



## Customer Protection in Cases of Fintech Lending Default: The Perspective of Indonesian Economic Law

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### ABSTRACT

The rapid development of financial technology (fintech) has fundamentally transformed national financial systems, particularly through the emergence of peer-to-peer (P2P) lending services that enable individuals to obtain funding quickly and easily without the involvement of traditional financial institutions. This business model not only promotes financial inclusion but also drives the growth of Indonesia's digital economy. Nevertheless, behind its efficiency and convenience, fintech lending poses substantial legal and economic risks most notably the risk of default, which can cause significant losses for both lenders and borrowers. The occurrence of defaults in fintech lending illustrates an imbalance in the legal standing between platform providers, lenders, and borrowers. Within the framework of Indonesia's economic law, consumer protection serves as a crucial element in maintaining fairness and trust in digital financial systems. This article aims to examine the forms and effectiveness of legal protection available to consumers in cases of fintech lending default, emphasizing the role and responsibility of the Financial Services Authority (Otoritas Jasa Keuangan OJK) as the supervisory body of the financial services sector. This study employs a normative legal research method using statutory and conceptual approaches to analyze the existing regulations and policies, including OJK Regulation No. 10/POJK.05/2022 on Information Technology-Based Joint Funding Services. The findings indicate that, although OJK regulations have established a strong legal foundation, the practical implementation of consumer protection remains challenging particularly in areas of supervision, dispute resolution, and public financial literacy regarding digital finance.

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## INTRODUCTION

The rapid advancement of digital technology has triggered a profound structural transformation in the global economic system, particularly in the financial sector. This transformation has not only reshaped the way transactions are conducted but also redefined how people interact with financial services. In Indonesia, this phenomenon is evident through the rise of various financial technology (fintech) platforms that offer technology based financial products and services, including digital payments, online investments, and peer-to-peer (P2P) lending (Sholikin, 2024).

Fintech has experienced remarkable growth due to its ability to provide efficiency, transparency, and accessibility that traditional financial institutions often struggle to achieve. Among its innovations, fintech lending has become a viable financing alternative for individuals and small-to-medium enterprises (SMEs) that fail to meet conventional banking requirements (Kartika, 2019). By using digital platforms, fintech directly connects lenders and borrowers without bank intermediaries, enabling quick transactions without physical collateral and relying on trust-based algorithms and digital data for credit assessment.

However, alongside these conveniences and innovations come new legal and economic challenges. One of the most critical issues is the growing number of default cases, which result in significant financial losses for lenders. In recent years, many users have complained about the lack of legal protection when their funds become non-performing, as well as the absence of an effective dispute resolution mechanism. These concerns raise serious questions about how Indonesia's economic law framework protects customer rights within a digital financial environment that remains only partially regulated.

From the standpoint of economic law, consumer protection is a fundamental element for maintaining fairness and balance in financial systems. Economic law does not merely regulate business transactions but also seeks to ensure that economic activities function justly, efficiently, and sustainably (Maharani & Dzikra, 2021). Within the context of fintech lending, legal protection comprises two major dimensions: lender protection and borrower protection. Both require clear regulations to prevent imbalances in the legal relationship between users and platform providers.

The Financial Services Authority (Otoritas Jasa Keuangan – OJK) plays a crucial role as the main regulator of the financial industry in Indonesia. Since 2016, OJK has issued several regulations governing fintech lending operations, including OJK Regulation No. 77/POJK.01/2016, later updated by OJK Regulation No. 10/POJK.05/2022 on Information Technology-Based Joint Funding Services. These regulations aim to ensure that every fintech operator is licensed, adheres to prudential principles, and safeguards user data privacy.

Nevertheless, implementation remains problematic. Many consumers still face difficulties in debt collection, reporting data misuse, or seeking remedies for defaulted loans. Additionally, the majority of users lack a full understanding of the digital contracts they sign, primarily due to low financial and legal literacy levels (Prastyanti, 2023). Consequently, when disputes or defaults occur, consumers often find themselves in a weaker bargaining position than fintech operators.

Another pressing issue is the proliferation of illegal fintech platforms operating without OJK authorization. According to data from the Investment Alert Task Force, by the end of 2023, more than 4,000 illegal online lending platforms had been identified, many of which engaged in predatory lending practices and unethical debt collection methods. This phenomenon further complicates consumer protection, as cross-border digital entities pose enforcement and jurisdictional challenges.

