



Legal Protection of Personal Data in Online Loan Transactions According to the Consumer Protection Law

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Abstract - The ease of obtaining funding through online loans has led to negative consequences, including instances where debtors, overwhelmed by threats and the spread of their personal data, choose to end their lives. The lack of caution in agreeing to terms and conditions increases the risk of personal data leaks. Legal protection for debtors regarding personal data is crucial. This research aims to evaluate the implementation of personal data regulations in online loan transactions in relation to the UUPK, examine legal protections for debtors against unauthorized data leaks, and explore legal remedies available to debtors facing data misuse. The study employs a normative juridical approach, using secondary data from literature and supporting data. Findings indicate that some online loan services still engage in collection practices by distributing debtors' personal data to their contacts via SMS or email, which violates UUPK and POJK 22/2023 Article 62 paragraph (2) letter c, which prohibits collection from parties other than the consumer. This research underscores the need for stringent enforcement of personal data protection laws in online lending.

Keywords: Debtor, Personal Data, Legal Protection, Online Loans

I. INTRODUCTION

Online lending has revolutionized how people view credit, yet it hasn't always kept pace with the growth of financial literacy. Many individuals fall into the trap of impulsive borrowing, driven by the allure of quick and easy money without considering the associated risks. The proliferation of online loan advertisements on social media platforms has further facilitated access to and applications for online loans. Cultural phenomena like fear of missing out (FOMO) and you only live once (YOLO) particularly influence millennials and Generation Z, prompting them to apply for online loans despite their inability to repay (Binekasri, 2023). This impulsive borrowing behavior highlights the need for better financial education and stricter regulation of online loan practices to protect consumers' financial well-being and personal data security.

From this inability to pay (default), consumers or debtors often fail to comply with the agreements or contracts they have agreed to, leading to significant consequences. High interest rates on late payments further exacerbate their financial burden. Unethical collection practices, such as harassment and the unauthorized distribution of personal data, contribute to the stress and anxiety experienced by debtors. These practices can severely impact debtors' mental health, leading to feelings of hopelessness and, in extreme cases, even prompting some to consider taking their own lives. This underscores the urgent need for legal protection and ethical standards in the online lending industry to safeguard debtors' well-being.

Even though the interest rate on late payments that must be paid is quite high. Other problems due to default are billing actions that are considered unreasonable in the form of

billing actions accompanied by physical and/or verbal violence, billing actions accompanied by the threat of spreading personal data on various social media, and billing that is carried out by contacting phone numbers that are outside of emergency contact (Otoritas Jasa Keuangan, 2024). It is not uncommon for debtors to receive death threats and terror, and there are even several cases of collection actions carried out at the place where the debtor works. Poor collection actions from Financial Services Business Actors (PUJK) as online loan service providers, make debtors feel pressured and their confidence decreases until they apply for *online* loans on different platforms, both legal and illegal, until the debts they bear accumulate. In some cases, debtors choose to end their lives to be free from online loan debt.

The debtor often does not have a clear written contract, usually, the contract obtained is only limited to the *terms and conditions* of an online lending application with approval sent via *Short Message Service* (SMS) or through *the WhatsApp* (WA) application which does not have legal force and protection for the debtor (Awalia, 2022). The debtor's lack of attention and tendency to rush when agreeing to *terms and conditions* so that they do not realize that several permits can open access to personal data so that they unknowingly open up opportunities for personal data leakage. This can lead to misuse such as threats and the spread of the debtor's personal data to close relatives which results in losses and makes the debtor's position weak so that the debtor's rights are not guaranteed. Therefore, the implementation of Law No. 8 of 1999 concerning Consumer Protection (UUPK) must be carried out as much as possible so that there are no losses for debtors.

Among the cases of data breaches in online loan transactions, one notable instance involved LoanDuit debtors. In one case, a debtor named Mahdi Ibrahim received threats from collectors after failing to repay a loan. After downloading the LoanDuit app and providing personal information such as his name, address, phone number, payslip, Tax Identification Number (NPWP), Family Card, and a selfie and ID card, Mahdi experienced harassment. Collectors contacted his acquaintances and sent threatening messages, including threats of violence, in an attempt to coerce repayment. This case highlights the significant risks and privacy violations associated with using personal data in online lending platforms. In other hand, a debtor named Tri Ade explained that he had made *an online* loan on the PinjamDuit application by PT. Stanford Technology Indonesia. The debtor declares that it has a bill due on April 13, 2024. However, starting in the morning of April 13, 2024, the debtor was contacted by dozens of numbers and sent a short message through the *WhatsApp* application in a threatening tone. Debtors are encouraged to pay off their bills before 11.00 WIB. Then at 11.51 WIB, all debtor emergency contacts have been sent a short message via SMS from the collector.

