
Legal Aspects of Electronic Commerce Agreements (E-Commerce) from the Perspective of Consumer Protection

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Abstract

The advancement of digital technology has revolutionized trade activities by shifting conventional transactions into electronic commerce (e-commerce), creating new dynamics in contract formation and consumer rights protection. The purpose of this study is to analyze the legal aspects of e-commerce agreements from the perspective of consumer protection, focusing on how digital contracts fulfill legal validity, transparency, and fairness. This research uses a normative juridical method with a statute and conceptual approach, reviewing national regulations such as Law No. 8 of 1999 on Consumer Protection and Law No. 11 of 2008 on Electronic Information and Transactions, as well as comparative international legal instruments. The findings show that e-commerce contracts often raise issues related to the imbalance of bargaining power, lack of consumer awareness, and limited access to legal remedies when disputes occur. The study reveals that legal certainty in e-commerce can only be achieved through stronger regulatory enforcement, consumer education, and effective digital dispute resolution systems. The implication of this study emphasizes the need for the government, business actors, and consumers to collaborate in ensuring fair electronic transactions. In conclusion, harmonizing e-commerce legal frameworks with consumer protection principles is crucial to maintaining trust, justice, and sustainability in the digital marketplace.

1. Introduction

The rapid advancement of digital technology has profoundly transformed global economic activities, shifting conventional trade practices into electronic commerce (e-commerce). This digital transformation has revolutionized how goods and services are marketed, purchased, and delivered, creating a more efficient and accessible marketplace for consumers and business actors alike. However, alongside these opportunities, e-commerce has also introduced significant legal and ethical challenges particularly concerning the validity of electronic contracts, the protection of consumer data, and the mechanisms for dispute resolution. In many

cases, agreements in online transactions are formed automatically through digital platforms where consumers simply click “I agree” to standard terms and conditions without full comprehension of their legal implications or the ability to negotiate (Safriawan, 2024).

In Indonesia, the legal foundation for e-commerce activities is primarily established through Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law), Law No. 8 of 1999 on Consumer Protection, and Government Regulation No. 80 of 2019 on Trade through Electronic Systems. These regulations recognize the validity of electronic documents and digital signatures, providing a legal framework that equates electronic contracts with conventional written agreements. Despite this formal recognition, practical issues continue to arise in the online marketplace, including the misuse of consumer data, online fraud, misleading advertisements, and weak law enforcement mechanisms that hinder effective consumer protection (Putra *et al.*, 2024).

Globally, the digital economy presents complex challenges to traditional legal doctrines. The cross-border nature of e-commerce transactions often makes it difficult for consumers to enforce their rights when dealing with foreign sellers or platforms that operate beyond domestic jurisdictional boundaries. Agibalova *et al.* (2021) emphasize that many digital platforms still rely on standardized contracts (adhesion contracts) that restrict consumer remedies and create an imbalance of bargaining power. Furthermore, the difficulty of proving consent, authenticity of digital evidence, and data security breaches complicate the legal assessment of contractual validity in online transactions (Lin, 2023).

These evolving issues demonstrate the urgent need for a more adaptive and responsive legal framework that aligns with the dynamics of the digital economy. The question is not merely whether existing laws recognize electronic contracts, but whether they adequately protect consumers’ rights and ensure fairness in digital interactions. In this context, effective legal protection requires not only legislative instruments but also mechanisms that facilitate efficient and accessible dispute resolution. One such mechanism gaining attention is Online Dispute Resolution (ODR), which integrates technology with alternative dispute settlement processes to handle digital conflicts more efficiently.

Therefore, this study aims to analyze the legal aspects of e-commerce agreements from the perspective of consumer protection, focusing on how Indonesian law upholds the principles of fairness, transparency, and accountability in digital transactions. The research also explores how the enforcement of existing laws and the implementation of ODR could strengthen legal certainty and consumer trust in the e-commerce environment. By addressing these issues, this study seeks to contribute to the development of a comprehensive and equitable legal framework that supports the sustainable growth of digital commerce in Indonesia while safeguarding the rights of consumers in the modern marketplace.

