer Protection, as well as other relevant regulations pertaining to digitalization and online trade (Soekanto, 2015).

As the method adopted in this research, the normative juridical approach aims to understand the application of existing laws and to identify shortcomings in their implementation, particularly in relation to consumer protection on e-commerce platforms such as Shopee. Through this approach, the researcher will focus the analysis on the prevailing legal texts as well as the practical implementation of these regulations in the realm of e-commerce transactions, in order to provide a clear depiction of the effectiveness of consumer protection within the digital ecosystem. The primary references in this study include legal literature, books, journals, and articles that address consumer protection regulations, as well as supervision mechanisms and sanctions imposed to safeguard consumer rights in e-commerce transactions (Marzuki, 2016).

RESULT AND DISCUSSION

With the rapid advancement of digital technology, commerce through e-commerce platforms in Indonesia has experienced significant growth. Major platforms such as Shopee, Bukalapak, and Tokopedia have become an integral part of daily life, enabling consumers to shop more easily and conveniently. However, despite these advantages, there are inherent risks associated with digital transactions, including goods that do not match descriptions, fraud, and the misuse of personal data. These challenges underscore the need to safeguard consumer security and comfort in the e-commerce environment. In the absence of clear and effective regulations, consumers may easily fall victim to such injustices.

Therefore, the role of regulation in consumer protection is crucial in creating a safe and equitable e-commerce ecosystem. The Government of Indonesia, through various regulations—including Law Number 8 of 1999 on Consumer Protection (UUPK)—has provided a strong legal foundation for the protection of consumer rights in every transaction. The UUPK governs various aspects relating to the rights and obligations of both consumers and business actors, including transactions conducted on e-commerce platforms. This regulation aims not only to protect consumers from material losses but also to provide a sense of security in digital transactions.

Nevertheless, despite the existence of these regulations, their implementation and oversight still require greater attention, especially in terms of law enforcement and dispute resolution mechanisms that may involve weaker parties, such as individual consumers. Without adequate supervision and firm law enforcement, existing regulations may fail to achieve their intended objectives. Therefore, it is essential for all relevant parties—including the government, e-commerce platforms, and consumers—to understand and adhere to the prevailing regulations to ensure maximum consumer protection.

Furthermore, in its implementation, e-commerce transactions present unique challenges that are not found in traditional transactions (Fitrotinisak et al., 2023). One such challenge is the presence of a third party that operates the marketplace platform. For example, Shopee acts as an intermediary between consumers and sellers or business actors, raising questions about who is responsible when issues arise in transactions, such as when items do not conform to promised descriptions. In such cases, the role of Shopee as a platform must be clearly defined, both in terms of mechanisms for restoring consumer rights and in imposing sanctions on sellers who violate the rules.

It is important to recognize that regulations related to consumer protection in the digital sphere do not only refer to the UUPK, but also to additional regulations specific to the e-commerce sector. One relevant regulation is Government Regulation Number 80 of 2019 concerning Trade through Electronic Systems. This regulation clarifies the obligations of business actors to provide products that meet established standards and to protect consumers' personal data. In addition to government regulations, a further clear legal basis is Law Number 11 of 2008 concerning Electronic Information and Transactions in Indonesia, which addresses e-commerce by regulating the rights and obligations of transaction parties, personal data protection, and sanctions for the misuse of information technology. Moreover, business actors are also required to provide clear and accurate information on products being sold, including pricing, product condition, and policies regarding returns or refunds (Darmawan et al., 2022).

The mechanisms of supervision and law enforcement are also crucial aspects to ensure that these regulations are implemented effectively. In this context, the National Consumer Protection Agency (BPKN) plays a supervisory role over e-commerce business practices, including marketplace platforms such as Shopee. However, despite such oversight, incidents of fraud or the neglect of consumer rights

are still frequently encountered on several digital platforms (Rohendi, 2015). One example includes cases where products are not in accordance with their descriptions or when sellers fail to deliver goods after transactions are completed. Therefore, it is essential for the government to enhance oversight over business actors and impose strict sanctions for any violations that occur.

Furthermore, more detailed regulations regarding Shopee's responsibilities as a platform provider need to be considered. Currently, marketplace platforms such as Shopee maintain policies that allow consumers to file complaints in the event of transactional problems. The responsibilities of Shopee as a platform and business actors for consumer losses include permitting consumers to report losses, blocking harmful content, offering Shopee's guarantee, issuing refunds, monitoring fraudulent seller accounts, and protecting consumers' personal and credit card information (Molle, Berlianty, & Balik, 2022).

Nonetheless, the protection provided is often deemed insufficient, particularly with regard to the mechanisms for restoring consumer rights (Sudiruddin et al., 2023). Consumer complaints that do not receive an adequate response remain a fundamental issue. Accordingly, more robust regulations are required to clearly delineate Shopee's obligations in resolving disputes between consumers and sellers. Regrettably, Shopee has certain limitations with respect to responsibility for goods or products listed on its platform (Makasuci & Gulton, 2021).

