

LEGAL COMPLIANCE AND LEGAL PROTECTION FOR CONSUMERS AGAINST E-COMMERCE BUYING AND BUYING TRANSACTION DISPUTES

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ABSTRACT

E-commerce makes it easy to carry out trading activities. Internet media that has no geographical restrictions in carrying out transactions. Even though it provides convenience for consumers, e-commerce buying and selling transactions also present the risk of disputes between consumers and sellers. This research aims to analyze legal compliance and consumer legal protection regarding disputes over e-commerce buying and selling transactions. The research method used is a quantitative method using a questionnaire filled in by 65 respondents who are e-commerce users in the city of Surabaya. The results show that legal compliance and legal protection play a very important role in reducing online buying and selling transaction disputes. They form a strong basis for maintaining a balance between the interests of consumers and sellers in the e-commerce ecosystem. Legal compliance and legal protection in e-commerce transactions are critical to building trust and maintaining the integrity of digital markets. With consumer protection laws, privacy policies, data protection, dispute resolution mechanisms and clear regulations in place, consumers can feel safe and confident in online transactions.

Keywords: e-commerce, transactions, legal compliance, legal protection

Introduction

The development of technology is currently increasing rapidly and has a great influence on human life. Especially in the field of information and communication technology, there have been significant and rapid changes in various aspects of life. The use of technology and the internet is no longer limited to accessing information on social media, but also as a means to make buying and selling transactions, known as e-commerce (Hakiki et al., 2017; Setiantoro et al., 2018).

E-commerce is a form of electronic commerce that offers transactions that are faster, easier and more practical. Through e-commerce, buyers can connect with a variety of different sellers through electronic media. The development of e-commerce also requires security and convenience in conducting transactions, as well as the readiness of resources that do not hinder the growth of digital economic activities and reduce risks that may occur (Jain et al., 2021). E-commerce has several characteristics, including transactions involving two parties, namely sellers and buyers, exchanging goods, services, information, and using electronic systems in its implementation (Cullen & Taylor, 2009). The increasing use of e-commerce in Indonesia has led to an increase in the number of disputes that occur in electronic transactions. E-commerce covers various aspects such as communication networks, data storage, security, data retrieval and other elements. The high level of complexity in e-commerce makes it prone to malfunctions, so various parties need to try to minimize the negative impacts that may occur so as not to harm the parties involved. The position of buyers (consumers) tends to be weaker and vulnerable to becoming victims of arbitrary actions by business actors, thus requiring legal protection to provide security and strict law enforcement (Hamid & SH, 2017). This global buying and selling activity is also vulnerable because it involves transactions between countries. Sellers must provide correct, honest and clear information to consumers, and not provide statements that can mislead consumers (Marpi & Kom, 2020).

The existence of e-commerce cannot avoid the possibility of disputes. Disputes are considered undesirable and need to be avoided or prevented. In the past, dispute resolution was carried out informally based on customary or customary law, but now it has developed using written law in Indonesia (Rahmaway et al., 2018). There is Law Number 8 of 1999 concerning Consumer Protection which aims to protect consumers from possible disputes. The government also provides general regulations regarding electronic commerce which are regulated in Law Number 11 of 2008 in conjunction with Law Number 19 of 2016 concerning ITE. Article 10 paragraph (1) of the law states that every business actor conducting Electronic Transactions can be certified by a Reliability Certification Agency. Reliability certification is proof that a business actor has gone through an assessment and audit by an authorized body, and has a certification logo in the form of a trust mark on the business actor's home page. This reliability certification is a legal guarantee from the state to the public so that they can transact safely through e-commerce. However, the fact is that there are still

many fraud cases that occur in e-commerce because reliability certification has not been widely implemented in Indonesia. Regulations regarding Reliability Certificates are also regulated in article 42 paragraph (3) of Government Regulation Number 71 of 2019 Concerning the Implementation of Electronic Systems and Transactions. In 2013, the government tried to encourage the growth of Reliability Certification Institutions (known as LSK), which is a new business field for the IT industry.

