ESTABLISHING CONSUMER SECURITY WITHIN THE PEER-TO-PEER LENDING ECOSYSTEM IN INDONESIA: A JURIDICAL ANALYSIS

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Abstract

The development of financial technology has driven the rise of peer-to-peer lending services in Indonesia, enabling fast and accessible financing. However, this convenience is accompanied by increasing violations of consumer rights, including excessive interest rates, misuse of personal data, and standard agreements that disadvantage consumers. Many users fail to understand the legal implications of the terms they accept, reinforcing an imbalance of power between providers and consumers. Aggressive and unethical debt collection practices have also emerged due to weak regulatory oversight. This study aims to analyze the effectiveness of legal consumer protection within Indonesia's peer-to-peer lending ecosystem. The research applies a normative juridical method through literature review, analysis of Supreme Court Decision No. 1206 K/Pdt/2024, and conceptual legal interpretation. Findings indicate that existing regulations, such as the Consumer Protection Act and the Financial Sector Development and Strengthening Act, have not been optimally enforced, particularly concerning standard clauses and data protection. The government must enhance public legal literacy and strengthen regulatory oversight and sanctions against violations. In conclusion, structural and substantive reforms of fintech regulations are needed to ensure that digital financial innovation advances in alignment with consumer justice and legal protection.

Keywords: Consumer Protection, Standard Agreements, and Peer-to-Peer Lending

INTRODUCTION

In recent years, the rapid advancement of information technology has had a significant impact on people's lives, including the financial services sector (Benuf et al., 2019). One of the key developments is the emergence of technology-based applications in the financial system, which facilitate the creation of various new financial products and services, as well as innovative business models. This change directly impacts the accessibility of financial services while presenting challenges related to monetary stability, financial systems, data security, and payment systems. One such example that has rapidly developed in Indonesian society is the use of peer-to-peer lending applications, which allow people to apply for loans simply using their Identity Card and offer a very fast disbursement process (Saepudin et al., 2024).

In Indonesia, these applications are commonly referred to as online loans, but there is a fundamental difference between the terms peer-to-peer lending and online loans. The term peer-to-peer lending refers to a financial service that facilitates the meeting of lenders and borrowers, where transactions occur directly through an online platform (Astutik & Soerodjo, 2023). These loans can be used for various purposes, whether personal needs or business capital. Peer-to-peer lending platforms connect both parties directly, without the involvement of traditional financial institutions. Each application has its own terms and conditions, including interest rates adjusted to the risk profiles and conditions set by each platform. On the other hand, online loans are a type of loan that does not require asset collateral as a prerequisite. These loans are usually short-term, with faster and simpler procedures, enabling consumers to access funds quickly. However, online loans often come with higher interest rates due to the greater risk faced by the lenders.

Online loans have increasingly become a solution for people in emergency situations who need quick access to funds (Disemadi et al., 2020), particularly for those who do not have savings or other financial resources. The fast process is the primary reason why online loans are chosen as an alternative to meet urgent financial needs. In many cases, loan disbursements can be completed within hours, with the latest disbursement typically occurring within one business day. However, despite offering convenience, online loans often come with characteristics that are detrimental to consumers. One of the most noticeable issues is the lack of adequate borrower identification processes, as well as the absence of proper credit scoring or evaluation procedures in the loan approval process.

Moreover, many online loan platforms do not provide clear information about the identity of the lenders, including unverifiable office addresses. As part of the loan application requirements, some of these applications also request unlimited access to the borrower’s personal data, such as accessing the entire contact list on the borrower’s phone, which is clearly in violation of the provisions in the Financial Services Authority Regulation No. 40/2024 on Peer-to-Peer Lending Services. Additionally, online loans are often subject to very high interest rates, which can reach as much as 0.8% per day or even higher. When calculated annually, this can result in an interest rate of up to 292%. Such exorbitant interest rates significantly increase the financial burden on borrowers, especially those caught in long-term debt cycles. This has become a serious concern, as despite offering quick access to funds, online loans often bring substantial negative impacts on the financial well-being of individuals (Asosiasi Fintech Pendanaan Bersama Indonesia, 2025).