The collector contacted the emergency contact via SMS text message containing the debtor's personal data such as name and information that the debtor had made *an online loan* on the PinjamDuit application. Even though the person concerned has not passed the payment due date. The debtor intends to make the payment on the afternoon of April 13, 2024. However, it turned out that during the day the collector had contacted all emergency contacts and even sent *emails* to 33 fellow debtors simultaneously accompanied by threatening words (Ade, 2024).

From the discussion above, the author formulates several problem identifications, namely how the implementation of personal data rules in online loan transactions is linked to the UUPK. How is the legal protection of debtors against personal data that is leaked without the debtor's knowledge? What legal remedies can be taken by debtors in the misuse of personal data?

II. METHOD

In this study, the author employs a normative juridical method, which involves a thorough examination of legal norms, principles, and regulations. The primary data source for this method is secondary data, obtained from a range of literature studies, dictionaries, and

encyclopedias. The choice of this method is grounded in its suitability for analyzing legal frameworks and principles related to personal data protection in online loan transactions.

The research is both descriptive and explanatory, aimed at providing a detailed overview of the risks associated with online loans and emphasizing the need for the public to understand the specific rules embedded in online loan agreements. This understanding is crucial for preventing potential harm to debtors in the future.

To ensure a comprehensive analysis, the author will utilize various secondary data sources beyond literature studies. These sources include:

1. **Statutes and Regulations:** Key legal texts such as the Consumer Protection Law (UUPK) and Financial Services Authority Regulation (POJK 22/2023) will be examined to understand the legal framework governing online loans and personal data protection.
2. **Case Law:** Relevant judicial decisions will be analyzed to gain insights into how courts have interpreted and applied the laws concerning personal data breaches in the context of online lending.
3. **Scholarly Articles:** Academic research and articles will provide theoretical and practical perspectives on the issues of data protection, consumer rights, and ethical lending practices.
4. **Policy Documents:** Documents from regulatory bodies and consumer protection agencies will be reviewed to understand the policy context and the measures being taken to protect debtors' data.

The research process involves several key steps:

1. **Selection of Legal Texts:** Identifying and collecting relevant legal texts, regulations, and case law that pertain to personal data protection in online loan transactions.
2. **Literature Review:** Conducting a comprehensive review of existing literature to understand the current state of knowledge and identify gaps in the legal protection of debtors.
3. **Qualitative Analysis:** Employing a qualitative approach to systematically interpret and synthesize the collected data. This includes interpreting the law within the context of the entire legal system and linking it with other relevant laws.
4. **Interpretation of Legal Norms:** Analyzing the legal norms and principles to understand their application and implications for personal data protection in online lending. This involves interpreting specific provisions in statutes and regulations and understanding their practical impact.
5. **Comparative Analysis:** Comparing the legal frameworks and protections in different jurisdictions to identify best practices and potential improvements for the local context.

By meticulously analyzing these sources and interpreting the legal norms, the study aims to shed light on the legal protections available to debtors and the legal remedies they can pursue in cases of data misuse. The goal is to enhance public awareness, inform policymakers, and contribute to the development of more effective legal protections in the rapidly growing online lending industry.

III. RESULT AND DISCUSSION

Implementation of Personal Data Rules in Online Loan Transactions Linked to UUPK

Personal data is explained in Article 1 number 1 of Law Number 27 of 2022 concerning Personal Data Protection (Republic of Indonesia, 2022) "is data about individuals that are identified or can be identified separately or combined with other information either directly or indirectly through electronic or non-electronic systems".

According to Sinta Dewi Rosadi, "The definition of personal data is information, either one or several related to a person's personal data that is identified or identifiable" (Rosadi, 2023, p. 29). Personal data is not only in the form of an electronic card in the form of an ID card, passport, driver's license, or a person's personal photo. But it can be any information that can identify a person, such as location data or *IP address* (Rosadi, 2023, p. 29).