2. Literature Review

2.1 Legal Framework of E-Commerce

The emergence of e-commerce has compelled many legal systems to redefine the concept of contract formation, consent, and evidence in digital transactions. In Indonesia, the main legal basis for regulating e-commerce is found in Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law), Law No. 8 of 1999 on Consumer Protection, and Government Regulation No. 80 of 2019 on Trade through Electronic Systems. These legal instruments recognize electronic contracts and digital signatures as valid and enforceable, provided that they fulfill general contractual principles such as consent, legal capacity, lawful cause, and certainty of object (Safriawan, 2024).

Putra *et al.* (2024) explain that the protection of consumer rights in online business transactions in Indonesia involves three key stages: pre-transaction, during the transaction, and post-transaction. The pre-transaction stage includes consumer education and institutional support; during the transaction, the law emphasizes data authenticity, confidentiality, and payment security; and after the transaction, it focuses on liability and dispute resolution mechanisms.

Comparatively, Jordanian law, as discussed by Alsharu *et al.* (2024), shows that many developing countries still face similar challenges in adapting traditional civil law principles to electronic transactions. This indicates that a comprehensive approach combining national law and international best practices is necessary to ensure fairness and legal certainty in e-commerce.

2.2 Consumer Protection in the Digital Era

The digital marketplace has transformed consumer behavior while also exposing them to new types of risks. According to Agibalova *et al.* (2021), digital transactions create vulnerabilities such as the misuse of personal data, false advertising, and unfair contract terms. The authors argue that modern consumer protection must address not only product safety but also data privacy, transparency, and platform accountability.

Ostanina & Titova (2020) further highlight that within the BRICS countries, the digital economy introduces challenges related to cross-border jurisdiction, as online sellers and consumers may reside in different legal territories. Consequently, the protection of digital consumers requires harmonized regulations and stronger international cooperation.

In Indonesia, the core principles of consumer protection such as the right to information, safety, and compensation are legally guaranteed under Law No. 8 of 1999. However, the practical enforcement of these rights remains weak in online contexts due to limited regulatory supervision and the asymmetrical relationship between business actors and consumers (Arimbawa & Priyanto, 2024).

Thus, the literature suggests that legal reform should focus on strengthening institutional oversight, enhancing consumer awareness, and ensuring transparency in digital transactions to prevent exploitation in the rapidly evolving online market.

2.3 Online Dispute Resolution (ODR)

As e-commerce transactions grow, disputes between buyers and sellers have become inevitable. Traditional court systems are often too slow, costly, and geographically restrictive to address digital conflicts effectively. Therefore, the concept of Online Dispute Resolution (ODR) has emerged as an innovative solution to resolve disputes electronically, using technology to facilitate negotiation, mediation, or arbitration (Aziz & Hidayah, 2020).

In Indonesia, the need for a structured ODR mechanism is increasingly recognized. However, as Hidayati & Suartini (2024) emphasize, there is currently no comprehensive legal framework that formally integrates ODR within national legislation. Most dispute settlements are still handled internally by private marketplaces through customer service mediation, which often lacks legal enforceability.

Internationally, Hong Kong's experience through the eBRAM platform demonstrates that government-supported ODR systems can significantly improve consumer trust and reduce caseloads in traditional courts (Lin, 2023). Similarly, the European Union has implemented a cross-border ODR regulation that provides a standardized mechanism for resolving consumer disputes online. These examples show the importance of institutionalizing ODR as part of a broader consumer protection strategy in Indonesia to ensure fairness, accessibility, and efficiency in the digital marketplace.

3. Research Method

This study employs a normative juridical research method, which focuses on analyzing legal norms, doctrines, and regulations that govern electronic commerce and consumer protection. The normative juridical approach is used because the research examines written legal materials and conceptual interpretations rather than field data. According to Putra *et al.* (2024), this method is appropriate for understanding how existing laws function in regulating e-commerce transactions and protecting consumer rights within a digital environment.

Two main approaches are applied in this research:

- a. Statute Approach, which involves examining relevant legislation such as Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law), Law No. 8 of 1999 on Consumer Protection, and Government Regulation No. 80 of 2019 on Trade through Electronic Systems, as well as other related national and international instruments.
- b. Conceptual Approach, which explores theoretical frameworks and academic discussions related to digital contracts, consumer protection principles, and online dispute resolution mechanisms.

The data used in this study consist of secondary legal materials, including statutes, scholarly journal articles, and publications on e-commerce law and consumer protection particularly the ten scientific references analyzed in this paper. The data are analyzed using a qualitative descriptive technique, which interprets legal norms and compares national regulations with international practices to evaluate their effectiveness and consistency.