There is a significant difference between the peer-to-peer lending system and online loans, particularly regarding the loan repayment terms (Hidayati et al., 2022). Online loans typically require borrowers to repay the entire loan amount in a single payment by a specified date, with no option for installment payments. This contrasts with peer-to-peer lending, which offers greater flexibility in loan repayment periods, ranging from 30 days to 12 months, along with clear details regarding the loan amount received. In terms of interest rates, online loans often impose relatively high daily interest rates on borrowers, which can reach 0.8% per day, equivalent to approximately 292% annually. This high-interest rate can impose a substantial financial burden on borrowers. In contrast, peer-to-peer lending offers more affordable interest rates, typically ranging from 12% to 30% per year, which are significantly lower and more realistic compared to online loans. Although online loans are sometimes referred to as peer-to-peer lending, in reality, these two concepts differ fundamentally in both the repayment terms and the interest rate provisions.

The Indonesian Peer-to-Peer Lending Fintech Association states that online loans and peer-to-peer lending are different. While both utilize technology, online lending platforms often lack proper licensing and are not registered with the Financial Services Authority, whereas peer-to-peer lending platforms are generally licensed and legal (Asosiasi Fintech Pendanaan Bersama Indonesia, 2025). Online loans frequently offer attractive convenience, such as a simple and fast application process without requiring collateral. However, this practice is often accompanied by interest rates set by online loan providers that are excessively high, and in some cases, these rates are considered unreasonable and burdensome to consumers. Moreover, the practice of compound interest, which is not transparently applied, further exacerbates the financial burden on borrowers. Additionally, the collection methods used by some online lending platforms often disregard ethical standards and prevailing legal norms.

Consumers are often faced with inappropriate treatment, ranging from intimidation to verbal harassment, during the debt collection process (Hafizhuddin et al., 2024). In some cases, debt collectors are not hesitant to contact emergency contacts, relatives, and even coworkers of the borrower, with the intent of applying psychological pressure to force repayment. Such actions clearly violate an individual's right to privacy and can lead to detrimental social consequences for the consumer, both psychologically and in terms of social reputation. In addition to issues related to unethical collection practices, there are also concerns about the high administrative fees imposed, which create an additional burden for the borrower. Many consumers are unaware of hidden fees in the loan process, ultimately making their repayment obligations far greater than initially anticipated. In some cases, identity misuse occurs, where a borrower’s ID card is used illegally to apply for loans on other platforms without their knowledge. Furthermore, the abuse of access to personal data by online loan providers is a frequent occurrence, where consumers' personal information is shared without consent. These practices are highly risky and can jeopardize the security and comfort of borrowers, causing long-term harm to consumers.

This phenomenon highlights a gap in the regulation and supervision of online lending service providers in Indonesia. Digital transformation has reshaped various sectors, including the financial sector. Peer-to-peer lending has emerged as a solution to overcome limited access to financing, especially for those who are underserved by traditional financial institutions (Suryono et al., 2021). According to data from the Financial Services Authority, the growth of peer-to-peer lending in Indonesia continues to increase. By 2024, the number of registered platforms reached hundreds, with the total loans disbursed amounting to trillions of rupiah. However, behind this growth, there are various legal issues that have negative impacts on consumers.

The main reason for the many problems that arise, which negatively affect consumers, is the lack of public understanding regarding the terms and conditions in electronic agreements. As violations by peer-to-peer lending service providers have increased in Indonesia, the government has issued various regulations to regulate this sector and provide legal protection to the public. Article 18 of the Consumer Protection Act prohibits standard clauses that benefit business actors at the expense of consumer rights (Bramita, 2018). Article 238 of the Development and Strengthening of the Financial Sector Act emphasizes that financial service providers are prohibited from including standard clauses that create an imbalance in rights and obligations between consumers and business actors (Hanapi & Nurmala, 2022).