One of the advantages of e-commerce is the availability of diverse and detailed information for consumers without the need to travel to many places as in conventional commerce. However, e-commerce also has its drawbacks. Electronic transaction methods that do not involve direct meetings between business actors and consumers and do not allow consumers to see goods directly can cause problems that are detrimental to consumers. There are various cases related to the implementation of transactions, especially in terms of e-commerce security, which are very detrimental to consumers. Guaranteeing the security of e-commerce transactions is very important to build consumer user trust. Ignoring this will hinder the development of e-commerce institutions and shift the philosophy of efficiency into uncertainty. The legal issues and solutions described previously actually aim to protect consumers in e-commerce transactions. Security is an important issue in the use of electronic media, especially the internet. Without a guarantee of security, business actors cannot utilize this media. For this security guarantee, attention needs to be paid to the issue of company domicile so that in cases of legal disputes, the legal standing of companies offering products through electronic media can be known with certainty. Basically, issues of licensing, establishment and registration of companies are similar to companies in general, subject to the laws of the place where the company is registered. At the national level, Law Number 8 of 1999 concerning Consumer Protection provides protection for consumers, but has not specifically anticipated developments in information technology in its regulation.

Trading through electronic systems is regulated in Trade Law Number 7 of 2014, which defines it as trading in which transactions are carried out through a series of electronic devices and procedures. Article 65 of the Trade Law regarding trading through electronic systems states that in the event of a dispute in a trade transaction through an electronic system, the parties involved can resolve the dispute through the courts or through other dispute resolution mechanisms. The law provides dispute resolution options

through litigation or non-litigation. Both of these options have their respective advantages and disadvantages. Settlement through litigation, which is generally dominated by the stronger party, rarely produces a win-win solution. In addition, settlement through court takes a long time, usually used as a last resort if a non-litigation settlement does not resolve the problem. Dispute resolution through litigation through courts is currently being abandoned because it takes a long time, high costs, and complicated procedures (Purnomo, 2018). Alternative dispute resolution is another step that can be taken by parties to a dispute, and is regulated in Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution.

Along with the growth of e-commerce, various regulations and laws have emerged that regulate online buying and selling transactions. One important aspect is legal compliance, both by sellers and consumers (Sukardi, 2012). Legal compliance in online buying and selling transactions refers to following the rules, regulations and legislation that apply in a jurisdiction (Rahmanto et al., 2019). This covers legal aspects related to contracts, consumer rights and obligations, protection of personal data, rights to information, and much more. Good legal compliance can help reduce disputes in online buying and selling transactions. When all parties understand and comply with applicable laws, they are more likely to behave ethically and follow correct procedures (Sitompul et al., 2016). Legal compliance is very important in online buying and selling transactions because it can create a fair and safe framework for all parties involved. This includes compliance with regulations and laws governing e-commerce, consumer rights, and seller obligations. Legal compliance is important because it has a significant impact on consumers' experiences in online shopping and on disputes that may arise (Berkatullah, 2019).

Often there are disputes that can arise between consumers and sellers. The importance of legal protection for consumers in this context cannot be ignored. Legal protection for consumers in online buying and selling transactions includes a series of rules, regulations and legislation designed to ensure that consumers have adequate rights and protection when shopping online (Dewi & Suyatna, 2016). In relation to online buying and selling transaction disputes, legal protection has a big influence. Legal protection provides a number of rights to consumers who carry out online buying and selling transactions (Kakoe et al., 2020). This includes the right to receive goods or services according to the description provided by the seller, the right to return defective or unsuitable products, and the right to privacy and security of their

personal data. These rights are an important foundation in protecting consumers from harmful practices. Legal protection also includes a framework for dispute resolution. This can include mechanisms such as mediation or arbitration that can help consumers and sellers reach a solution.

This study discusses legal compliance and legal protection against disputes over e-commerce buying and selling transactions to be very relevant. This research can provide a deeper understanding of the legal issues faced by consumers and business actors in e-commerce transactions. It is hoped that the results of this research can provide valuable input for policy makers and industry players to improve legal protection and legal certainty in e-commerce.

