

Empowering Digital Consumers: Legal Literacy Education for Preventing Online Fraud in Indonesia

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ABSTRACT. *The rise of digitalization has significantly influenced consumer behavior in Indonesia, particularly with the growing popularity of online shopping. However, this shift also exposes consumers to a higher risk of fraud, particularly through misleading and deceptive advertising. This community service initiative was designed to address this issue by raising public awareness and educating online consumers about their legal rights and protections under Indonesian law. A qualitative descriptive method was used, supported by a juridical approach and a literature review of consumer protection laws, including the Indonesian Civil Code, Law No. 8/1999 on Consumer Protection, and the ITE Law. In addition to literature analysis, interviews and public perception surveys were conducted to evaluate the effectiveness of the educational intervention. The findings reveal a significant gap between legal provisions and public understanding, indicating that many consumers are unaware of their rights in digital transactions, making them vulnerable to fraud and misrepresentation. The community service program successfully bridged this knowledge gap by disseminating practical and accessible legal information to the public. The initiative also advocated for the strengthening of regulatory frameworks and encouraged cooperation between government agencies, businesses, and consumers to build a safer digital market environment. In conclusion, improving legal literacy among consumers and promoting proactive regulation are essential to protecting consumer rights in Indonesia's rapidly growing e-commerce landscape. This program highlights the role of preventive education as a critical component of consumer protection in the digital age, emphasizing the need for multi-stakeholder collaboration and continuous public engagement.*

Keywords: *Consumer Protection, Online Fraud, Legal Literacy, Digitalization, Community Service*

INTRODUCTION

Advertising is "a task aimed at introducing and selling products to mass media purchasers." Historically, advertising has been conveyed through conventional media channels, including radio, television, film, print, and outdoor advertising. Nonetheless, the advent of digital infrastructures, such as the Internet, has given rise to novel marketing strategies that enhance connections between customers and businesses within a social network (Shareef et al., 2019). Due to the emergence and progression of this new medium, consumers are now more actively participating in dialogues between merchants and customers than at any previous time.

Online shopping is gaining popularity as more individuals obtain Internet access. Nonetheless, misleading or deceptive advertising continues to pose a substantial issue in online retail. The Internet's impact on consumer purchasing decisions is unequivocal, predominantly fueled by adverts, critical in drawing customers to products (Kuswanto et al., 2020). A significant difficulty in online product procurement is the widespread occurrence of deceptive information and marketing strategies. Impersonating authenticity online is significantly simpler than in the physical realm, rendering the Internet a prime venue for deceitful activities (Suriani et al., 2023). There is increasing apprehension regarding consumers' exposure to potentially misleading internet commercials, a situation intensified by the rise in online advertising and marketers' capacity to alter ad content swiftly (Asrika et al., 2023). The legal system has considerable difficulties ensuring sufficient consumer protection due to the recent emergence of Internet advertising and marketing restrictions. Adapting consumer protection legislation intended for traditional advertising to the Internet presents significant challenges and legal ambiguities. Consumers demand rigorous legislative actions to mitigate unethical practices (Suwadi et al., 2023). Conversely, providers and business owners advocate for a more permissive strategy, depending on voluntary rules of conduct (Cheong, 2019). This essay analyzes the adverse effects on Indonesian consumers resulting from the ambiguity in the legislative framework governing online advertising.

The interplay among economic growth, information technology advancements, and legal issues in Indonesia has undergone substantial evolution. New judicial procedures utilizing information technology have arisen due to the swift advancements in this domain, which have catalyzed socio-economic and cultural transformations. Technological

improvements, such as the convenience of Internet purchasing, have significantly influenced individuals' lives. Consequently, online commercial transactions must adhere to legal stipulations to safeguard the rights and obligations of all parties involved. Consumer protection regulations must ensure data privacy as internet commerce grows (Saputra et al., 2023).