Within Indonesia's economic law framework, consumer protection in fintech lending encompasses several key aspects. First, the regulatory aspect, which ensures that government and OJK regulations enforce fairness, accountability, and transparency. Second, the preventive aspect, which involves public education and digital financial literacy improvement. Third, the repressive aspect, which includes dispute resolution mechanisms and legal sanctions for violators. These three dimensions must operate in harmony to maintain public trust in digital financial systems.

In addition to OJK's role, the Indonesian Joint Funding Fintech Association (AFPI) serves as a self-regulatory body that assists in monitoring and mediating disputes among its members. AFPI requires all registered fintech lending providers to adhere to an operational code of ethics, which prohibits data misuse, abusive collection practices, and mandates transparency in financial transactions. However, the enforcement of these codes remains weak, as AFPI's authority is limited and lacks formal legal binding power.

Another systemic weakness lies in the absence of a deposit insurance scheme, such as the one provided by the Indonesia Deposit Insurance Corporation (LPS) for banking customers. In fintech lending, lenders bear the full risk of default, which creates an asymmetry in consumer protection and weakens public confidence in the digital finance sector (Baxter, 2016).

Technological and data-related issues also pose significant challenges. Fintech lending platforms rely heavily on big data analytics and machine learning algorithms to assess borrowers' creditworthiness. These processes often require access to users' personal data such as location, contact lists, and digital transaction histories. Without strict data protection mechanisms, the potential for misuse is high. Several reported cases have shown that personal data has been leaked or exploited for intimidation purposes in debt collection. Thus, data privacy protection forms an integral part of economic legal protection, as it directly relates to citizens' economic rights.

From a macroeconomic perspective, inadequate consumer protection mechanisms can jeopardize national financial stability. If large numbers of investors or lenders suffer losses due to widespread defaults, it could trigger a loss of confidence in digital financial innovations as a whole. In turn, this distrust may drive people back toward informal and unregulated financial systems, undermining the country's financial inclusion agenda. Therefore, effective legal safeguards serve not only to protect individual consumers but

also to preserve national economic stability.

Conceptually, Indonesia's economic law situates consumer protection within the broader framework of economic justice ensuring a fair distribution of economic benefits and preventing market abuse. In the fintech context, this implies that fintech operators must not only pursue profit but also uphold user security and legal certainty. This aligns with the rule of law principle, which dictates that all digital economic activities must comply with established legal norms.

Moreover, consumer protection in fintech has an important social dimension. Many Indonesians turn to online lending services due to limited access to banks, urgent financial needs, or low income levels. In such cases, the state bears a moral and legal obligation to ensure that technological innovation does not become a tool of economic exploitation for vulnerable groups. Thus, fintech regulation must balance economic efficiency with social justice considerations.

In this regard, legal protection must be complemented by enhanced digital and legal literacy among the public. According to the OJK's 2022 National Financial Literacy and Inclusion Survey, Indonesia's financial literacy rate reached only 49.68%, while financial inclusion stood at 85.10%. This gap indicates that many Indonesians use financial services without fully understanding the risks and legal obligations involved (OJK, 2022). Strengthening financial literacy therefore serves as a preventive strategy to minimize legal disputes in the fintech sector.

Cross-agency coordination also plays a vital role in ensuring effective consumer protection. Given its multidisciplinary nature, fintech requires collaboration between OJK, Bank Indonesia (BI), the Ministry of Communication and Information (Kominfo), and the Ministry of Law and Human Rights to regulate issues ranging from digital transactions and data security to dispute resolution. Currently, such coordination remains suboptimal, making it difficult to handle illegal fintech cases due to jurisdictional and legal framework limitations.

Globally, many countries have adopted regulatory sandbox mechanisms controlled environments for testing financial innovations before full-scale deployment. These frameworks allow regulators to monitor risks while supporting innovation. Indonesia introduced its own OJK Regulatory Sandbox in 2018, yet its effectiveness remains limited due to challenges in transparency and post-evaluation enforcement.

Given this complexity, the urgency of this study becomes clear. It seeks to analyze the extent to which existing fintech lending regulations and policies effectively safeguard consumers, especially in cases of default. Furthermore, it aims to identify systemic weaknesses in the current legal framework and propose policy recommendations grounded in Indonesia's principles of economic law and justice.

