

# Implications of Standard Clauses in Law No. 8 of 1999 on Consumer Protection for Businesses and Consumers

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## ABSTRACT

Law No.8 Standard clauses, as part of standard contracts often used in business transactions, have significant implications for both parties, namely businesses and consumers. This study aims to analyze how standard clauses in the law affect consumer protection and business liability. Through a qualitative analysis method, it is found that standard clauses often benefit businesses but can harm consumers if not properly regulated. Therefore, effective law enforcement and consumer education are needed to address this imbalance and ensure fairness in transactions.

**Keywords:** Standard Clauses, Consumer Protection, Business Actor.

## I. Introduction

Law Consumer protection law is currently receiving significant attention because it is related to regulations that aim to improve the welfare of society. This protection is not only given to consumers, but also to business actors who have the same right to protection, with each having rights and obligations. The government plays a role in regulating, supervising, and controlling in order to create a conducive and interrelated system so that the goal of improving the welfare of society at large can be achieved. The terms "consumer law" and "consumer protection law" are often heard, but it is not entirely clear what is included in the material of both and whether the two "branches" of law are identical. M.J. Leder states that in a sense there is no such thing as consumer law. However, in general, consumer law and consumer protection law, as stated by Lowe, are legal rules that recognize the bargaining weakness of the individual consumer and ensure that such weakness is not unfairly exploited. Because of the consumer's weak position, he or she must be protected by law. One of the properties and purposes of law is to provide protection to society. So, in fact, consumer law and consumer protection law are two areas of law that are difficult to separate and draw boundaries between.

Some argue that consumer protection law is part of a broader consumer law. Az. Nasution, for example, argues that consumer law includes principles or rules that regulate and protect consumer interests. Consumer law is defined as all legal principles and rules that regulate relationships and problems between various parties related to consumer goods and/or services in the course of life. Az. Nasution recognizes that the legal principles and rules governing consumer relations and problems are scattered in various fields of law, both written and unwritten, such as civil law, trade law, criminal law, state administrative law, and international law, especially conventions relating to consumer interests (Celina, 2008). In terms of the creation of standard clauses, or standard agreements, consumer law protection covers the way standard contracts are

used by producers (businesses) and consumers. In practice, producers and consumers often plan the initial terms in the agreement that will bind both. At the time of signing the draft, the parties only need to fill in subjective information such as their identity and the date of signing. Standard clauses that are prohibited by Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection are if the clause contains provisions regarding the transfer of responsibility (exoneration clause). This transfer can be in the form of full or partial transfer, which is an attempt by business actors to avoid responsibility if there is a loss to consumers due to defects in goods or other causes. The inclusion of standard clauses containing provisions on the transfer of potential liability is carried out by parties who have a higher economic position than other parties (Fajar, 2020).

In addition, in its implementation, consumer protection law must be able to respond to challenges arising from technological developments and globalization. The development of e-commerce, for example, has expanded the market and changed the way transactions are conducted, so existing regulations must be able to adjust to this dynamic. Consumers can now buy goods from various parts of the world easily, but this also increases the risk of fraud and product quality that is not as advertised. Therefore, stricter regulations and more sophisticated monitoring mechanisms are needed to protect consumers in digital transactions. The government's role in supervising and controlling the market has also become crucial in this modern era. Effective supervision is not just about ensuring that businesses comply with existing regulations, but also ensuring that consumer rights are respected and safeguarded. The government needs to work with relevant national and international organizations to develop comprehensive consumer protection standards that can be implemented effectively. In addition, educating consumers about their rights and ways to protect themselves in transactions is also very important.

On the other hand, businesses also need to realize the importance of complying with consumer protection laws as part of their social responsibility. Compliance with regulations will not only prevent them from legal sanctions, but will also increase consumer confidence in the products or services they offer. Businesses that are proactive in ensuring the quality of their products and services and transparent in their communication with consumers will be more valued and can build long-term mutually beneficial relationships. Consumer protection is also closely related to corporate social responsibility (CSR). Companies committed to CSR focus not only on profits, but also on the welfare of consumers and society in general. In this case, businesses that implement fair and responsible business practices will contribute to the creation of a healthy and sustainable market environment. Good CSR covers various aspects, ranging from environmentally friendly production, protection of workers' rights, to adequate after-sales service for consumers. Thus, both consumers and businesses can benefit from effective and comprehensive legal protection.

The importance of consumer legal protection not only includes aspects of domestic law but also involves international law, especially in the era of globalization. Many countries have introduced laws and regulations that harmonize with international standards to ensure consistent protection for consumers. International conventions, such as the UN Guiding Principles for Consumer Protection, provide a global framework that encourages member states to adopt adequate measures to protect consumers. Indonesia, as part of the global community, is also working to align its domestic regulations with international standards to provide better protection to consumers. This includes the implementation of advanced technology for surveillance, as well as cross-border cooperation in handling consumer disputes involving parties from different countries. In addition, consumer education plays an important role in raising public awareness and understanding of their rights as consumers. The government, together with non-governmental organizations and the private sector, needs to conduct continuous education campaigns to empower consumers. This includes information on consumer rights, ways to file complaints, and dispute resolution mechanisms. By improving consumer literacy, it is hoped that the public can be more critical and vigilant against unfair business practices. In the digital era, online education platforms can also be utilized to reach more consumers, especially the younger generation who are more exposed to electronic transactions. Thus, educated consumers will be better able to protect themselves and make better decisions in their daily transactions.