However, in practice, many peer-to-peer lending platforms insert clauses that harm consumers, such as high interest rates without adequate explanation (Ibrahim, 2025). This often occurs due to a lack of supervision and consumer education. Additionally, collection practices that do not align with legal norms often create unrest in society. Cases such as the misuse of personal data, intimidation by debt collectors, and threats that harm consumers further damage the reputation of peer-to-peer lending (Hartati & Syafrida, 2022). Many individuals use these services without fully understanding the accompanying legal and financial risks (Elsa, 2021).

Other regulations regarding peer-to-peer lending have been issued by the government through Bank of Indonesia, Financial Services Authority, and the Ministry of Communication. Existing regulations such as PBI 19/2017 on the Implementation of Financial Technology, POJK 40/2024 on Information Technology-Based Peer-to-Peer Lending Services, SEOJK 19/2023 on Peer-to-Peer Lending Service Providers, and SEOJK 18/2017 on Governance and Risk Management of Information Technology in Lending Services have been created. However, despite the issuance of various policies, the existing regulations still do not fully accommodate the complexity and dynamics occurring in the peer-to-peer lending ecosystem. The rapid development in this industry, driven by technological advancements and the increasing public demand for alternative financing access, requires more comprehensive and adaptive regulations. Therefore, there is a need for strengthened policies that not only focus on supervision and compliance but also ensure a balance between financial digital innovation and the protection of consumer rights, thereby creating a safer, more transparent, and sustainable peer-to-peer lending ecosystem.

The Supreme Court, through several of its decisions, including Decision Number 1206 K/Pdt/2024, has highlighted the need for more comprehensive regulation of online lending practices. In this ruling, the Supreme Court ordered the formulation of regulations that ensure legal protection for users of online lending applications, including oversight of personal data access and law enforcement for violations. This decision essentially underscores the importance of the role of law in providing certainty for consumers. The government, as the executive body, should ideally create regulations that effectively protect online lending consumers. In light of this, the author is interested in conducting an in-depth academic study to build consumer security as a reference for policymakers and law enforcers in creating fairer and more comprehensive laws to address online lending cases and build consumer security within the peer-to-peer lending ecosystem.

RESEARCH METHOD

This study adopts a normative juridical approach, focusing on the analysis of legislation and relevant conceptual frameworks. The data used in this research were obtained through literature review of various regulations, official documents, and prior studies that support the topic under examination (Matheus & Gunadi, 2024). The normative juridical method is applied to examine the implementation of provisions under Article 18 of the Consumer Protection Act and Article 238 of the Development and Strengthening of the Financial Sector Act, particularly within the context of peer-to-peer lending practices. The objective of this study is to evaluate the effectiveness of existing regulations in providing legal protection for consumers engaged in such technology-based lending services. Furthermore, a conceptual approach is employed to explore the ideal principles of consumer protection, especially in response to the rapid advancements in the field of financial technology. This research relies on secondary data, including reports issued by the Financial Services Authority and other credible sources, to support the analysis of the social and legal impacts of peer-to-peer lending practices within society. Accordingly, this study aims to present a comprehensive overview of both the challenges and opportunities in enhancing consumer protection within the evolving fintech sector.

RESULTS AND DISCUSSION

In the Indonesian civil law system, an obligation may generally arise from two principal sources: an agreement (or contract) and statutory provisions. This principle is affirmed in Article 1233 of the Indonesian Civil Code, which provides that obligations are created either by agreement or by operation of law. This means that when two or more parties mutually agree to bind themselves in a legal relationship that gives rise to reciprocal rights and duties, such an agreement gives lawful birth to an obligation. This is referred to as an obligation arising from an agreement, which constitutes the most common form of obligation in civil law practice. It is noteworthy that in Chapter Two of Book III of the Civil Code, entitled “Obligations Arising from Contracts or Agreements,” the use of the conjunction “or” between the terms “contract” and “agreement” is not without significance. On the contrary, it reflects the structure and spirit of the Civil Code, which treats both terms as having identical meaning. Accordingly, the terms “contract” and “agreement” are used interchangeably to refer to the same legal concept—namely, a legal consensus between two or more parties.