Research Methods

The research method used in this study is a quantitative method with a focus on multiple linear regression analysis. This study aims to analyze the relationship between the independent variables and the dependent variable associated with e-commerce users in the city of Surabaya. The population of this study consists of e-commerce users in the city of Surabaya. To obtain data, researchers used a sample of 65 respondents who were randomly selected from the population of e-commerce users in the city of Surabaya. Researchers designed a questionnaire that included questions that were relevant to the variables they wanted to study, such as e-commerce user characteristics, user preferences, and experience in conducting online transactions. In this case, the independent variables include legal compliance and legal protection. Meanwhile, the dependent variable of this study is e-commerce transaction disputes. After data collection was completed, the researcher analyzed the data using multiple linear regression techniques. Multiple linear regression analysis was performed using statistical software such as SPSS.

Legal compliance is a concept that includes obedience or fulfillment of applicable legal regulations (Rosana, 2014). Itasari (2021) defines legal compliance as compliance with legal rules governing an action, both consciously and unconsciously. Three indicators to measure legal compliance variables are compliance, identification, and internalization (Soerjono, 1982).

Legal protection is about legal rules that meet the criteria of public order and provide clear guidelines for individual actions (Trisnadi, 2017). Legal protection is realized when there is a balance between the regulations imposed and individual freedom (Hariyani, 2018). The indicators for measuring legal protection variables according to Rizal et al. (2022) are (1) preventive; (2) repressive; (3) protective; (4) solution; and (5) alternatives.

This information technology business is known as Electronic Commerce or Electronic Business. E-commerce, as part of e-business, can be defined in general as all forms of trade transactions of goods or services carried out using electronic media. To measure the variables of e-commerce buying and selling transactions including (1) unlimited transactions; (2) anonymous transactions; (3) digital and non-digital products; (4) intangible products (Wulandari, 2018).

Results and Discussion

In testing the validity of research instruments, it is hoped that the corrected item total correlation value will have a value of more than 0.3. Based on these provisions, the research instrument for the variables of legal compliance, legal protection, and e-commerce transaction disputes has been proven valid because it has achieved a corrected total item correlation value above 0.3.

Furthermore, Cronbach's alpha is used as a technique to measure the reliability of research instruments, and the expected value for reliability is more than 0.6. The results of variable reliability measurements in this research show that the legal compliance variable has a reliability value of 0.875, the legal protection variable has a reliability value of 0.823, and the e-commerce transaction dispute variable has a reliability value of 0.753. Based on these results, it can be concluded that the reliability achieved by the variables in this study is in the reliable category.

The next test carried out was normality testing. From observations made based on the normal P-Plot graph, it was found that this research data had a normal distribution. This can be seen from Figure 1, where the data points tend to follow the diagonal line and are close to the line.

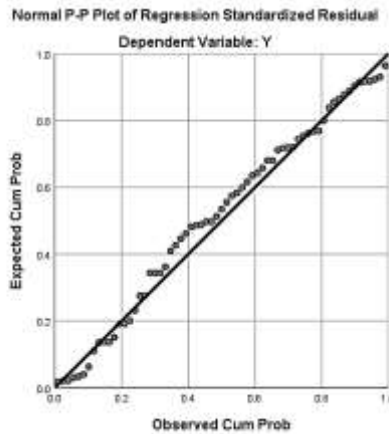


Figure 1. Normality Test

Next, the autocorrelation test was carried out. Autocorrelation can be proven through the use of Durbin Watson statistics, with a range of values determined between -2 to 2. The Durbin Watson (DW) value in this study is 1.158 which indicates that there are no problems interfering with autocorrelation in the data.