## II. Research Method

The research method used in writing this journal is normative research, which focuses on literature studies and juridical analysis of various statutory provisions relevant to standard clauses in Law No. 8 of 1999 concerning Consumer Protection. This research involves collecting secondary data from various sources, including laws, implementing regulations, books, scientific journals, articles, and other documents related to consumer protection. The research stages began with the collection and processing of data from these legal sources, followed by an analysis of the legal implications of standard clauses for businesses and consumers. This analysis is also supported by expert opinions and relevant case studies to provide a comprehensive picture of the issues discussed.

## III. Results and Discussion

### 3.1. The application of standardized clauses in consumer protection laws in transaction practices between businesses and consumers.

According to Article 1 point 10 of the Consumer Protection Law, standard clauses are rules, conditions, and terms made unilaterally by business actors and included in binding documents or agreements, which must be obeyed by consumers. In other words, standard clauses are provisions that are made unilaterally by business actors. Parties that often have contracts with many other parties usually apply this clause.<sup>3</sup> Article 18 of the Consumer Protection Law is the only article in Chapter V that talks about the requirement to include standard clauses. Article 18 paragraphs 1 and 2 regulate two types of prohibitions for business actors when drafting and including standard clauses in standard agreements; paragraph 2 regulates the form, format, and writing of prohibited standard agreements. Standardized clauses, which are usually found in receipts, invoices, receipts, agreements, or other documents related to buying and selling transactions, make consumers feel uncomfortable and make their position less powerful. Violations committed by businesses are not only related to their products or products, but also include violations of propriety rights that should be the responsibility of business actors, but are instead imposed on consumers through unfavorable standard clauses. The government has enacted Law No. 8/1999 on Consumer Protection to protect consumer rights. One of the objectives of this law is to prevent businesses from using consumers as objects to generate maximum profits through promotions, sales methods, and the application of standard agreements that harm consumers. Lawmakers have mentioned standard agreements as one of the problems of consumers that can weaken their position in the general explanation section. Therefore, the Consumer Protection Law should regulate the use of standard agreements and standardized clauses.<sup>4</sup>

In the context of consumer protection law, standard clauses are one of the important issues that receive special attention. A standard clause is a rule, in the form of provisions, and a condition made unilaterally by a business actor and incorporated into a binding document or agreement, in which the provisions are considered mandatory for the consumer to comply with. According to Article 1 point 10 of the Consumer Protection Law (UUPK), standard clauses are defined as provisions made unilaterally by business actors. This clause is usually applied by parties who have many contracts with other consumers. Article 18 of the Consumer Protection Law is the only article in Chapter V that talks about the requirement to include standardized clauses. Article 18 paragraphs 1 and 2 regulate two types of prohibitions for business actors when drafting and including standard clauses in standard agreements; paragraph 2 regulates the form, format, and a form of writing of prohibited standard agreements. Standard clauses, which are usually found in purchase receipts, receipts, agreements, invoices, or other documents related to all sale and purchase transactions, make consumers feel uncomfortable and make their position seem to be not strong to prioritize their rights before business actors, and consumers are also often unaware of their ignorance. Standard clauses often put consumers in a disadvantageous position. Consumers usually have no choice but to accept the clauses that have been set by business actors, because the documents or agreements are usually ready-made

and do not allow for negotiation. This deprives consumers of the right to negotiate and adjust the terms according to their interests and conditions. Standardized clauses may include provisions that are detrimental to consumers, such as limiting the liability of businesses, shifting risks to consumers, or setting unfair and burdensome terms for consumers. In many cases, consumers may not fully realize or understand the implications of such clauses due to complex legal language and lack of transparency from businesses. The government has enacted Law No. 8/1999 on Consumer Protection to protect the rights of consumers from unethical business practices. One of the main objectives of this law is to prevent businesses from utilizing consumers as a tool to achieve maximum profits by means such as misleading promotions, coercive sales techniques, and the use of standard agreements that harm consumers. Lawmakers identified standardized agreements as one of the key issues that can weaken the position of consumers in commercial transactions.

Article 18 of GCPL contains several provisions designed to protect consumers from the negative impact of standardized clauses. This article prohibits business actors from:

- a. Include a clause stating the transfer of responsibility of the business actor.
- b. Include a clause stating that the business actor has the right to refuse to return goods that have been purchased by consumers.
- c. Include a clause stating that the business actor has the right to refuse a refund of the money paid by the consumer.
- d. Include a clause stating that business actors have the right to force consumers to accept goods that are not in accordance with the agreement.
- e. Include a clause stating that the business actor has the right to change the terms of the agreement unilaterally.
- f. Include a clause stating that the consumer is deemed to have agreed to the new terms changed by the business actor consumers.