In online loan transactions, a debtor is required to fill in information in the form of actual personal data. This is one of the requirements carried out to make it easier for PUJK to analyze prospective debtors who will be given funding. Article 1320 of the Civil Code explains the conditions for valid consent to occur, namely: "1. the agreement of those who bind them; 2. the ability to ally; 3. a specific subject matter; and 4. a cause that is not forbidden" (*Burgerlijk Wetboek voor Indonesie*, 2014).

The rules for personal data in online loan transactions have been regulated by the Financial Services Authority (OJK) in the Circular Letter of the Financial Services Authority of the Republic of Indonesia No.19/SEOJK.06/2023 concerning the Implementation of Information Technology-Based Joint Funding Services. There it is explained that PUJK as the organizer carries out an analysis of the funding application by:

- a. verify the authenticity of the documents submitted following the Organizer's standard operating procedures;
- b. clarify and confirm either face-to-face, face-to-face, and/or non-face-to-face electronically to prospective Funders as stipulated in the Financial Services Authority Regulation regarding the implementation of anti-money laundering programs, prevention of terrorism financing, and prevention of financing of weapons of mass destruction proliferation in the financial services sector; and analysis of potential Funders (Otoritas Jasa Keuangan, 2023b).

One of the terms and conditions in applying for an online loan at PinjamDuit is explained that to evaluate the debtor's qualifications and speed up the process of finding funds, PinjamDuit requires permission to be able to access the debtor's device consisting of a camera, location, and microphone. Debtors can contact the PinjamDuit customer help center at any time and delete the debtor's Personal Data (PT Stanford Teknologi Indonesia, n.d.).

In the terms and conditions, prospective debtors are also required to include several emergency contact numbers. This reads that the Lender will collect 2 emergency contacts to carry out identity verification, risk management, and anti-fraud checks. Debtors can choose the method of filling in emergency contacts through the following ways: a. Manual filling; b. Auto-fill: Select contact information from the contact list. Note that this method will only access the selected contacts in the debtor's contact list, not to access all contacts in the debtor's contact list. PinjamDuit never provides debtor data to third parties without the debtor's permission, the data will be uploaded and stored to the server through a secure connection network (PT Stanford Teknologi Indonesia, n.d.).

Case Studies on Personal Data Misuse

Previously, there was also a case of collection with the spread of personal data, which was experienced by a debtor named Wiri Astuti. The person concerned has a bill on the Shopee SPinjam application by PT. The Nusantara Fund Lantern due on January 5, 2023, is Rp3.300.***. Due to financial difficulties, the debtor has not paid the bill and is late for 28 days (from January 5 – February 02, 2023). Then on February 2, 2023, at 13.06, the husband of the debtor contacted the debtor informing him that Shopee SPinjam had contacted him regarding his wife's payment bill as a debtor. Even though the wife did not list her husband's number as an emergency contact in the Shopee SPinjam data (Astuti, 2023).

The debtor then sent *an email* to PT. The Nusantara Fund Lantern is related to billing outside of emergency contact, but the answer given does not explain the problem but only

provides information about the debtor's bill. Finally, the debtor reported this to the OJK via *Whatsapp* (WA) by including evidence or *screenshots* of the collection made by the collector. The debtor also sent a complaint via *email* to the Indonesian Joint Funding Fintech Association (AFPI) regarding the issue.

The Verdict Number 438/Pid.Sus/2020/PN Jkt.Utr dated March 19, 2020, also illustrates a case of personal data misuse involving a debtor named Mahdi Ibrahim. He received an SMS from an online loan service provider, Dompot Kartu, offering a loan in early August 2019. The debtor was asked to follow a link in the SMS, which directed him to the Playstore to download the Dompot Kartu application. To proceed with the online loan, the debtor was required to fill in his name, residential address, phone number, payslip, Tax Identification Number (NPWP), and Family Card. Subsequently, the debtor was asked to take a selfie and upload his ID card (KTP).

After fulfilling the requirements, the debtor applied for a loan amounting to IDR 1,500,000 (one million five hundred thousand rupiah), but only received IDR 1,050,000 (one million fifty thousand rupiah) with a repayment period of 14 (fourteen) days. The defendant, Dede Supardi, acting as the collector, contacted the debtor less than a day before the loan repayment due date.