The definition of an agreement is explicitly provided in Article 1313 of the Indonesian Civil Code, which states that an agreement is a legal act whereby one or more persons bind themselves to one or more other persons. This definition underscores that an agreement constitutes a mutual expression of will between the parties, which legally gives rise to obligations for each party to fulfill the terms to which they have consented. In practice, an agreement may be unilateral—in which only one party assumes obligations toward the other—or bilateral, where both parties are reciprocally bound by rights and obligations. The concept of an agreement is further elaborated by Subekti, a prominent scholar in Indonesian civil law, who defines an agreement as a legal event in which one person makes a promise to another, or in which two persons mutually promise to perform a certain act(Subekti, 2005). Subekti’s approach enriches the juridical understanding of agreements by emphasizing the notion of a legal event that generates a relationship of rights and duties. In this context, an agreement is seen not merely as a formal legal act, but also as an embodiment of good faith and the free will of the contracting parties (Subekti, 2005).

In contractual practice, particularly in standard form agreements, it is common to encounter exoneration clauses—provisions that unilaterally grant excessive benefit or protection to one party by limiting or even eliminating its liability for losses arising from breach of contract or unlawful acts. Subekti explains that an exoneration clause is a type of clause inserted into a contract whereby one party seeks to exempt itself, either wholly or partially, from the obligation to compensate for damages resulting from its own negligence in fulfilling its performance(Subekti, 2005). This view aligns with the opinion of Az. Nasution, who asserts that exoneration clauses essentially aim to relieve a particular party from legal responsibility that would otherwise arise from the agreed terms of the contract(Nasution, 2014). In this context, exoneration clauses often create an imbalance in the legal standing of the parties, especially when applied in standard form agreements that provide no room for negotiation to the weaker party. As a result, such clauses may potentially contravene the principle of contractual fairness.

The rapid advancement of digital transformation has brought about fundamental changes in the financial sector, including the emergence of peer-to-peer lending as a form of financial technology innovation. These services aim to address the financing needs of individuals who are unable to access conventional banking services, offering a mechanism that is perceived to be faster, more flexible, and more accessible. However, behind this convenience lies a serious challenge concerning consumer protection, particularly regarding the use of standard form contracts by the providers of such lending services. Pursuant to Article 2 of the Consumer Protection Act, consumer protection must be based on the principles of benefit, justice, balance, consumer safety and security, and legal certainty. Accordingly, standard form contracts employed in the operation of peer-to-peer lending should ideally reflect and uphold these principles in full.

In practice, however, many such contracts contain clauses that are inconsistent with consumer protection principles, especially with respect to fairness, safety, and security. These agreements tend to favor the interests of business actors or service providers and often undermine the position of consumers, who are generally weaker both economically and legally. Such an imbalance not only contravenes the substantive provisions of the Consumer Protection Act but also risks violating the principle of equitable freedom of contract as recognized under Indonesian civil law.Therefore, there is an urgent need for regulatory review and strict oversight of the contents of standard form contracts in peer-to-peer lending to ensure they do not contain exoneration clauses that unilaterally exempt business actors from liability or unfairly burden consumers.