Supervision and law enforcement related to the use of standard clauses in consumer agreements is the responsibility of the National Consumer Protection Agency (BPKN) and related government agencies. BPKN has an important role in receiving and handling complaints from consumers who feel harmed by unfair standard clauses. In addition, BPKN also has the authority to conduct investigations and provide recommendations to the authorities to take legal action against business actors who violate the provisions of the GCPL. Law enforcement against business actors who violate provisions related to standard clauses can be carried out through several mechanisms, including:

- a. Consumer Complaint: Consumer who feel aggrieved can file a complaint with BPKN or other relevant government agencies. This complaint will be followed up through an investigation and mediation process to find a fair solution for both parties.
- b. Litigation: Consumers can also file a lawsuit with the court to request the cancellation or amendment of standardized clauses that are considered harmful. The court will examine and decide whether the clause is contrary to the provisions of the GCPL and the principles of consumer protection.
- c. Administrative Sanctions: Business actors who are proven to violate provisions related to standard clauses may be subject to administrative sanctions, such as fines or revocation of business licenses. These sanctions aim to deter and encourage business actors to comply with applicable regulations.

### 3.2. Legal remedies in the event of a standard clause made by business actors against consumers in a transaction

As we know above, standard clauses are rules or conditions that have been determined unilaterally by the company and written in documents or agreements that are binding and must be fulfilled by consumers. Unilateral rules included in receipts, invoices, receipts, agreements, or other documents related to buying and

selling transactions must not have a negative impact on consumers. The principles of balance, fairness, and reasonableness must be the basis for standard clauses made by business actors. The court may invalidate the agreement if these principles are not applied. The principle of freedom of contract is limited in civil law. In a legal context, if the content of a contract is deemed to be inconsistent with applicable regulations, norms of decency, public order, prevailing customs, as well as principles of propriety and justice, then the judge has the authority to conduct an examination of the contract. In their role as law enforcers, judges are authorized to make adjustments to the contents of the contract by adding, reducing, or even deleting the conditions contained in the contract.

This scrutiny is done to ensure that contracts do not contradict fundamental legal values, protect the equitable interests of the parties involved, and guard against abuses of freedom of contract. Thus, judges play an important role in overseeing the conformity of contracts with the prevailing norms in society. In addition, this process also aims to safeguard that the contract does not have a negative impact on the public interest or disrupt the established social order. Therefore, the authority of judges to examine and modify contracts reflects an effort to maintain a balance between freedom of contract and the protection of social values embraced by society. Thus, the judge's effort to adjust the content of the contract is an integral part of the existing legal system, which aims to produce a fair and balanced settlement in the contractual relationship between the parties concerned. Article 1338 of the Civil Code states that freedom of contract is not absolute. In certain situations, judges can use legal interpretation to determine that the position of the parties to the agreement is unbalanced, so that one party is deemed not to have the freedom to say what they want, and the agreement is canceled.

Law No. 8/1999 on Consumer Protection and the Financial Services Authority (OJK) Regulation comprehensively regulate standard clauses. According to Article 22 paragraph (1) of POJK No. 1/POJK.07/2013 on Consumer Protection in the Financial Services Sector, standard clauses are explained as rules or conditions that have been determined by business actors unilaterally. This clause is contained in a binding document or agreement, with an obligation for consumers to comply. Standard clauses refer to rules that have been prepared by business actors without involving direct negotiations with consumers. This implies that the consumer must comply with the conditions set by the seller or service provider. The main purpose of this regulation is to protect consumers from practices that may harm them, such as unfairness in contract terms that may disadvantage one party. This regulation is important to ensure that consumers obtain sufficient legal protection in any commercial transaction, especially in the financial services sector where transparency and fairness in contracts are indispensable. As such, the application of standard clauses must take into account the principles of fairness and consumer protection as a whole, in accordance with the spirit of the Consumer Protection Law and relevant OJK regulations.<sup>5</sup>

Standardized clauses, while legal to use, have strict limitations in Law No. 8/1999 on Consumer Protection. Clauses that cannot be used include the transfer of responsibility from the business to the consumer, refusal to return goods or money that has been paid, and forcing consumers to submit to new, amended, and continued rules without consent. In addition, clauses that grant unilateral power to the business actor over installment goods or that reduce the consumer's benefits or wealth are also invalid. Article 18, paragraph (3) of the PK Law emphasizes that standard clauses that have been stipulated by business actors in documents or agreements must comply with the provisions set out in paragraph (1) of the PK Law. (1) and (2) to be considered legally valid. Clauses that do not comply with this provision will be declared VOID BY LAW. The importance of complying with this regulation is to protect consumer rights from unfair or harmful practices. Therefore, in-depth knowledge of these provisions is essential for businesses to ensure that the clauses used are not only formally valid but also comply with the spirit of consumer protection mandated by the Consumer Protection Law.

In addition, as stated in Article 8, Article 9, Article 10, Article 13 paragraph (2), Article 15, Article 17 paragraph (1) letters a, b, c, e, and paragraph (2), PK Law, Article 62 paragraph (1) regulates criminal sanctions for violations of standard clauses committed by business actors. Business actors may face imprisonment of not more than 5 (five) years or a fine of not more than 2,000,000,000.00 (two billion rupiah). In accordance

with Article 22 of POJK No. 1/POJK.07/2013, Financial Services Business Actors increasingly use digital or electronic standard agreements as a result of technological advances. When they conduct transactions in the digital market, consumers must understand electronic contracts. If there is a form of agreement between the relevant parties, carried out by legal subjects who are capable or authorized and have the authority in accordance with applicable laws and regulations, and the object of the transaction must not conflict with law, decency, or public order, the electronic contract is considered a valid thing. The electronic contract must contain the identity of the parties, the specifications of the goods involved, the nominal price and amount of fees, the terms of an electronic transaction, the procedure for cancellation by the parties, provisions that give the injured party the right to return an item or request a replacement product if there is a hidden defect, and legal options for resolving a form of electronic transaction.