Ultimately, this research aspires to contribute both theoretically and practically to the development of a responsive national economic legal system one capable of adapting to digital innovation while fostering public trust in a fair, transparent, and secure fintech ecosystem.

## RESEARCH METHOD

This research employs a qualitative legal research method with a normative-juridical approach, focusing on the examination of laws, legal doctrines, and judicial decisions that regulate the responsibility of developers toward consumers in problematic property sale and purchase agreements. The choice of this approach is based on the nature of the problem, which primarily concerns the interpretation and application of legal norms within the Indonesian legal system rather than the collection of empirical or statistical data. By adopting this normative framework, the study aims to explore how the law defines and enforces the obligations of developers, how these obligations interact with consumer rights, and to what extent the legal system provides adequate protection when contractual disputes arise between developers and consumers.

The normative juridical approach emphasizes the centrality of written law (positive law) as the primary source of analysis. The study draws upon various layers of legal materials, including statutory regulations, government decrees, and case law. Key legislative instruments examined in this research include the Indonesian Civil Code (KUHPerdata), Law No. 8 of 1999 concerning Consumer Protection, Law No. 1 of 2011 on Housing and Settlement Areas, and Government Regulation No. 14 of 2016 on the Implementation of Housing and Settlement Development. These sources are complemented by secondary legal materials such as textbooks, scholarly articles, and legal commentaries, as well as tertiary sources including legal encyclopedias and online databases that help clarify terminological and conceptual meanings. Together, these materials provide a comprehensive framework for understanding the legal relationship between developers and consumers in Indonesia's housing market.

This study is qualitative in nature because it focuses on the interpretation and meaning of legal texts rather than quantifiable variables. The research is also descriptive and analytical. It is descriptive because it seeks to present a systematic overview of the legal norms that govern developer obligations and consumer protection, including the rights and remedies available to each party under Indonesian law. At the same time, it is analytical because it critically evaluates the effectiveness, consistency, and fairness of those legal norms in practice. Through this dual lens, the research aims not only to describe what the law stipulates but also to

assess whether those provisions fulfill the law's intended purpose of ensuring justice and legal certainty in property transactions.

The main approach used is normative juridical, but it is supported by several sub-approaches, namely the statutory approach, the conceptual approach, and the case approach. The statutory approach involves the study and interpretation of existing legislation and regulatory frameworks that form the legal foundation of the research topic. The conceptual approach is used to clarify theoretical constructs such as developer liability, good faith, and consumer protection in contractual relationships. Meanwhile, the case approach examines court decisions involving disputes between developers and consumers to understand how judges interpret contractual clauses and apply legal principles in real-world contexts. Through this triangulation of approaches, the study integrates doctrinal theory with practical application, thereby ensuring a balanced and comprehensive analysis.

Data for this research consist entirely of secondary data collected through library research. These data include primary legal materials (laws, regulations, and court decisions), secondary legal materials (academic writings and expert commentaries), and tertiary materials (dictionaries and databases). The data collection process involves identifying, classifying, and reviewing legal documents based on their relevance to the research problem. The researcher carefully reads and interprets each legal text to identify patterns and connections among various legal norms, ensuring that the analysis reflects both the theoretical and practical dimensions of Indonesian housing law. The interpretation process follows legal hermeneutic principles, ensuring objectivity and academic rigor.

Data analysis in this research is conducted through qualitative normative analysis using deductive reasoning. The deductive process begins with general legal principles such as *pacta sunt servanda* (agreements must be kept), good faith, and the doctrine of liability for breach of contract, and then applies these principles to specific issues related to developer obligations in property sale and purchase agreements. This method allows for a systematic exploration of how general principles are operationalized in concrete situations. The analysis also includes comparative elements by juxtaposing Indonesian legal provisions with those of other jurisdictions that have established strong consumer protection frameworks in the housing sector. Such comparison enriches the discussion and offers valuable insights into potential reforms that could enhance the effectiveness of Indonesia's legal system in addressing developer-consumer disputes.

Although this study relies solely on secondary data, the validity of its findings is ensured through triangulation of legal sources. Triangulation involves comparing information derived from different types of legal materials statutes, judicial decisions, and academic writings to test the consistency and coherence of interpretations. Each source is critically evaluated for its legal authority, contextual relevance, and theoretical contribution. For instance, when discussing the concept of developer responsibility, the researcher cross-examines statutory definitions with judicial reasoning and academic commentary to develop a more comprehensive understanding. This methodological rigor enhances the credibility and reliability of the conclusions drawn.

