

Systematic Review: Consumer Protection of Online Transactions

Lili Fadli Muhamad¹, Elkin Rilvani²

Lilifadli@ibm.ac.id¹, elkin.rilvani@pelitabangsa.ac.id²

Program Studi Manajemen, Intitut Bisnis Muhammadiyah Bekasi
Program Studi Teknik Informatika, Universitas Pelita Bangsa

ABSTRACT

Consumer protection is needed in trade activities to prevent unfair acts by business people. Not a few studies that discuss consumer protection of online transactions, but there are not many efforts to make one of the findings of research that examines the causes of violations and how to resolve them by collecting, reviewing, and synthesizing research related to the protection of consumer rights of online transactions. Most of this research focuses on legal regulation approaches and customer satisfaction, while other areas receive little attention. Therefore, this study highlights the direction for further research. The results of this new study found many factors that cause violations and the application of other disciplines in problem-solving approaches.

Keywords: Online Transactions, Consumer Protection, Rights Infringement

RESEARCH BACKGROUND

Consumer is any person who acts as a buyer, user, maintainer, and user of goods and/or services,¹ which in this trade activity is expected to create a balance of rights and obligations between producers (sellers) and consumers (buyers) (De Bruin, Roberts-Lombard, & De Meyer-Heydenrych, 2021). But in reality, deviations of rights and obligations that cause injustice to consumers often occur, so consumer protection is needed to provide protection against the possibility of goods being delivered to consumers do not comply with what has been agreed and protection against the imposition of unfair terms to consumers (Free et al., 2013).

In this study will present a literature review of consumer protection obtained from published studies, because there have been many consumer protection methods that have been used by an organization to protect consumers, then What is the cause of consumer rights injustice. How is effective consumer protection for an organization. So it is hoped that this study can contribute to finding the factors that cause violations of rights and obligations to consumers and analyze the use of appropriate problem-solving methods for appropriate business models (Smith et al., 2008).

To be more focused, this study used the following structure This provides background on consumer rights protection in this study (Morley, Norman, Golder, & Griffith, 2016). Section 3 describes the research methods used to conduct this literature review (Sharma, 2013). Part 4 reveals the discussion of the causes of injustice and how to protect consumer rights effectively (Kaur, et al., 2021) Part 5 Conclusion of the study. This section presents historical developments in consumer protection, highlights a summary of consumer protection and summarizes core definitions (Lau, et al., 2013).

LITERATURE REVIEW

Consumer Protection

Today, consumer protection in the use of law is a connected part of legal systems around the world. In Indonesia there is Law Number 8 of 1999 concerning Consumer Protection which provides protection, everyone who uses goods and / or services available in the community, for the benefit of themselves, family, others and other living beings and not to be traded (Machogu & Okiko, 2015).

Consumer protection areas are relatively new in most developing countries such as Malaysia, Indonesia, and African countries. The Malaysian Consumer Protection Act 1999 came into force on 15 November 1999 with the primary aim of providing greater protection for consumers and its provisions cover areas not regulated by other applicable laws, the rights consumers confer cannot be taken away from them (Huseynov & Amazhanova, 2018). This is despite the conditions in any agreement they have signed and consumers also have rights to all products and services of basic daily necessities such as food, clothing, health, education and home (Haro-de-Rosario, et al., 2016).

In Europe there are "EU laws in the field of consumer protection that relate only to specific issues, such as the provision of pre-contractual information or the right of withdrawal from a contract, how the circumstances are, where it is made (remotely or at the consumer's home), or the nature of the transaction justifies it (Seiler, & Rudolf, 2014). Creating consumer protection and its limits is no easy task, but we can understand consumer protection broadly as "a vast accumulation of laws, rules and practices that ultimately pertain to the protection of citizens in their economic role as consumers." focuses on the role played by members of society as consumers of goods and services (Lau, et al., 2013).

Another theory "Consumer protection is designed to protect the rights of individuals in pursuit of dignified treatment and attention. Consumer rights are part of the various social rights that individuals are entitled to claim in modern society. Such rights, often aspirational, have been enshrined in national constitutions. (Huseynov & Amazhanova, 2018).

Causes of Consumer Rights Violations and How to Resolve Them

Illegal profiteering or profiteering through questionable means such as falsifying products, fraud, inflationary measures such as hoarding, speculation, illicit marketing and so on (Sharma, 2013). The list of examples and types of exploitation through malpractice adopted by employers is a very long fact (Lau et al., 2013). Some of them point to concerns of consumer exploitation, which proves the need for consumer protection, these are some of the causes of consumer rights violations (Haro-de-Rosario et al., 2016).