Trade in digital form also increases the opportunity for disputes in the digital sector. In addition to the PK Law, the government has also tried to protect consumers in the digital sector through PMSE Government Regulation No. 80/2019, which includes several rules such as an obligation for business actors to provide correct, clear, and honest information, as well as a prohibition on electronic advertisements that conflict with the rights of consumers and the principle of fair business competition, and the regulation of information in an electronic contract. In the Government Regulation (PP) on Consumer Protection in Electronic Transactions (PMSE), there are a series of provisions that regulate the implementation procedures applicable to business actors. One of them is the obligation to provide accurate, clear, and honest information to consumers. This includes electronic advertisements that must not violate consumer rights or the principles of fair business competition. In addition, any offer submitted electronically must comply with applicable law and must not be made arbitrarily. Businesses are also responsible for ensuring the safety, fitness, suitability and timeliness of delivery of goods to consumers. In situations where there is a discrepancy between the promised and actual delivery times, businesses have an obligation to resolve disputes arising from this. In the event of an event caused by errors in the delivery of goods, non-conformity with the order, hidden defects, damage, or expired goods, the consumer has the right to exchange or return the goods. The E-Commerce Regulation is designed to protect consumer rights while encouraging transparent and responsible business practices in the realm of electronic transactions. Thus, the existence of this regulation is expected to create a fairer and safer business environment for all parties involved in electronic commerce.

Husna Zahir, a former board member of YLKI, pointed out that digital transactions often cause various problems for consumers. One of the main problems is late delivery of goods, discrepancies with promised orders, or even damaged goods when received. According to her, many companies tend to be reluctant to admit their mistakes and are only willing to take responsibility for goods that do not meet consumers' expectations. Husna explains that in the face of this kind of problem, consumers have several options. First, they can choose to return the goods, either partially or fully. Another alternative is to accept the goods in their existing condition. Finally, consumers can accept the goods by requesting compensation for the losses suffered. In situations where these three options are not possible or satisfactory, consumers may resort to available dispute resolution mechanisms. Currently, dispute resolution can be done directly through the platform or online store, through the local Information System Consumer Complaint Service (LPKSM) with the help of online clarification or through mediation, or through the Consumer Dispute Resolution Agency (BPSK) by inviting all relevant parties to find a fair and satisfactory solution. These efforts aim to ensure that consumers not only get their rights in full, but also support consumer protection in this era of increasingly complex digital transactions.

Husna also added that there are two types of disputes in online shopping: shopping through authorized platforms or not. The most common disputes are purchases through people on Facebook or Instagram, which are difficult to follow up. In contrast, if shopping is done through an official platform, stores may be able to follow up on complaints if they do not respond due to fraud or non-conforming products. According to Article 1338 of the Civil Code, the principle of freedom of contract in Indonesian contract law allows parties to make agreements according to their will. However, this freedom is not complete. If there is

any imbalance or unfairness in the contract made, the judge may examine the contents of the agreement. This is especially true in cases where the contract violates justice, decency, public order, custom, or the rule of law.

a. Standard Clauses in the Consumer Protection Law

Article 22 paragraph (1) of POJK No. 1/POJK.07/2013 on Consumer Protection in the Financial Services Sector regulates standard clauses in Law No. 8 of 1999 on Consumer Protection (PK Law). According to Article 1 paragraph 10 of the PK Law, a standard clause is any rule or condition that has been determined unilaterally by a business actor and is stated in a binding document or agreement that must be fulfilled by consumers.

b. Restrictions on the Use of Standard Clauses

Although standard clauses can be used, there are some provisions that are not allowed to be included. In the form of a standard clause, it is not allowed to include the transfer of a form of responsibility from the business actor, in the form of a refusal to return goods or money that has been paid, or in the form of a provision that requires the consumer to submit to a new rule made unilaterally without the consumer's agreement, an amendment, or a continuation made arbitrarily by the business actor. It shall also not include the power of the business actor to take unilateral action against installments, deduction of benefits or property of the consumer, or provisions indicating that the consumer will be charged a fee. In accordance with Article 18 paragraph (3) of the PK Law, agreement clauses that violate this provision are considered null and void.

c. Sanctions for Violation of Standard Clauses

In addition, violations of standard clauses have criminal consequences as stipulated in Article 62 paragraph (1) of the PK Law. If a business actor violates the regulations listed in Article 8, Article 9, Article 10, Article 13 paragraph (2), Article 15, Article 17 paragraph (1) letters a, b, c, e, and Article 18 may be subject to a fine of not more than 5 (five) years in prison or a fine of not more than 2,000,000,000.00 (two billion rupiah). The government is strongly committed to protecting consumers from unfair and harmful standardized clauses, as demonstrated by these criminal sanctions.