The defendant contacted the debtor again on November 8, 2019, inquiring when the debtor would repay the loan. It turned out the debtor already owed a fine amounting to IDR 7,960,000 (seven million nine hundred sixty thousand rupiah). On December 3, 2019, the debtor received a WhatsApp (WA) message containing a loan bill and threats that the collector would contact the debtor's acquaintances, whose contacts were obtained when the debtor filled in the loan requirements. The defendant then contacted the debtor's wife and friends by phone. On December 5, 2019, the debtor contacted the defendant to ask who else would be contacted, but the defendant responded with harsh words. On December 16, 2019, the defendant contacted the debtor again, sending messages with harsh words and threats of murder and mutilation.

Following these events, the debtor reported Dede Supardi's actions to the police. On December 21, 2019, Dede Supardi was arrested by the police and sentenced to 1 (one) year and 6 (six) months in prison, reduced by the time the defendant had already been detained, and a fine of IDR 100,000,000 (one hundred million rupiah). If the fine is not paid, an additional 3 (three) months of imprisonment will be imposed. Dede Supardi was found legally guilty of intentionally and unlawfully distributing and/or transmitting and/or making accessible Electronic Information and/or Electronic Documents containing extortion and/or threats as referred to in Article 27 paragraph (4), as regulated in Article 45 paragraph (4) in conjunction with Article 27 paragraph (4) of the Republic of Indonesia Law Number 19 of 2016 concerning Amendments to the Republic of Indonesia Law Number 11 of 2008 concerning Electronic Information and Transactions (Supreme Court of the Republic of Indonesia Decision Directory, 2020).

Regulations by the Financial Services Authority (OJK)

SEOJK No.19/SEOJK.06/2023 explains that PUJK as a maintainer is only given access to the debtor's smartphone in the form of access permits for cameras, microphones, and locations. This aims to protect consumer privacy data which is feared to be misused by irresponsible parties. Because consumers have rights that must be protected.

Article 1 Number 1 of Law No. 8 of 1999 concerning Consumer Protection (UUPK), "Consumer Protection is all efforts that ensure legal certainty to protect consumers" (Qustulani, 2018, p. 21). Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector (P2SK Law) Article 239 paragraph (1) explains "PUSK is obliged to maintain the confidentiality and security of consumer data and/or information" (Republik Indonesia, 2023).

In this case, the OJK has regulated regulations to ensure the confidentiality of debtors' personal data, but in practice, there are still PUJKs who request permission to be able to access debtors' data, such as contact lists and social media accounts. Due to lack of

knowledge and difficulty understanding the words in the online loan contract debtors feel safe from personal data leakage. Even debtors voluntarily grant access to emergency contacts and social media accounts because they do not know the impact of this. If the debtor voluntarily gives access permission in the form of a contact list, then automatically the application owner can easily get all the contact information on the debtor's smartphone quickly and easily.

In the case experienced by a debtor named Tri Ade, it is clear that the collector has violated the rules in the terms and conditions of PinjamDuit which explains that PUJK only asks for access to cameras, microphones, and locations. However, the fact that happened, the biller made billing at all emergency contacts and even sent emails to 33 fellow debtors. Plus, debtors have not passed the deadline for late bill payments. Likewise, the case was experienced by a debtor named Wiri Astuti who also experienced a similar thing, where the husband who was not on the contact list in the loan application had been contacted by the collector from the Shopee Spinjam application. This is certainly against the law that has been set by the OJK and is contrary to the UUPK.

Therefore, a special law is needed that is firmly related to this problem to provide a deterrent effect to PUJK and *debt collectors* so that there are no more collection actions that can harm consumers, be it spreading personal data or acts of violence and threats in the collection.

Legal Protection of Debtors Against Personal Data Leaked Without the Debtor's Knowledge

Legal protection is closely related to legal functions and legal purposes. The function of the law is the protection of human interests (Panjaitan, 2021, p. 49). The purpose of legal protection is to provide a sense of security, certainty, and justice for the community (Panjaitan, 2021, p. 49).