Pursuant to Article 18 of the Consumer Protection Act and Article 238 of the Development and Strengthening of the Financial Sector Act, business actors are prohibited from including standard clauses that provide unilateral benefits in their favor. In the practice of peer-to-peer lending, it is frequently found that consumers are required to agree to pre-drafted terms and conditions unilaterally determined by the service providers. These standard clauses, which are often detrimental to consumers, may include the imposition of excessively high interest rates, unreasonable administrative fees, and the unilateral transfer of liability from the platform to its users. Such provisions are in clear violation of the principle of fairness, which serves as a fundamental basis of consumer protection. Moreover, the misuse of consumers' personal data has become increasingly prevalent. Consumers are often required to grant access to their personal information, including the contact details of family members and friends. This data is then used by platforms to conduct aggressive and intimidating debt collection practices. Such inhumane methods—ranging from threats to verbal harassment—can inflict significant psychological trauma on consumers. The negative impact is further exacerbated by consumers' general lack of preparedness in dealing with complex debt mechanisms, including high interest rates that are often not disclosed in a transparent manner.

To address these issues, strengthening regulation and oversight of peer-to-peer lending platforms is essential. The government, through the Financial Services Authority, must intensify its supervision of both registered and illegal platforms. Firm enforcement actions against business actors who violate legal provisions are necessary to create a deterrent effect and to restore public trust in such financial services. In addition to regulatory reinforcement, consumer education must be prioritized. Adequate financial literacy enables the public to understand their rights and obligations as users of peer-to-peer lending. Financial literacy campaigns targeting various segments of society can be carried out through collaboration between the government, non-governmental organizations, and the private sector. Such educational initiatives aim to prevent consumers from becoming entrapped in predatory lending practices.

Moreover, the implementation of administrative and criminal sanctions is necessary to ensure compliance by platforms. Sanctions such as fines or the revocation of operating licenses for non-compliant platforms can serve as effective legal enforcement measures. Additionally, consumer dispute resolution must be facilitated through transparent and equitable mediation mechanisms. These mechanisms offer consumers a forum to express their grievances without being subjected to lengthy and costly legal proceedings. As such, the development of more consumer-friendly alternative financial services is crucial.

Microfinance institutions and cooperatives play a strategic role as alternative sources of financing that are more affordable and carry lower risk, particularly for communities operating within the informal sector and remote regions. The government can strengthen the position of these institutions through various incentives and affirmative policies aimed at fostering an inclusive, sustainable, and equitable financing ecosystem.However, amid the rapid growth of financial technology—particularly peer-to-peer lending services—a legal vacuum has emerged, resulting in increased violations of consumer rights. The existing regulatory framework remains insufficient in addressing critical issues such as legal protection for consumers, dispute resolution mechanisms, and the processing and protection of personal data.

A dedicated regulatory framework is therefore necessary to explicitly govern the dispute resolution process between peer-to-peer lending providers and consumers, establish standards of accountability in the use of financial technology, and uphold precautionary principles in the utilization of personal data. The government, through the Financial Services Authority and the Ministry of Communication and Informatics, bears a constitutional and administrative obligation to ensure adequate legal protection for users of digital financial services.One essential measure of regulatory enhancement is the implementation of a rigorous eligibility and compliance testing system for all peer-to-peer lending providers, accompanied by regular and comprehensive evaluations by the competent authorities.

Furthermore, the credit scoring mechanisms employed by peer-to-peer lending platforms—often reliant on access to consumers' personal data—must be limited in a proportionate manner. Access should only be granted to relevant and essential data, such as camera, microphone, or location, and must be accompanied by explicit, transparent, and revocable consent from the consumer. This safeguard is essential to prevent data misuse and to ensure that the principles of privacy and digital sovereignty are upheld throughout all stages of interaction between business actors and consumers.

The Supreme Court of the Republic of Indonesia Decision No. 1206/K/Pdt/2024 constitutes a landmark ruling in strengthening legal protection for consumers within the peer-to-peer lending sector. In its judgment, the Panel of Supreme Court Justices explicitly mandated the government to undertake structural and regulatory reforms of the peer-to-peer lending ecosystem, in order to ensure the full realization of consumers' rights.A central issue addressed in the decision is the widespread use of standard form contracts or adhesion clauses in lending agreements, which are typically drafted unilaterally by service providers without providing consumers with adequate opportunity for negotiation. This imbalance of bargaining power has the potential to result in terms that are unjust and detrimental to consumers.