Consumer protection is recognized as a solution to obtain consumer rights where the ways to practice it vary and there are other supporting factors so that the resolution of consumer problems can be resolved, in order to make it easier to discuss it, the table below shows the causes of consumer rights violations and how to resolve them taken from published research (Huseynov & Amazhanova, 2018).

RESEARCH METHODOLOGY

The framework used for literature review refers to Systematic review can be defined as the process of identifying, evaluating, and interpreting all available research with relevance to a research question, field of study, or finding phenomena of interest. (Sharma, 2013).

In research result of Haro-de-Rosario et al., (2016) the way the problem is solved is carried out by the authorities in the country concerned in accordance with Who is responsible for consumer protection: Government agencies, Ombudsman, Professional and industry associations, Legal/non-statutory standards bodies, Consumer associations, Self-regulation?(Huseynov & Amazhanova, 2018).

The discussion approach is an effective problem-solving as the theory explains: "Collaborative discussion analysis not only provides information related to an individual's level of content knowledge on a particular topic, whereas traditional consumer law refers to the laws applicable in their respective countries (Kamarudin & Kassim, 2020).

In the other study, it is known that solving problems with traditional electronic payment laws and regulations should be extended into m-payments according to the following theory Machogu & Okiko, (2015) although consumer protection laws are often considered a modern phenomenon, much of what we consider to be consumer protection laws comes from earlier laws, such as on weights and measures, but in the same theory put forward are those focused on a particular area are inadequate to deal with new problems, and when laws are enacted to address new problems, they are sometimes dismissed as a 'firefighting' approach – problems are attacked one at a time when they arise without a more strategic vision (Kamarudin & Kassim, 2020).

So the results of the research found that the rules are not comprehensive, and leave loopholes that can damage consumer rights, which is interesting in the solution section of the research adheres to several laws from outside their countries such as "Several Nordic European countries, including Norway, Finland, and Denmark, have enacted some mobile-specific laws (Kamarudin & Kassim, 2020). The minimum principle and the necessity principle are important principles of data protection law, where they have been widely known and embodied in various legal instruments and legislation throughout the world and many more, some of the applications of the above problem-solving methods (Machogu & Okiko, 2015).

Showing Knowledge Sharing is helpful in the problem. "Knowledge sharing is becoming increasingly important to ensure that practices and policies are grounded in solid evidence. For this to happen, the gap between research, practice, and policy must be bridged. Knowledge sharing is a tool that can be used to promote evidence-based practice and decision-making, and also to promote exchange and dialogue among researchers, policymakers, and service providers (Sharma, 2013).

Research from (Machogu & Okiko, 2015) has similarities with solving the problem with research 1, namely in terms of who is responsible for consumer protection or consumer protection stakeholders, while the problem of changing people's lifestyles by using the internet a lot, together consumer protection stakeholders provide the widest education about the benefits and adverse effects of the internet. And research 4 criteria for the value of e-consumer protection in a scheme can be solved by: "Standards have been an important mechanism for protecting consumers for centuries. Unfortunately, the term 'standard' can have so many different meanings that identifying our subject matter is problematic. Broadly interpreted, standards are minimum duties imposed on traders, and can be imposed through criminal or civil law."

RESULTS AND DISCUSSIONS

This research provides an overview of consumer rights protection obtained from appropriate studies in online transactions. To understand the causes of consumer rights violations and solutions to heterogeneous problems, from the statement obtained an effective approach to be used in solving this problem in several ways including Active participation of consumer protection stakeholders in evaluating the activities of business people in their online transaction activities in order to prevent and resolve violations of consumer rights, perfect market creation "When examining why we do Intervention in the market to protect consumers, it is possible to take the so-called "perfect market" as a starting point.

This is useful even if we doubt that such a system can be achieved in reality. Free market economic theory suggests that if perfect market characteristics could be created, there would be no need for regulation." 23 Online businesses must actively participate in the countries in which they operate in carrying out "Corporate social responsibility (CSR) is about good corporate contribution to citizens. It covers a wide range of issues, such as human rights and environmental issues that go beyond transactions between consumers and businesses. CSR activities have increased since the publication of the last revision of the journal, resulting in important publications such as the ISO 26000 Guideline on Social Responsibility"24 standard and OECD (Organisation for Economic co-Operation and Development) guidelines for multinational companies.

CONCLUSIONS

By conducting a literature review study on appropriate research on consumer protection of online transactions and being able to find out the problems as well as how to solve problems in this field of study, we consider this effort can be useful for academics and practitioners. Because the many causes of consumer rights violation problems are based on the form of online business transactions and the country's legal regulations, while the way to solve the problem must include stakeholders of consumer rights protection to help with various approaches that can be taken in preventing or resolving problems.

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