d. Standard Agreement in Digital Form

Financial service business actors increasingly use digital or electronic standard agreements through electronic media as technology advances. According to Article 22 in POJK No. 1/POJK.07/2013, an electronic contract can be considered valid if there is an agreement between the parties, and of course it must be carried out by a legal subject who is capable or authorized in accordance with the provisions of laws and regulations, and the object of a transaction must not conflict with law, decency, or public order. In an electronic contract, information such as the identity of the parties, product specifications, prices and fees, terms of the electronic transaction, procedures for cancellation by the parties, provisions that give the injured party the right to return an item or request a replacement product if there is a hidden defect, and legal options for completing electronic transactions.

e. Consumer Protection in Digital Commerce

In addition, digital trade increases the likelihood of conflicts in the digital sphere. In addition to the PK Law, the government also created PP No. 80/2019 on Trading Through Electronic Systems (PMSE) to protect consumers in the digital sector and resolve disputes. The E-Commerce Regulation includes several rules such as the obligation of business actors to provide true, clear, and honest information, the prohibition of electronic advertisements that are contrary to consumer rights and the principles of fair business competition, and the regulation of information in electronic contracts. In addition, businesses are responsible for ensuring the safety, proper condition, suitability of goods, and timeliness of delivery. They must also resolve disputes if the actual and agreed delivery timeframes differ.

f. Challenges in Digital Transactions

Companies that are unwilling to admit fault and only want to take responsibility for non-conforming products also fall into this category. The most common disputes are purchases through people on Facebook or Instagram, which are difficult to follow up on. On the other hand, if shopping is done through an official platform, stores may be able to follow up on complaints if they don't respond due to fraud or non-conforming products. In contracts between businesses and consumers, standard clauses are very important. While they allow for a faster contract-making process, standardized clauses must still observe the principles of balance, fairness, and reasonableness. The legal framework provided by the Consumer Protection Law and other relevant regulations, such as POJK and PP PMSE, protects consumers from unfair and harmful standardized clauses. Therefore, both consumers and businesses must understand their rights and obligations in agreements made, including in the growing digital transactions. Good consumer protection will encourage a healthy and fair business environment, and increase customer confidence in the goods and services offered.

3.3. Effectiveness of supervision and law enforcement on standard clauses in Law No. 8 of 1999 on the protection of consumer rights.

Law No. 8/1999 on Consumer Protection (UUPK) is a very important legal foundation in protecting consumer rights in Indonesia. One of the issues regulated in the GCPL is the standard clauses that often harm consumers. Standard clauses are provisions or conditions that have been determined unilaterally by business actors and are set out in an agreement or contract document that must be agreed by consumers without prior negotiation.<sup>7</sup> These clauses often provide unfair advantages to business actors and harm consumers. However, the effectiveness of monitoring and law enforcement against standardized clauses in GCPL still faces significant challenges. The following are some of the main challenges faced in the supervision and enforcement of standardized clauses:

a. Limited Capacity of Supervisory Institutions

*The* Consumer Protection and Business Competition Supervisory Agency (BPSK), as one of the institutions responsible for supervising consumer protection, has limited resources and authority. BPSK must cover the entire vast territory of Indonesia, while its resources, both in terms of finance and personnel, are very limited. This results in the supervision of business actors not being optimal.<sup>8</sup> In addition, the lack of coordination between related institutions, such as the Ministry of Trade, the Police, and the Consumer Protection Task Force, is also an obstacle. Each agency has its own authority and duties, but the lack of synergy and coordination between them often leads to slow and ineffective supervision and law enforcement processes. The Consumer Protection and Business Competition Supervisory Agency (BPSK) has a very important role in safeguarding the interests of consumers and ensuring that businesses conduct their business activities in accordance with applicable regulations. However, the limited resources and authority owned by BPSK hamper the effectiveness of supervision and law enforcement in the field. One of the biggest challenges faced by BPSK is the vast scope of the supervision area. Indonesia, with more than 17,000 islands and a population spread across many regions, requires a comprehensive and structured supervisory system. However, with financial and personnel limitations, BPSK often finds it difficult to reach remote areas. As a result, many business actors in these areas do not receive adequate supervision, potentially harming consumers. In addition, limited resources also affect BPSK's ability to conduct socialization and education to the community. Educating consumers about their rights and the obligations of business actors is very important to increase public awareness and understanding of consumer protection. However, without adequate financial support, educational programs often cannot be implemented optimally. This results in a low level of consumer awareness of their rights, which in turn impacts on the effectiveness of BPSK supervision. Coordination between related institutions is also a crucial issue that needs attention. The Ministry of Trade, the Police, and the Consumer Protection Task Force have their respective duties and authorities in consumer protection. However, the lack of synergy and coordination between them often leads to overlapping tasks and slow case handling processes. For example, in terms of handling consumer complaints,

BPSK requires cooperation with the police for law enforcement action. However, this process is often hampered by bureaucracy and lack of effective communication between the agencies.