Notable among such unfair practices are the imposition of excessively high interest rates without transparent calculation, disproportionate and intrusive requests for access to personal data, and aggressive debt collection methods that subject borrowers to psychological distress. These practices clearly contravene the principles of justice, balance, security, and consumer safety as stipulated in Article 2 of Consumer Protection Act. This decision underscores the urgent need for state intervention to shield the public from exploitative business conduct and calls for the enactment of more specific, progressive, and adaptive regulations that respond to the evolving landscape of digital financial technologies—while firmly placing consumer protection as the guiding principle in the formulation and enforcement of legal policy.

The government is obligated to ensure that electronic agreements within the peer-to-peer lending system explicitly include provisions that are essential for consumer protection. These agreements must clearly specify the borrowing procedures, loan principal amount and term, interest rates, payment schemes, types and scope of permitted data access, the identity of the peer-to-peer lending provider, including address and contact number, as well as the mechanism for resolving problematic debts. Furthermore, regulations governing peer-to-peer lending practices must establish standards for fair and transparent interest rates. The current practice of imposing daily interest rates has the potential to create disproportionate interest burdens, especially on short-term loans. Therefore, the interest calculation mechanism should be based on weekly or monthly periods, with interest rates regulated strictly to prevent abuse. Additionally, regulations should include procedures for the collection of problematic debts that are consistent with applicable legal principles, and ensure the protection of consumers' privacy rights (Kharisma, 2021). Any form of debt collection that is intimidating, degrading to human dignity, or involves the unlawful dissemination of personal data must be prohibited and subject to strict penalties (Attidhira & Permana, 2022). These policy reforms are necessary to create a digital financial ecosystem that is inclusive, fair, and sustainable, in alignment with the principles of consumer protection as outlined in Consumer Protection Act.

In the context of consumer protection in payment system services in Indonesia, the regulation governing its implementation is Bank of Indonesia Regulation No. 16/10/PBI/2014 concerning Consumer Protection in Payment System Services. This regulation aims to protect the rights of consumers when transacting using payment system services provided by banks or other payment system providers. One important aspect of this regulation is how to handle consumer complaints arising from practices that do not comply with the applicable provisions. Article 20, paragraph (2) of Bank of Indonesia Regulation No. 16/2014 stipulates that consumers who feel aggrieved, particularly concerning debt collection practices that are not in accordance with the law, have the right to submit complaints to Bank of Indonesia. These complaints concern actions that may harm consumers, whether in terms of financial losses, legal issues, or unfair treatment by the payment service provider. In this regard, Bank Indonesia acts as the institution that receives and handles consumer complaints within the payment system scope. Further provisions regarding the procedure for submitting complaints, the potential financial loss amount that can be reported by consumers, and the follow-up on the settlement of these complaints are governed by the Bank of Indonesia Circular Letter No. SEBI/16/2014. The Bank of Indonesia Circular Letter No. SEBI/16/2014 provides more detailed technical instructions regarding the procedures that must be followed by both consumers and payment service providers during the complaint process. This is crucial as it provides clarity and ensures that the complaint process is transparent and in line with the procedures that have been established.