In instances of commercial fraud, online trade transforms into a legal matter. Article 1320 of the Indonesian Civil Code delineates the prerequisites for legal agreements, including mutual consent, legal capacity, definite subject matter, and legality. A contract is legitimate and binding on the parties only if all four conditions are satisfied. Determining the correct entity on the Internet can be challenging, which may present an issue if a minor is engaged in online transactions due to the requisite professional competence outlined in Article 1320 of the Civil Code. Consumer fraud in Internet transactions is a prevalent concern, with various other legal complications. The buyer must remit the stipulated price to the seller per the terms established by both parties. Nevertheless, mass-market products frequently do not fulfill consumer expectations or the claims made in their descriptions.

Consumers require safeguarding against the myriad of scams that may be executed online. Article 2 of Law No. 8 of 1999 on Consumer Protection stipulates that consumer protection aims to provide security, equity, safety, and legal clarity for consumers in the utilization or consumption of products or services. To resolve the identified concerns, it is imperative to analyze the legal protections afforded to online consumers (Caudill & Murphy, 2000).

This service is pertinent to initiatives designed to avert consumer fraud in Indonesia, especially in light of the swift advancement of digitization, which is affecting consumer behavior. The rising volume of online transactions via e-commerce platforms makes consumers increasingly susceptible to fraud stemming from deceptive or false advertising. Digitalization has enhanced convenience in online buying and improved product accessibility, but it has also intensified the problem of transparency regarding product information. Advertisements that misrepresent reality or inflate assertions frequently appeal to people with inadequate knowledge or awareness. This program seeks to inform the public on the significance of comprehending consumer rights, identifying fraud indicators, and acquainting them with current consumer protection laws. Heightened awareness is anticipated to lead consumers to exercise

greater caution while shopping online, reducing susceptibility to fraudulent marketing. This project aims to empower customers by providing precise and accessible information to mitigate fraud risk and ensure protection while promoting stronger legislation to uphold consumer rights in the digital realm.

METHOD

This study utilizes a qualitative descriptive methodology, examining consumer protection in online buying, specifically with deceptive marketing that frequently disadvantages customers. The study used a legal strategy to gather data, examining current legislation and policies in Indonesia related to electronic transactions and Internet advertising. Data was collected via literature research, including legal papers, governmental legislation, and case studies about online retail fraud.

In the analysis phase, the gathered data were scrutinized utilizing the Miles and Huberman data analysis methodology, encompassing data reduction, data presentation, and conclusion formulation. The study utilized source triangulation to assure data validity by corroborating the analytic results with diverse sources, including legal regulations, expert opinions, and pertinent policy documents.

In evaluating the community service program, interviews were held with consumers and entrepreneurs, accompanied by a public perception survey, to gauge the comprehension and effects of the educational program, specifically concerning consumer protection and fraud prevention in online shopping. The evaluation data were assessed to determine the program's success in enhancing consumer awareness of their rights in the digital realm.

RESULTS AND DISCUSSION

The Ministry of Communication and Information Technology (KEMKOMINFO) enforces consumer protection legislation about online transactions in Indonesia. This complies with the stipulations established in the ITE Law and Government Regulation No. 82 of 2012 on System Operation and Electronic Transactions (PP PSTE). "This law has jurisdiction over all individuals who engage in legal acts as stipulated in this Act, both within and beyond the territory of Indonesia, which yield legal consequences within or outside Indonesia's jurisdiction and adversely affect Indonesia's interests."

Muslim consumers who incur losses due to products acquired online failing to conform to the specifications provided in the online media or the terms of the agreement may pursue a remedy under Article 28, paragraph (1) of the ITE Law, as indicated in the PP PSTE. The public is still anticipating

the government's endorsement of the Draft Government Regulation on Electronic Commerce, which would offer enhanced protections for online consumers. The Government Regulation PMSE RPP draft is a more comprehensive iteration of the ITE Law and PP PSTE, as articulated by the Ministry of Communication and Information.

Chapter VII, Article 28 states: "It is prohibited for individuals to intentionally disseminate false and misleading information without authorization, resulting in consumer losses in Electronic Transactions." Article 45 stipulates: "Violators may face a maximum imprisonment of six years and/or a maximum fine of Rp 1 billion." These laws delineate certain behaviors that are forbidden during electronic transactions.