Because this study does not involve empirical fieldwork or human respondents, its location is essentially within the realm of documentary and library-based research. However, the study utilizes data from various institutions and digital archives, including the official websites of the Otoritas Jasa Keuangan (OJK), the Ministry of Public Works and Housing, and national court databases that publish judicial decisions. The temporal scope of the study extends from 1999, the year Indonesia's Consumer Protection Law was enacted, to 2024, encompassing major regulatory developments in the housing and consumer sectors. This broad timeframe enables the researcher to analyze legal evolution and detect shifts in how the state and judiciary conceptualize the relationship between developers and consumers.

The objectives of this methodological framework are fourfold. First, to identify and explain the legal foundations that govern the responsibilities of developers in property transactions. Second, to analyze how these responsibilities are implemented in practice, particularly when developers fail to fulfill their contractual obligations or deliver properties as promised. Third, to assess whether existing legal mechanisms such as the Consumer Dispute Settlement Agency (BPSK), civil litigation, or mediation effectively protect consumer rights and ensure justice. Fourth, to formulate recommendations for improving the legal structure and strengthening consumer protection within the property industry. The expected outcome of this study is a well-grounded academic contribution that bridges theoretical understanding with practical relevance, offering insights for policymakers, developers, and legal practitioners alike.

Ethical considerations are also integrated into the research process, even though the study does not involve direct interaction with participants. Academic integrity is upheld by accurately citing all sources and avoiding plagiarism. Interpretations of legal texts are made objectively, without personal bias or partiality toward any stakeholder. When analyzing judicial cases, the researcher respects the confidentiality of the parties involved and focuses strictly on legal reasoning, court findings, and the implications of judgments for future legal development. This ethical discipline ensures that the research maintains its scholarly credibility and professional responsibility.

Nevertheless, the research acknowledges several limitations inherent to its methodology. The normative juridical approach, while excellent for analyzing legal norms, cannot fully capture the socio-economic realities faced by consumers in the housing market. Issues such as power imbalance, lack of legal literacy, and bureaucratic obstacles in dispute resolution often require empirical investigation. However, this limitation is mitigated by examining court decisions and policy documents that indirectly reflect those practical dimensions. The study therefore serves as a strong theoretical foundation for future research that might combine normative and empirical methods to achieve a more holistic understanding of consumer protection in property transactions.

## RESULT AND DISCUSSION

### The Development of Fintech Lending in Indonesia

Over the past decade, Indonesia has witnessed an exponential rise in financial technology (fintech) innovations that have transformed the structure of its financial ecosystem. Among the most significant advancements is the emergence of peer-to-peer (P2P) lending, a digital financial service that directly connects lenders (investors) with borrowers (debtors) through online platforms without the intermediation of conventional financial institutions such as banks. This system offers an alternative means of financing that is faster, more accessible, and more inclusive for both individuals and micro, small, and medium enterprises (MSMEs) that may not meet the stringent requirements of traditional banking services.

According to data from the Financial Services Authority (Otoritas Jasa Keuangan OJK), by 2025 Indonesia had more than 100 officially licensed and supervised fintech lending platforms, with total loan disbursements reaching several trillion rupiah monthly. This statistic reflects the increasing public confidence in digital financial services and the growing perception that fintech can serve as a catalyst for inclusive economic growth, especially in a country with vast geographic and demographic diversity (Sholikin, 2024). Through the integration of digital technology, P2P lending platforms have managed to bridge the financing gap for individuals and businesses that were previously underserved by the formal banking system.

However, this rapid expansion also comes with inherent risks. The simplicity and speed of loan approval processes often mean that creditworthiness assessments are less rigorous than in conventional banking systems. As a result, the likelihood of default or non-performing loans is significantly higher. In several cases, borrowers have failed to repay their debts on time or at all, causing considerable financial losses for investors and undermining confidence in the fintech ecosystem. These failures are not merely technical or financial in nature they raise profound legal and regulatory challenges, particularly concerning the protection of users' rights and the accountability of fintech providers.

The complexity of these legal challenges lies in the triangular relationship among the parties involved: the lender, the borrower, and the fintech operator. Each party plays a distinct role with differing legal obligations and risks, but the digital nature of their interactions often blurs the boundaries of responsibility. As fintech lending continues to expand, questions arise regarding how existing legal frameworks can adequately address these unique relationships and ensure fair protection for all stakeholders within Indonesia's digital economy.