Every citizen has the right to legal protection, one of which is personal data protection. Article 1 number 2 of Law Number 27 of 2022 concerning Personal Data Protection states "Personal Data Protection is an overall effort to protect Personal Data in the series of Personal Data processing to ensure the constitutional rights of Personal Data subjects" (Republik Indonesia, 2022).

The protection of a person's personal data is also a form of human rights, stated in Article 28G paragraph (1) of the 1945 Constitution, "everyone has the right to the protection of himself, family, honor, dignity, and property under his power, as well as the right to a sense of security and protection from the threat of fear to do or not to do something that is a human right" (Republik Indonesia, 1945). The law in this case protects a person's personal data because it is part of the right to privacy. With legal protection, a person has the right to decide whether or not to share their personal data. The act of collecting disseminating and misusing personal data is a violation of a person's privacy.

The case of misuse of online loan debtor data is a violation of the law. This is because the debtor loses the right to privacy over his personal data. In addition, the dissemination of data is carried out sometimes due to consumers' ignorance of their personal data that has been leaked. Leakage of consumer personal data can occur due to low literacy and lack of accuracy in granting contact and other access permissions when downloading or filling out *online loan terms and conditions*. Data dissemination is usually carried out by *debt collectors* as debt collectors when debtors experience late payments or defaults. It is not uncommon for the dissemination of data to be followed by slander and terror directed at debtors by sending *WhatsApp (WA)* messages to emergency contacts and outside emergency contacts.

However, the fact that happened in the field was that the LoanDuit collector collected debts to a debtor named Tri Ade even when the debtor was still on the due date and had not experienced late payments. The collector has also taken collection actions that are considered unreasonable by contacting all debtor emergency contacts in the form of sending short messages via SMS and *email* to 33 fellow debtors. Where the content of the message is to

explain that the debtor has a debt bill on the PinjamDuit application that must be paid off immediately.

OJK Regulations and Compliance

Article 27B paragraph (1) of Law No. 1 of 2024 (Republik Indonesia, 2024) Regarding the Second Amendment to Law No. 11 of 2008 concerning Electronic Information and Transactions (Law 1/2024) explains that *"Every Person intentionally and without rights distributes and/or transmits Electronic Information and/or Electronic Documents, with the intention of benefiting himself or others unlawfully, with the threat of pollution or with the threat of disclosure of secrets, compels a person to: a. give an item which belongs partly or wholly to that person or to another person; or b. give debts, make debt acknowledgments, or write off receivables"*.

Committing the threat of defamation in question is the threat of attacking the debtor's good name by spreading data to emergency contact lists and social media accounts by accusing, defaming, or providing information that the debtor is borrowing on *online loans*. This can be subject to criminal penalties as stipulated in Article 45 paragraph (1) of Law 1/2024 (Republik Indonesia, 2024) namely: *"Any Person who intentionally and without rights broadcasts, displays, distributes, transmits, and/or makes accessible Electronic Information and/or Electronic Documents that have content that violates decency to be known to the public as referred to in Article 27 paragraph (1) shall be sentenced to imprisonment for a maximum of 6 (six) years and/or a maximum fine of Rp1.000,000,000.00 (one billion rupiah)"*.

The amendment to this law aims to protect the public interest from various types of disturbances that occur as a result of the misuse of personal data. With this regulation, it can be easier for the Indonesian Joint Funding Fintech Association (AFPI) to regulate legal online loan services that act unprofessionally.

OJK is a special institution formed by the government to supervise the Financial Services Industry in order to protect consumer rights. Financial Services Authority Regulation Number 22 of 2023 concerning Consumer and Community Protection in the Financial Services Sector (PJOK 22/2023) which has the purpose of supporting the achievement of the establishment of the OJK (Article 4 of Law No. 21 of 2011 concerning the OJK) and carrying out one of the functions of the OJK (Article 8 of the P2SK Law on the Amendment of Article 5 of Law No. 21 of 2011 concerning the OJK), namely "c. providing protection for consumers" (Otoritas Jasa Keuangan, 2024).

In the case of collecting debtors who have defaulted or experienced late payments, the OJK has also regulated credit collection, which is explained in Article 62 paragraph (1) POJK 22/2023 (Otoritas Jasa Keuangan, 2023a) "PUJK is obliged to ensure that credit or financing collections to consumers are carried out following the norms that apply in the community and the provisions of laws and regulations".