Bank of Indonesia Circular Letter No. SEBI/16/2014 concerning the Procedures for Implementing Consumer Protection in Payment System Services explicitly regulates the complaint mechanism available to consumers who feel aggrieved by financial service providers. The complaint process begins with the submission of grievances through various official channels provided by Bank of Indonesia, including online forms, telephone calls, or direct in-person meetings with authorized officers. Upon receipt of the complaint, consumers are required to provide a detailed explanation of the nature and amount of financial loss suffered, which is alleged to have resulted from negligence, error, or violation committed by the service provider. This information serves as a critical basis for Bank Indonesia to assess the validity of the complaint and to determine the necessary follow-up measures. The next stage is the follow-up process, in which Bank of Indonesia is vested with the authority to conduct inquiries, clarifications, and even investigations if there are strong indications of non-compliance with the prevailing regulations. In the event that a violation is found, Bank of Indonesia may not only issue warnings but also impose administrative sanctions on the financial service provider concerned.

If a consumer submits a complaint to Bank of Indonesia but does not receive an adequate response or feels aggrieved, the consumer has the right to pursue two avenues for dispute resolution (Rachmanto, 2018).The first option is through the judicial process, which can be done by filing a lawsuit either individually or collectively via the class action mechanism. This judicial path provides the consumer an opportunity to seek compensation or other legal remedies in accordance with applicable laws, as well as providing legal certainty regarding the rights that have been violated.In addition to the judicial route, consumers may also opt for out-of-court dispute resolution, which is more alternative in nature.

One option is to involve a non-governmental organization with legal standing, or even to use mechanisms provided by the government. One such body with authority in this regard is the Consumer Dispute Settlement Board, which is tasked with facilitating amicable and non-litigation dispute resolution. In the context of out-of-court consumer dispute resolution, Article 47 of the Consumer Protection Act explicitly states that the main goal of this process is to achieve a fair agreement between the consumer and the provider of goods or services, both regarding the amount of compensation and the actions that need to be taken to prevent similar incidents in the future (Lasatu et al., 2022). Thus, this alternative route offers a faster, more efficient resolution without burdening either party, while also preserving the relationship between consumers and business operators.

CONCLUSION

The rapid development of financial technology in Indonesia has given rise to a new and more inclusive financial services ecosystem, one of which is through peer-to-peer lending platforms. On the one hand, these services offer easier access to financing for individuals previously underserved by conventional banking systems. On the other hand, such advancements have also created serious legal challenges, particularly in the realm of consumer protection. This research reveals that the practice of using standard form contracts that disadvantage consumers remains widespread within the P2P lending industry. This is further exacerbated by weak regulatory oversight in cases of personal data privacy violations, as well as the imposition of interest rates and fees in a non-transparent manner.

The findings indicate that despite the existence of regulations such as the Consumer Protection Act and the Financial Sector Development and Strengthening Act, the implementation of legal protection for consumers has not been optimal. Many standard agreements are unilaterally drafted by service providers without providing room for negotiation, resulting in an imbalance in the legal position between businesses and consumers. Provisions that are intended to guarantee fairness—such as Article 18 of the Consumer Protection Act and Article 238 of the Financial Sector Development and Strengthening Act—are frequently disregarded or circumvented through manipulative language.

Moreover, the protection of consumer privacy rights has become a central concern, as broad access to personal data is often granted without explicit consent and subsequently misused for debt collection practices that are coercive and degrading to human dignity. The Supreme Court Decision No. 1206 K/Pdt/2024 serves as an important precedent, underscoring the urgent need for structural regulatory reform to ensure equitable legal protection for P2P lending consumers. In this decision, the Court firmly urged the government to develop regulations that not only focus on efficiency and digital advancement but also uphold contractual justice and the fundamental rights of consumers. This reflects the necessity for the law to be adaptive to technological dynamics while remaining grounded in the principles of justice, balance, and legal certainty.

As a follow-up, government institutions such as the Financial Services Authority, Bank of Indonesia, and the Ministry of Communication and Information Technology must strengthen supervisory mechanisms, both for licensed platforms and for illegal entities operating without authorization. Additionally, increasing public legal and financial literacy is essential so that consumers can better understand the legal consequences of the contracts they enter into and identify the risks associated with digital financial services. The imposition of administrative and criminal sanctions must also be enforced rigorously to deter business actors from violating consumer rights.

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