### Default Risks and Emerging Legal Challenges

One of the most persistent issues confronting fintech lending in Indonesia is loan default. Defaults can occur for numerous reasons, including inadequate credit scoring systems, the absence of collateral, poor borrower discipline, and macroeconomic instability. Unlike conventional loans that often rely on secured assets, most fintech loans are unsecured, which increases the lender's exposure to financial loss. When borrowers default, lenders often face significant challenges in recovering their funds, as the fintech platform typically acts only as an intermediary and is not legally responsible for guaranteeing repayment (Maharani & Dzakra, 2021).

This intermediary model, while innovative, creates a regulatory gray area. The legal relationship between the three parties is often governed by standard-form electronic contracts (terms and conditions) that may not explicitly define liability in the event of default. Consequently, lenders who experience financial loss due to borrower default frequently find themselves without effective legal remedies. The lack of explicit contractual clauses on the responsibility of fintech providers further complicates dispute resolution and exposes a gap between digital innovation and legal protection.

In addition to financial risks, ethical and privacy violations have also become major concerns. Reports have surfaced of fintech companies engaging in aggressive or unethical debt collection practices, such as harassment, public shaming, and the unauthorized dissemination of borrowers' personal data. These practices not only contravene consumer protection norms but also violate fundamental rights guaranteed under Law No. 27 of 2022 on Personal Data Protection. The misuse of data reflects a broader problem in the governance of digital financial services: while technology facilitates efficiency and convenience, it also amplifies the risk of exploitation and abuse when oversight mechanisms are weak.

Another layer of complexity arises from jurisdictional uncertainty. Many fintech platforms operate across regional or even international boundaries, which makes it difficult for Indonesian regulators to enforce domestic laws when foreign entities are involved. This issue underscores the need for harmonized cross-border regulatory cooperation, particularly in the Asia-Pacific region, where fintech lending has become a transnational industry. Without such harmonization, lenders and borrowers may be trapped in legal disputes where jurisdictional authority is ambiguous or unenforceable.

### **The Role of OJK Regulations in Consumer Protection**

The Financial Services Authority (OJK) plays a pivotal role in supervising and regulating fintech lending in Indonesia. The foundation of its regulatory authority is established in OJK Regulation No. 77/POJK.01/2016 on Information Technology-Based Lending Services, which outlines the legal obligations of fintech operators. This regulation mandates that providers must ensure the confidentiality of user data, maintain transparency in interest rate determination, implement risk management systems, and uphold fair business conduct. Furthermore, OJK requires all licensed fintech companies to establish robust internal dispute resolution mechanisms and to report regularly on financial performance, operational risks, and compliance.

To address the proliferation of illegal fintech operations, OJK collaborates with multiple government institutions through the Investment Alert Task Force (Satgas Waspada Investasi), which actively monitors and takes enforcement action against unlicensed digital lenders (Kartika, 2019). This inter-agency coordination aims to prevent fraudulent schemes that exploit consumers, such as predatory lending and identity theft.

Despite these initiatives, however, several implementation challenges persist. First, the enforcement of regulatory compliance remains uneven, especially among smaller or newly established fintech companies that lack adequate financial and technological capacity. Second, dispute resolution mechanisms often fail to provide timely or satisfactory outcomes for consumers, leaving many cases unresolved. Third, the digital and decentralized nature of fintech lending complicates supervision, as platforms may operate beyond national boundaries or outsource key operations to third-party service providers.

Another limitation is the absence of a specialized dispute resolution body dedicated to fintech cases. While consumers may file complaints through OJK's consumer services unit or the general civil court system, these channels are often slow, costly, and inaccessible for small investors. The establishment of a specialized Fintech Dispute Resolution Board could offer a more efficient and targeted mechanism for handling consumer grievances. Additionally, OJK must strengthen its regulatory framework by incorporating technological audit requirements, cybersecurity standards, and clearer accountability provisions for fintech operators.

### **Strengthening Legal Protection and Supervisory Mechanisms**

Enhancing consumer protection in Indonesia's fintech lending industry requires a multi-dimensional approach encompassing regulatory reform, institutional capacity building, and public education. From a regulatory perspective, the existing legal framework must evolve to keep pace with technological innovations and the increasingly complex business models adopted by fintech providers. OJK should consider revising its regulations such as by introducing stricter licensing standards, mandatory transparency in algorithmic credit scoring, and liability provisions that hold platforms accountable in the event of systemic failure or borrower misconduct.