POJK 22/2023 Article 62 paragraph (2) (Otoritas Jasa Keuangan, 2023a) also ensures that the collection actions carried out by PUJK officers are in the form of:

"a. not to use threats, violence and/or actions that are embarrassing to Consumers; b. not using physical or verbal pressure; c. not to parties other than Consumers; d. not continuously which is disturbing; e. at the Consumer's billing address or domicile; f. only on Monday to Saturday outside of national holidays from 08.00 – 20.00 local time; and g. in accordance with the provisions of laws and regulations".

The determination of the hour and day period set by the OJK related to billing is carried out to minimize collection actions carried out at night or when the debtor is resting. OJK also emphasized that PUJK is not allowed to collect from parties other than the debtor itself. This is because the debtor is the one who should be responsible for the debt and is the party who agreed with the PUJK. Collecting from other than the debtor or fellow debtors will make the person concerned feel uncomfortable. In this case, the debtor has the right to report PUJK's actions because it has entered the criminal realm and there is a threat of imprisonment for a maximum of 6 (six) years and/or a maximum fine of Rp.000,000,000.00 (one billion rupiah).

Legal Remedies of Debtors in Misuse of Personal Data

The debtor at one time has experienced what is called late payment or called default. The condition of default is also known as default (breach of promise). This default can be intentional or unintentional. For debtors who accidentally default, this happens because of the condition of insolvency or the debtor's compulsion to default on the fulfillment of achievements (Shoim, 2022, p. 132).

As a result of default, the debtor is required to compensate for losses, in this case, the debtor is subject to a fine with late interest that has been agreed upon in the agreement. However, it turned out that there was a defect in the collection process carried out by PUJK as an online loan service provider. In this case, the debtor is still on the due date and has not experienced late payment, but the collector does something that violates the law in the form of collecting at emergency contacts or outside emergency contacts. It is even accompanied by threatening words that do not know the billing time. In fact, in Article 236 paragraph (4) letter d of the P2SK Law (Republik Indonesia, 2023) It was explained that PUSK is prohibited from taking actions that violate the provisions of laws and regulations or norms that apply in society that can cause physical and/or psychological disorders.

Therefore, debtors can take various legal measures to protect consumer protection rights. Legal remedies can be carried out in 2 ways, namely legal remedies of litigation and non-legal remedies (Maramis et al., 2024). Legal remedies are legal disputes that are carried out through the courts, while non-litigation is carried out outside the court.

The initial way the debtor takes legal remedies is usually done by a non-litigation process using alternative dispute resolution institutions. In this case, debtors who are harmed by collection actions carried out by disseminating data both to emergency contacts and outside emergency contacts can report to the OJK through the Consumer Protection Portal Application (APPK). With this application, debtors can easily make complaints to PUJK regarding collection actions by spreading personal data and threats. In addition to using the application, debtors can also complain about unprofessional legal *online* loan actions by contacting 157 or via OJK email or *WhatsApp* (WA) application at number 081157157157.

Debtors need to prepare evidence related to the act of disseminating personal data carried out by online loan collectors in the form of *screenshot* messages and phone recordings to strengthen complaints to the OJK. OJK to then ensure that PUJK handles and resolves debtor complaints. POJK 22/2023 Article 70 paragraph (1) (Otoritas Jasa Keuangan, 2023a) explained that "PUJK is obliged to receive, record, and document every complaint submitted by Consumers". Complaints can be made both in writing and orally. And then PUJK is also obliged to handle complaints in writing for every consumer who has completed the required document requirements.

Debtors can also submit complaints to the Indonesian Joint Funding Fintech Association (AFPI) via *email* at pengaduan@afpi.or.id or by phone at 150505. AFPI is a forum for online funding business actors in Indonesia. OJK directly appointed AFPI as the official association of online money lending service providers in 2019 (Wahyuni, 2023).

If the debtor as a consumer is dissatisfied with the handling of the complaint carried out by PUJK, the debtor can forward the complaint to the Alternative Dispute Resolution Institution (LAPS). LAPS is an institution that provides dispute resolution services through mediation, adjudication, and arbitration in a fair, objective, and independent manner (Otoritas Jasa Keuangan, n.d.). Through LAPS, debtors can resolve disputes cheaply, easily, quickly, and handled by competent parties who understand the financial services sector. This is so that the final verdict is objective and relevant. In resolving disputes, LAPS provides several services including:

- a) Mediation, resolving disputes on a win-win basis facilitated by a designated mediator to reach an agreement.
- b) Adjudication, resolving disputes decided by an adjudicator appointed by the parties to make a ruling.