The government needs to provide an adequate budget to support BPSK operations, including in terms of personnel recruitment and capacity building. In addition, the utilization of information technology can also be a solution to increase the effectiveness of supervision. With a technology-based supervision system, BPSK can monitor business actors' activities in real-time and more efficiently. Second, improving coordination and synergy between related institutions should be the main focus. The establishment of a coordination forum or special task force involving BPSK, the Ministry of Trade, the Police, and the Consumer Protection Task Force can be the first step to improve cooperation. This forum can be used to share information, develop joint strategies, and overcome existing bureaucratic obstacles. Third, education and socialization programs to the community must be improved. BPSK needs to cooperate with educational institutions, community organizations, and mass media to disseminate information on consumer rights and business obligations. The government needs to ensure that policies that have been implemented run in accordance with the expected objectives. This evaluation can be conducted through consumer satisfaction surveys, BPSK performance audits, and analysis of consumer complaint data. By doing so, the government can identify existing weaknesses and take the necessary corrective measures.

In facing the challenges of globalization and technological development, BPSK also needs to adapt to the changes that occur. Business actors are increasingly creative in conducting their business, including in terms of product marketing and distribution. Therefore, BPSK needs to continuously update its knowledge and skills to be able to anticipate and overcome various new *modus operandi* conducted by business actors. Overall, efforts to improve the effectiveness of consumer protection supervision require cooperation and commitment from various parties. The government, relevant institutions, business actors, and the public must support each other and work together to create a fair and safe business environment for consumers. Thus, it is hoped that consumer protection in Indonesia can be optimized and provide real benefits for the entire community.

#### b. Difficulty in Proof

Proving that a standard clause has harmed an individual consumer is a complicated and time-consuming process. Many consumers do not have sufficient legal knowledge to understand standard clauses which are often written in complex and technical language. When consumers feel aggrieved, they often find it difficult to gather the necessary evidence to fight for their rights. In addition, many consumers are reluctant to report violations of standard clauses for fear of a long and convoluted legal process. They also often feel that business actors have more power and influence, making them pessimistic about getting justice. Proving that a standard clause has harmed an individual consumer is a complicated and time-consuming process. Many consumers do not have sufficient legal knowledge to understand standard clauses which are often written in complex and technical language. When consumers feel aggrieved, they often find it difficult to gather the necessary evidence to fight for their rights. In addition, many consumers are reluctant to report violations of standard clauses for fear of a long and convoluted legal process. They also often feel that business actors have more power and influence, so they are pessimistic about getting justice. The evidentiary process in cases of standard clause violations requires a deep understanding of consumer protection law. Consumers must be able to show that the standard clause was indeed in the contract they signed, and that the clause harmed them. This requires documentary evidence such as a copy of the contract, as well as possible witnesses who can corroborate their claim. Unfortunately, many consumers do not keep these important documents or do not realize the importance of such evidence until it is too late. Furthermore, the language used in standard clauses is often highly technical and difficult for the layperson to understand. This leaves many consumers unaware of the full extent of what they are agreeing to when signing a contract. For example, in telecommunications or insurance service contracts, standardized clauses may include various exclusions and limitations that reduce consumers' rights. When problems arise, consumers often only realize that they have signed a contract that greatly disadvantages them.

Limited legal knowledge among consumers is a major obstacle in fighting for their rights. Many consumers do not know where to go for help or how to start the legal process. While there are consumer protection and legal aid organizations available, not all consumers are aware of their existence or how to access such services. Even when they are aware, they may feel intimidated by the legal process which is perceived as complicated and expensive. The fear of a long and convoluted legal process is also why many consumers are reluctant to report violations of standard clauses. The process of filing complaints and resolving disputes in court can take months or even years. During this process, consumers have to spend a lot of time, energy, and money. For many, this effort is not worth the potential benefits. On the other hand, businesses often have greater resources to defend themselves in legal cases. They can hire a strong legal team to address consumer complaints. With better legal support, businesses have a better chance of winning the case or at least delaying the resolution of the case until the consumer gives up. This imbalance of power makes many consumers feel pessimistic and eventually choose not to continue their legal fight. In addition, there are also social and psychological factors that influence consumers' decision not to report violations of standard clauses. Many consumers feel embarrassed or hesitant to admit that they have been deceived or harmed by a business. They may feel that this shows weakness or lack of prudence on their part. This feeling may deter them from seeking justice, even though they have the right to do so.

Addressing this issue requires a comprehensive approach. First, legal education for consumers must be improved. Consumers need to be well informed about their rights and how to protect themselves from harmful standard clauses. The government, consumer protection organizations, and businesses themselves should play an active role in providing this education. Public campaigns, seminars, and educational materials that are easy to access and understand can help raise legal awareness among consumers. Second, there needs to be increased transparency in the writing and delivery of standard clauses. Businesses should ensure that standard clauses are written in clear and understandable language. Important information should be presented in a way that is easily accessible and not hidden in lengthy and complex text. The use of visual aids, such as diagrams or tables, can help explain the main points of the standard clause. Third, access to legal aid should be expanded and made easier. Aggrieved consumers should have easy access to legal aid services, both from government and non-government organizations. Free or affordable legal aid can be a solution for consumers who do not have the financial means to hire a lawyer. In addition, the development of digital platforms that provide information and legal aid online can help reach more consumers. Fourth, there needs to be reforms in the judicial system to speed up the resolution of consumer disputes. Long and convoluted legal processes should be simplified so that consumers do not feel burdened.