Moreover, inter-agency collaboration is essential. A coordinated effort among OJK, Bank Indonesia, and the Ministry of Communication and Information Technology (Kominfo) would ensure that regulatory oversight extends beyond financial aspects to include cybersecurity, data governance, and consumer digital literacy. For example, integrating fintech licensing systems with Kominfo's data protection supervision could prevent unauthorized entities from accessing sensitive consumer information. Likewise, Bank Indonesia's expertise in payment systems could help establish more secure and standardized digital transaction mechanisms.

Public education or digital financial literacy is another key component of effective protection. Many consumers engage with fintech platforms without fully understanding the terms of service, interest rates, or risks involved. This lack of awareness often leads to uninformed decisions and vulnerability to exploitation. Therefore, OJK and fintech associations should collaborate on nationwide educational campaigns to promote responsible borrowing and informed investing. The use of social media, webinars, and community-based training can significantly improve consumers' ability to evaluate the risks of fintech participation.

In addition, technological solutions can enhance both transparency and accountability. The implementation of blockchain-based transaction records, for instance, could provide immutable data trails that protect users from fraudulent manipulation. Artificial intelligence (AI) can also be leveraged to improve credit risk assessment and detect irregular patterns indicative of potential default or abuse. However, these

innovations must be accompanied by strict regulatory oversight to prevent algorithmic bias and ensure that technological tools serve the broader goal of financial justice.

Lastly, international cooperation should not be overlooked. Given the borderless nature of digital finance, Indonesia would benefit from participating in regional frameworks such as the ASEAN Fintech Network or cross-border supervisory agreements that allow for information sharing and coordinated enforcement. These collaborations can help harmonize standards and prevent regulatory arbitrage, where companies exploit gaps between different national jurisdictions to evade accountability.

Through these combined efforts regulatory enhancement, inter-agency coordination, technological innovation, and public empowerment Indonesia can establish a sustainable and equitable fintech ecosystem. The ultimate objective is not merely to regulate for compliance, but to build public trust and ensure that fintech lending contributes to economic inclusion while safeguarding the fundamental rights of all participants.

## CONCLUSION

The rapid growth of fintech lending in Indonesia has significantly transformed the nation's financial landscape by offering faster, more convenient, and inclusive access to funding. This innovation has provided financial opportunities for individuals and small businesses that were previously excluded from the conventional banking system. However, such progress has also introduced new challenges, particularly in the form of legal and financial risks associated with loan defaults and consumer protection issues. These problems reveal a considerable gap between technological innovation and the readiness of legal frameworks to ensure effective governance and justice within the digital financial ecosystem.

The Financial Services Authority (Otoritas Jasa Keuangan or OJK) has made substantial efforts to regulate and oversee the operations of fintech lending platforms through instruments such as Regulation No. 10/POJK.05/2022 and Regulation No. 77/POJK.01/2016. These regulations aim to promote transparency, accountability, and consumer protection within the industry. Nevertheless, their practical implementation remains challenging. Weak regulatory enforcement, the absence of a specialized dispute resolution mechanism, and limited public understanding of digital financial systems continue to undermine the protection of both lenders and borrowers. As a result, consumers remain vulnerable to potential losses arising from defaults, unethical collection practices, or misuse of personal data.

To build a fair, secure, and sustainable fintech lending ecosystem, Indonesia must strengthen its legal and institutional frameworks in several key areas. First, the OJK's supervisory capacity needs to be enhanced to ensure stricter compliance and greater transparency among fintech operators. Second, an independent and specialized dispute resolution body should be established to address conflicts between fintech platforms and their users efficiently. Third, firm legal action must be taken against illegal or unlicensed fintech entities that pose risks to consumers and undermine trust in the digital finance sector. Lastly, improving public literacy on digital finance and data protection is essential to empower consumers to make informed financial decisions.

Through these integrated efforts combining stronger regulation, better enforcement, and improved public awareness fintech lending can evolve into a financial instrument that not only fosters innovation and inclusivity but also ensures safety, transparency, and legal certainty for all stakeholders involved. Such a balanced approach is crucial for maintaining long-term public trust and achieving sustainable growth within Indonesia's rapidly expanding digital financial ecosystem.

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