- c) Arbitration, resolving disputes based on arbitration agreements and then decided by arbitrators appointed to take a binding award on both parties (Otoritas Jasa Keuangan, n.d.).

LAPS has principles in the form of accessibility, fairness, independence, efficiency, and effectiveness. The following is the dispute resolution procedure at LAPS:

- a. The debtor submits a dispute resolution application to LAPS.
- b. LAPS will verify the debtor's (applicant) documents.
- c. LAPS will confirm receipt of the dispute resolution application.
- d. Conduct elections or appoint third parties, either through mediators, adjudicators, or arbitrators.
- e. Conducting a dispute resolution process that is carried out through mediation, adjudication or arbitration.
- f. An agreement or decision is reached.
- g. LAPS will monitor the implementation of agreements or decisions (Otoritas Jasa Keuangan, n.d.).

Debtors can also make litigation efforts if the actions taken by the collector have crossed the limit, by reporting the act of disseminating personal data to the nearest police station. Furthermore, they can visit the Integrated Police Service Center (SPKT) for public complaints. The police will identify the report to determine whether it is an act of violation of the law and then conduct an investigation to conduct an examination.

Recommendations for Improving Personal Data Protection in Online Loan Transactions

To improve personal data protection in online loan transactions, enhancing consumer awareness is crucial. Educational campaigns, workshops, and seminars should be launched nationwide to educate consumers about their rights and the risks of sharing personal data. Online loan service providers must present their data collection practices and consumer rights in clear, non-technical language accessible on their websites and apps. This increased transparency and knowledge will empower consumers to make informed decisions about their data.

Strengthening regulatory oversight and implementing stricter penalties are essential steps. Regular audits, mandatory reporting of data breaches, and enhanced monitoring by the Financial Services Authority (OJK) will ensure compliance with data protection laws. Increased fines, criminal charges for severe violations, and license revocation for repeat offenders will act as strong deterrents against non-compliance. Moreover, improving data protection infrastructure through robust encryption standards, secure data storage, and data minimization will reduce the risk of data breaches.

Encouraging ethical practices among providers and leveraging technology for better protection can further enhance data security. Developing a code of conduct, requiring third-party audits, and establishing whistleblower protections will promote accountability and transparency. Exploring blockchain technology for secure data handling and utilizing artificial intelligence for real-time breach detection can significantly bolster data security. Collaborating with international bodies to adopt global standards and establish cross-border enforcement agreements will ensure robust and consistent data protection practices across jurisdictions, fostering a safer environment for online financial services.

IV. CONCLUSION

From the discussion of the research, several conclusions can be drawn. Online loan application services still engage in the unethical practice of distributing debtors' data to their contacts via SMS, WhatsApp, phone calls, or emails. This practice violates the Consumer Protection Law (UUPK) and does not comply with SEOJK No.19/SEOJK.06/2023, which restricts PUJK access to a debtor's smartphone to cameras, microphones, and locations only. There is a need for stricter enforcement of existing laws and potentially stronger legislation to provide a deterrent effect.

Furthermore, according to POJK 22/2023 Article 62 paragraph (2) letter c, collection officers are prohibited from collecting debts from parties other than the consumer. Debtors must be aware of the confidentiality of their data and exercise caution when agreeing to terms and conditions in online loan agreements to prevent misuse. PUJK which disseminates personal data can face criminal penalties under Article 45 paragraph (1) of Law 1/2024.

Debtors have both legal and non-legal remedies to protect their rights. Non-litigation measures include reporting the misuse of personal data to the OJK, AFPI, or through LAPS. If these actions are insufficient, debtors can pursue litigation by filing a police report. In summary, the research highlights the need for better enforcement of personal data protection laws in online lending. Stricter regulatory measures and increased awareness among consumers about their rights and the importance of data confidentiality are essential for safeguarding debtors' personal information. Specific policy recommendations include amending existing regulations to tighten controls on data access and enhancing enforcement mechanisms to deter violations.

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