Another relevant regulation is Law Number 19 of 2016 concerning Electronic Information and Transactions (ITE), which also governs the use of consumer personal data in electronic transactions. In the digital era, the misuse of consumer personal data has become a significant issue. As marketplace platforms collect an increasing volume of data, the risk of data breaches or misuse grows accordingly (Herryani & Njoto, 2022; da Costa et al., 2022). Therefore, regulations concerning personal data protection in electronic transactions warrant particular attention, ensuring that consumers' rights over their personal data are not abused.

To ensure optimal consumer protection, marketplace platforms such as Shopee must collaborate with various stakeholders, including the government, regulatory bodies, and consumers themselves. In this regard, marketplace platforms must provide a clear and transparent complaint mechanism and offer fair and timely solutions (Riphath, 2022). Government oversight must also be rendered more effective by strengthening the role of

BPKN in resolving disputes between consumers and business actors on digital platforms.

The role of consumers is equally important in safeguarding their rights. Consumers must be discerning in selecting trustworthy platforms and sellers, as well as understanding their rights in e-commerce transactions (Munir et al., 2023). Consumers should also pay careful attention to, and comprehend, the terms and conditions applicable to e-commerce transactions, as each online store—including Shopee—features different policies and terms that both consumers and business actors must read and adhere to (Ardiyanto & Saputra, 2022). Consumer digital literacy must therefore be improved, enhancing their awareness of potential risks in online transactions, such as fraud or errors in purchasing products (Fared et al., 2021).

In terms of law enforcement, sanctions on business actors who violate consumer rights must be strengthened. This is intended to serve as a deterrent to irresponsible business actors and to instill a sense of security for consumers transacting on e-commerce platforms (Ichsan et al., 2020). Robust law enforcement ensures that consumers' rights are adequately protected and encourages marketplace platforms to improve their service quality. Shopee's operations are also based on the doctrine of privity of contract, which stipulates that business actors are obliged to protect consumers only when both parties are bound by an agreement. If a consumer suffers a loss within the bounds of such an agreement, they may file a claim against Shopee; however, claims outside of such agreements cannot be borne by the business actor (Jane & Anggraini, 2022).

Overall, achieving optimal consumer protection in e-commerce transactions requires synergy between effective regulations, supervision, and the application of sanctions. The government must ensure that existing regulations accommodate the rapid growth of the e-commerce industry, while platforms such as Shopee must more stringently comply with and implement legal provisions. In addition, consumers must be more proactive in defending their rights and utilizing available complaint mechanisms to settle disputes.

In conclusion, attaining comprehensive consumer protection in e-commerce transactions cannot be realized solely through the efforts of a single party. The government, marketplace platforms, and consumers all possess inseparable roles in establishing a trustworthy and secure digital ecosystem. Each party must be committed to compliance with applicable regulations and to supporting more stringent supervision to safeguard

consumer rights. E-commerce platforms, beyond providing adequate services, should be more proactive in screening sellers and ensuring the quality of listed goods matches their descriptions. Meanwhile, consumers must also become increasingly aware of their rights and actively report detrimental practices.

The strengthening of regulations, coupled with consistent supervision, is key to fostering a healthy business climate in the e-commerce sector. Through more rigorous law enforcement, potential violations of consumer rights can be minimized, and business actors can be encouraged to act more transparently and responsibly (Issalillah & Hardyansah, 2022). Such measures will undoubtedly contribute to increased consumer confidence in digital transactions and, in turn, promote the sustainable growth of the e-commerce industry. Ultimately, this success relies on effective collaboration between the government, platforms, and consumers.

To achieve this, the role of education and effective public outreach is highly necessary. Educating consumers about their rights in digital transactions and methods to avoid fraud is an integral step toward broader awareness. With tighter oversight, in-depth understanding among all parties, and a firm commitment to upholding fairness in every transaction, Indonesia can realize an e-commerce system that is not only profitable but also safe and equitable for all participants.

CONCLUSION

In conclusion, consumer protection regulations in e-commerce transactions in Indonesia, particularly on marketplace platforms such as Shopee, have been governed by several relevant laws, including the Consumer Protection Act, Government Regulation on Electronic Commerce, and the Electronic Information and Transactions (ITE) Law. Although these regulations provide a clear legal foundation, their implementation still requires greater attention, especially regarding supervision, enforcement of sanctions, and proper protection mechanisms for consumers. Marketplace platforms must assume greater responsibility to ensure the safety of consumer transactions and the protection of personal data.

The implication is that more effective supervision and consistent law enforcement are essential to ensure that consumer rights are well protected. Without stringent oversight and clear remediation mechanisms, it will be difficult to achieve consumer protection in e-commerce transactions. Furthermore, collaboration among marketplace platforms, the government, and consumers themselves is necessary so that each party

can fulfill its obligations in accordance with existing regulations. Enhancing consumer digital literacy is also a crucial step in creating a safer and more transparent e-commerce ecosystem.

The recommendations that can be made are that the government should strengthen supervision and law enforcement in the e-commerce sector by imposing strict sanctions for violations of consumer rights. Marketplace platforms such as Shopee need to increase transparency, provide more effective complaint services, and clarify their responsibilities in dispute resolution. Consumers are also expected to be more proactive in protecting their rights by understanding applicable regulations and utilizing available mechanisms to resolve issues.

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