Table 1. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	35.579	3.341		10.650	.000
	X.1	2.694	.443	.572	6.075	.000
	X.2	1.716	.550	.294	3.120	.003

In the equation used to predict public satisfaction based on legal compliance (X1) and legal protection (X2), it was found that the equation is $Y = 35.579 + 2.694X_1 + 1.716X_2$. When analyzing the coefficient of the independent variable, it can be seen that the coefficient for legal compliance (X1) has a higher value, namely 2.694, compared to the coefficient for legal protection (X2) which has a value of 1.716.

Next, testing was carried out using the t test to evaluate the significance level of the two independent variables in this study. Based on the results in Table 1, the significance value for legal compliance is 0.000. Meanwhile, the significance value for legal protection is 0.003. This figure shows that the significance value is smaller than 0.05, which is a commonly used threshold for the significance level. Therefore, it can be concluded that legal

compliance and legal protection have a significant influence on e-commerce transaction disputes.

Table 2. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1715.848	2	857.924	40.635	.000 ^b
	Residual	1309.014	62	21.113		
	Total	3024.862	64			

The next test result is the F test (simultaneous test) with a calculated F value of 40,635. Based on table 2, the significance value associated with the results of this test is 0.000. This can be explained by the significance value which is lower than 0.05. It can be concluded that legal compliance and legal protection together significantly influence e-commerce transaction disputes.

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.753 ^a	.567	.553	4.595	1.158

In this research, the Adjusted R Square value of 0.553 indicates that around 55.3% of the variation in the dependent variable can be explained by the linear regression model. In other words, most of the contribution to e-commerce transaction disputes in legal compliance and legal protection can be explained as 55.3%. However, there are around 44.7% of other variations that cannot be explained by the independent variables that have been included in this model. This indicates that there are still other factors that influence e-commerce transaction disputes that have not been identified or have not been included in this research.

The results of data analysis state that legal protection has a significant influence on resolving disputes over e-commerce buying and selling transactions. These results are in accordance with previous research conducted by Putra (2014); Sakti (2020); Premature (2021). With clear legal protection, business actors in e-commerce tend to pay more attention to and comply with consumer rights (Saputra et al., 2019). They will strive to meet the standards set out in consumer protection laws and e-commerce platform policies. Strong legal protection will encourage business actors to provide clear information, provide quality goods or services, and handle complaints and disputes well (Harahap, 2020). Effective legal protection can increase

consumer confidence in conducting e-commerce transactions (Pariadi, 2018). Consumers will feel safer and more confident shopping online if they know that there are laws protecting their rights. High trust from consumers can encourage e-commerce growth by increasing the number of transactions carried out.

The results further state that legal compliance has a significant influence on e-commerce buying and selling transaction disputes. When all parties involved in e-commerce transactions comply with applicable laws, the potential for disputes can be reduced significantly (Rahmatullah, 2017). Legal compliance can act as a key preventive measure in avoiding disputes. When all parties, both sellers and consumers, comply with the applicable rules and regulations, the risk of violations or discrepancies in transactions can be reduced. In this case, implementing clear policies and procedures as well as fulfilling the rights and obligations of each party is the key to preventing disputes from arising. When all parties follow existing rules and procedures, the dispute resolution process becomes more structured and transparent (Setiyawan et al., 2020). For example, an e-commerce platform or external dispute resolution body will have a clear framework for dealing with disputes that arise. Compliance with applicable laws and regulations in online buying and selling transactions can help prevent disputes. By ensuring that all steps in the transaction comply with applicable legal provisions, the possibility of misunderstandings or violations is reduced.

Conclusion

The influence of legal compliance and legal protection on online buying and selling transaction disputes is a crucial factor in the electronic commerce ecosystem. In order to create a safe, fair and trustworthy experience for consumers, as well as promote the sustainable growth of the e-commerce sector, both legal compliance and legal protection play an important role. In order to build a healthy and sustainable e-commerce ecosystem, it is important for all parties involved, from consumers, sellers, to governments and e-commerce platforms, to understand, comply with and promote legal compliance and legal protection. This will create an environment conducive to the safe and fair growth of online commerce, while safeguarding the interests and rights of consumers.

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