Multiple entities in Indonesia are tasked with enforcing laws about fraud or violations related to electronic transactions. The Ministry of Communication and Information hires civil servant investigators to aid in criminal matters related to information technology and electronics (ITE) via its Directorate General of Informatics Applications. Unit IV Cybercrime and the Directorate of Special Criminal Investigations are divisions of the National Police of the Republic of Indonesia. The Indonesia Computer Emergency Response Team (ID-CERT) was the inaugural online entity to address cyberattacks in 1998. The Indonesian government has formed the Indonesia Security Incident Response Team on Internet Infrastructure, known as Coordination Center (ID-SIRTII/CC), to enhance the management of online security issues. Indonesian business leaders comply with the ITE Law and Government Regulation 82, which provide detailed regulations for electronic transactions and provide a code of behavior for e-commerce. The UNCITRAL Model Law on eCommerce (UNCITRAL, 1999) and the UNCITRAL Model Law on eSignature (UNCITRAL, 2011) serve as international documents that can be referenced for the nation's regulatory framework (Askarov & Ishbulatov, 2022).

The BPKN consistently refreshes its consumer complaint data to educate customers about current scam methodologies and the associated companies. These initiatives are crucial in safeguarding online consumers against fraud; nevertheless, more measures are necessary to enhance awareness, encouraging individuals to utilize these tools proactively before falling victim. Utilizing current and effective antivirus software is an additional precaution to assist customers in their online endeavors, as this software can detect websites with dubious credentials.

An innocent misrepresentation is a false assertion of fact made without intent or deceit and the speaker's awareness of the inaccuracy. It

may also stem from the suppression of information. Innocent misrepresentations frequently lacked legal remedy under common law. Nonetheless, if it can be demonstrated that the misrepresentation constituted a contractual term, common law remedies such as damages (for breach of a guarantee), termination, and/or damages (for breach of a condition) would be applicable. Conversely, one can contend that the parties merely misinterpreted the fundamental conditions of the contract.

In all other instances, however, remedy must be pursued through the courts of equity. This would establish a basis for a consumer to pursue equitable redress by rescinding the contract, often involving returning online purchases for a refund. Disproportionate risk exposure during online purchases, especially in financial transactions, is critical. It is customary for corporations to mandate full payment (by credit card or bank transfer) prior to fulfilling a customer's purchase. This approach is hazardous, as it may result in clients experiencing prolonged wait times for their items, receiving products that do not conform to their specifications, or failing to receive the goods entirely. The usual risk allocation clause aims to safeguard companies from negligent customers, although it may adversely affect consumers by stipulating that their purchases are completed only upon full payment.

The Indonesian General Dictionary (Poerwadarminta, 1976) defines "authentic" as "reliable, genuine, or legitimate," indicating that the two meanings are synonymous. The legitimacy of contracts executed in an electronic marketplace prompts significant inquiries over the authenticity of the laws regulating these transactions.

CONCLUSION

This essay highlights the inadequacies of existing legal protections for online Muslim customers, which have developed from conventional trade regulations but do not sufficiently tackle the distinct issues presented by misleading internet advertising. Policymakers confront the challenge of formulating more adaptable regulations for internet advertising. Smart regulation, as articulated by Cunningham and Grabosky, endorses a holistic strategy that integrates preventative measures, including education and punishments, while preserving formal regulatory authority. The "alliance approach," proposed by Malbon, expands on this idea, indicating that businesses and consumers can contribute to the informal regulation of the online consumer market.

The research indicates that the enforcement of trade law and consumer grievances about online purchases in Indonesia are primarily conducted electronically. Nevertheless, some consumers remain oblivious

to their rights, leading to restricted legal recourse against fraud. Business activity is a crucial catalyst for global economic progress; however, good management is essential, attainable through enhancements in human resource quality. Indonesia's human resources caliber will ultimately dictate the efficacy of legal safeguards for online transactions.

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