Specialized courts for consumer protection cases or mediation as an alternative dispute resolution can be effective solutions. With specialized courts, consumer cases can be handled more quickly and efficiently. Fifth, the protection of whistleblowers must be strengthened. Consumers who report violations should be protected from intimidation or retaliation from business actors. Witness and whistleblower protection mechanisms can be adopted to ensure that consumers feel safe in reporting violations. This protection should also include confidentiality of the whistleblower's identity and assurance of their safety. Finally, there is an expansion of the social responsibility of businesses. Businesses should be committed to protecting consumer rights and ensuring that the standard clauses they use do not harm consumers. Government supervision and regulation of business practices that harm consumers must be improved. Firm and consistent sanctions against violations of standard clauses can provide a deterrent effect and encourage businesses to operate more responsibly.

### c. Weak Sanctions

The sanctions stipulated in the GCPL are considered not strict enough to provide a deterrent effect for violating business actors. Existing sanctions, such as fines, suspension of business activities, and revocation of business licenses, are often not strictly applied. In fact, in many cases, business actors found in violation are only given warnings or relatively small fines that do not provide a significant deterrent effect. The slow law enforcement process is also a problem. Many cases of violations of standard clauses take a long time to resolve,

thus not providing legal certainty for consumers. This makes consumers feel unprotected and business actors feel that there are no serious consequences for their violations.

d. Lack of Socialization and Education

There are still many consumers who do not understand their rights and how to protect themselves from harmful standard clauses.<sup>10</sup> The lack of socialization and education about GCPL and consumer rights means that many consumers are unaware that they can fight for their rights. There are still many consumers who do not understand their rights and how to protect themselves from harmful standard clauses. The lack of socialization and education on UUPK (Consumer Protection Law) and consumer rights means that many consumers are unaware that they can fight for their rights. This factor is exacerbated by the information imbalance between businesses and consumers, where businesses often have a better understanding and command of the applicable legal provisions than consumers.

This imbalance creates a situation where consumers are easily ensnared in harmful standard clauses. Standard clauses are often included in agreements or contracts drafted by businesses with little or no negotiation with consumers. These clauses can be in the form of unfair or one-sided provisions that give excessive benefits to businesses and reduce consumer rights. For example, clauses that unreasonably limit the liability of businesses or that set conditions that are difficult for consumers to fulfill. The importance of education and socialization on consumer rights under GCPL cannot be overlooked. The government, consumer organizations, and educational institutions have a crucial role in raising consumer awareness. Education programs should include information on what standard clauses are, how to recognize them, and what steps consumers can take if they feel harmed by them. It is also important to provide an understanding of the complaints and dispute resolution processes available to consumers. One effective way to increase consumer understanding is through public campaigns and social media. These campaigns can spread information widely and quickly about consumer rights and how to protect themselves from standardized clauses. In addition, direct outreach in communities, schools, and workplaces can also be an effective way to reach consumers who may not be exposed to information through digital media.

In addition, businesses also have a responsibility to protect consumers from harmful standardized clauses. They must ensure that the contracts and agreements they make are fair and transparent. This can be done by providing information that is clear and easily understood by consumers and providing opportunities for consumers to ask questions and understand the existing provisions before signing the agreement. In the context of globalization and rapid technological development, consumers are increasingly faced with various forms of complex transactions, including online transactions that often involve electronic contracts. Standard clauses in these electronic contracts are often more difficult for consumers to understand because they are presented in long and complicated digital formats. Therefore, consumer education should also include an understanding of their rights in electronic transactions as well as how to identify and reject unfair standardized clauses in online contracts. Overall, improving consumers' understanding of their rights and protection from unfair standardized clauses requires a concerted effort from various parties. Continuous education, effective public campaigns, business responsibility, and strict supervision and enforcement are key to creating a fair business environment and protecting consumer rights. To ensure the effectiveness of supervision and enforcement of standard clauses in the future, some recommendations that can be considered include:

a. Development of Technology-Based Surveillance System

The government and supervisory agencies can develop a technology-based supervision system to monitor standard agreements used by business actors in real time. By using technologies such as artificial intelligence and big data, supervision can be carried out more effectively and efficiently. The development of a technology-based supervision system is a progressive step in monitoring standard agreements used by business actors in real-time. This approach not only allows governments and supervisory agencies to increase the effectiveness of supervision, but also increases efficiency in identifying potential violations or problems in the implementation of standard agreements.

Artificial intelligence (AI) technology plays a key role in this system with its ability to analyze data quickly and accurately. AI can be programmed to monitor patterns in standard agreements and detect anomalies or discrepancies with applicable laws.<sup>14</sup> For example, AI can identify standardized clauses that violate Law No. 8 Year 1999 on Consumer Protection, which is the focus of your research. In addition to AI, the utilization of big data also provides an advantage in this surveillance. By collecting and analyzing big data related to standard agreements used by businesses, supervisory agencies can generate in-depth insights into common business practices and potential risks that may arise. For example, big data can be used to monitor trends in the use of standardized clauses that are controversial or have a negative impact on consumers. The implementation of a technology-based supervisory system can also facilitate better communication between the government, supervisory agencies and businesses. An integrated platform can provide real-time access to information needed to take timely preventive or corrective action. For example, the government can provide recommendations or warnings to businesses about clauses that should be adjusted to comply with applicable laws. Data security is also a crucial aspect in the development of this system. Cyber security measures must be strictly implemented to protect the integrity of the data collected and analyzed. Governments and supervisory agencies should work with cyber security experts to identify potential vulnerabilities and implement appropriate solutions. In addition, a collaborative approach between the government, supervisory agencies, and the private sector is also needed in developing this technology-based surveillance system. This collaboration can lead to a deeper understanding of the challenges and opportunities in supervising standardized agreements that impact consumers and businesses fairly.

#### b. Inter-Agency Collaboration

Collaboration between supervisory agencies, such as BPKN, BPSK, and OJK, needs to be improved to ensure more comprehensive supervision. By sharing information and resources, these institutions can work more effectively in protecting consumers. Collaboration between supervisory agencies such as the Consumer Product Guarantee Agency (BPJPK), the Consumer Dispute Resolution Agency (BPSK), and the Financial Services Authority (OJK) is becoming increasingly important in the context of supervision of business activities and consumer protection in Indonesia. This collaboration not only expands the scope of supervision, but also improves the effectiveness and efficiency of the relevant institutions. First of all, by sharing information regularly and systematically, these agencies can have a deeper understanding of trends and issues affecting consumers and businesses. For example, BPJPK can provide up-to-date data on products that often pose problems or risks to consumers, while BPSK can identify patterns of disputes that often arise in the resolution of consumer cases.

OJK can be more proactive in developing regulations or policies aimed at protecting consumer interests in the financial sector. In addition, this collaboration also allows for an integrated approach in responding to complex and cross-sectoral issues. For example, when an issue involving a financial product also impacts consumer rights, cooperation between OJK and BPSK can expedite dispute resolution while ensuring that both financial and consumer protection aspects are met in a fair and transparent manner. Not only that, collaboration also helps in more efficient utilization of resources. Regulatory agencies can share workloads, reduce duplication of efforts, and increase the use of information technology to monitor and evaluate businesses' compliance with consumer protection regulations. For example, the implementation of an integrated reporting system between BPJPK, BPSK, and OJK can result in more comprehensive data analysis and provide more timely recommendations to relevant parties. The challenges that need to be overcome in improving this collaboration include the differences in the mandate and authority of each institution as well as the lack of collaboration between them.

different internal policies. To address this, there needs to be a clear framework and effective coordination mechanisms, including the establishment of forums or regular coordination meetings to discuss strategic issues and ensure consistent policy implementation. Thus, collaboration among supervisory institutions such as BPJPK, BPSK, and OJK is an important step in ensuring that supervision of business activities and consumer protection in Indonesia is effective and comprehensive. By sharing information,

resources, and good coordination, these agencies can work together to protect consumer interests while supporting sustainable and inclusive economic growth.

c. Preparation of Standard Clause Guidelines

The government can develop guidelines on standard clauses that are fair and do not harm consumers. These guidelines could be used by businesses in drafting their standard agreements, thereby reducing the likelihood of harmful clauses. Standard clauses in contractual agreements are often an important concern in consumer protection law.<sup>15</sup> Basically, standard clauses refer to standard terms that have been set by one party, usually the more economically or legally powerful party, and applied to the other party without any real negotiation. In this context, consumers are often in a weaker position due to their lack of power to negotiate or influence the content of these clauses. The importance of clear guidelines on fair and non-default standard clauses cannot be overlooked. Such guidance can be a very effective tool in protecting the rights of consumers and ensuring that the agreements they enter into do not contain harmful provisions. One important aspect of such guidelines is to provide a clear definition of what constitutes an unfair standard clause. For example, an unfair clause may contain terms that are unreasonable, unbalanced, or not transparent to consumers. In addition to providing a clear definition, these guidelines should also contain criteria or guidelines for businesses in drafting fair standard clauses. This may include requirements on transparency, where the clauses should be drafted in clear language that is easily understood by consumers. Transparency also means that consumers must be given adequate access to information about the clauses before they sign the agreement.

#### IV. Conclusion

Standard clauses are rules unilaterally imposed by business actors and must be followed by consumers. The Consumer Protection Law prohibits the use of such clauses if they disadvantage consumers, such as the transfer of responsibility or refusal to return goods or money. Any standard clause that violates these provisions is considered null and void. The main purpose of this regulation is to safeguard consumers from unfair practices in standardized agreements often used by businesses. Consumers who suffer harm due to these clauses can pursue legal remedies, such as requesting the cancellation of the agreement in court. Judges have the authority to review and annul agreements that are deemed unfair or unbalanced. Furthermore, business actors who breach the provisions regarding standard clauses may face criminal sanctions, including imprisonment or fines. In the context of electronic transactions, digital contracts must also adhere to legal requirements, with the government regulating consumer protection through e-commerce laws. However, the effectiveness of monitoring and enforcement against such clauses under the law still requires significant improvement. Continuous efforts are needed from the government, supervisory institutions, businesses, and the public to enhance consumer protection. Strengthening institutional capacity, leveraging information technology, increasing public education, fostering inter-agency coordination, and revising the Consumer Protection Law (GCPL) are critical steps toward improving oversight and law enforcement. Case studies like Meikarta and Shopee illustrate real attempts to enhance the system, but more work is needed to ensure that all consumers in Indonesia enjoy fair and effective protection from harmful standard clauses. Collaboration between the government, regulatory bodies, businesses, and society is essential to creating a more equitable and transparent consumer environment.

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