Through this method, the research aims to provide a comprehensive understanding of how Indonesian legal instruments regulate e-commerce contracts and to identify the gaps that hinder the realization of fair consumer protection in digital trade.

4. Discussion and Analysis

4.1 Legal Validity of E-Commerce Agreements

In Indonesia, the legal recognition of electronic contracts is primarily governed by Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law) and Government Regulation No. 80 of 2019 on Trade through Electronic Systems. These laws affirm that electronic documents and digital signatures possess the same legal force as traditional written contracts, provided that they fulfill the principles of consent, capacity, lawful purpose, and certainty of object (Safriawan, 2024).

Putra *et al.* (2024) emphasize that the validity of e-commerce contracts in Indonesia must be supported by the authenticity of data messages, the security of digital signatures, and the confidentiality of information exchanged between parties. However, practical issues often arise because many consumers agree to terms and conditions without fully understanding their legal implications. This imbalance creates a weak position for consumers, especially when disputes occur.

In comparative perspective, Alsharu *et al.* (2024) note that Jordanian law still faces challenges in adapting traditional civil law principles to electronic transactions, particularly concerning proof of consent and liability in digital contracts. Similarly, Koukal (2021) highlights that in the European Union, the conformity of digital content with contractual obligations remains a major issue, requiring continuous monitoring and regulation. These findings indicate that while electronic contracts are legally valid, ensuring fairness and enforceability remains a global challenge.

4.2 Consumer Protection Principles

Consumer protection in the digital environment is grounded in the principles of fairness, transparency, accountability, and safety. According to Agibalova *et al.* (2021), digital consumers face new risks such as identity theft, deceptive advertising, and data misuse. Therefore, effective consumer protection must extend beyond product quality to include privacy rights and the ethical responsibilities of online platforms.

In Indonesia, the principles of consumer protection are stipulated in Law No. 8 of 1999 on Consumer Protection, which guarantees consumers the right to security, information, and redress. However, enforcement remains limited due to weak institutional oversight and the rapid evolution of technology (Arimbawa & Priyanto, 2024). Ostanina & Titova (2020) add that emerging economies, including BRICS countries, also face structural gaps between regulation and practice, highlighting the global need for harmonized digital consumer laws.

Putra *et al.* (2024) propose that a comprehensive approach to consumer protection in e-commerce should involve three phases: pre-transaction (education and awareness), transaction (data authenticity and payment security), and post-transaction (compensation and dispute resolution). Strengthening these stages is essential to ensure a balanced relationship between consumers and digital business actors.

4.3 Online Dispute Resolution as an Effective Mechanism

The increase in digital transactions inevitably leads to conflicts between consumers and sellers. Traditional litigation is often inefficient due to high costs, long procedures, and jurisdictional limitations. Therefore, Online Dispute Resolution (ODR) emerges as a modern and efficient mechanism for handling e-commerce disputes (Aziz & Hidayah, 2020).

In Indonesia, ODR has yet to be formally institutionalized. Current practices are mostly conducted internally by marketplaces such as Tokopedia, Shopee, and Lazada through their customer complaint systems (Hidayati & Suartini, 2024). However, these private mechanisms often lack neutrality, transparency, and binding authority, leaving consumers with limited access to justice.

Internationally, Hong Kong's eBRAM platform demonstrates a successful model of ODR that integrates technology with legal procedures under government supervision (Lin, 2023). The European Union also introduced a standardized ODR platform that allows consumers to resolve disputes across member states efficiently and at low cost. These international models provide valuable insights for Indonesia to develop a national ODR framework that combines accessibility, efficiency, and legal enforceability.

4.4 Challenges and Future Directions

Despite the existence of comprehensive legal frameworks, Indonesia still faces several challenges in implementing effective consumer protection in e-commerce. First, regulatory enforcement remains weak, as monitoring online business activities across multiple platforms is complex and resource-intensive. Second, public legal awareness about consumer rights in digital transactions is still low, leading many individuals to ignore contractual terms or privacy risks (Agibalova *et al.*, 2021). Third, cross-border transactions complicate jurisdictional authority and the recognition of electronic evidence (Ostanina & Titova, 2020).

To address these challenges, Indonesia should adopt a multi-dimensional approach that combines legal reform, technological innovation, and consumer education. The integration of ODR into national legal structures could serve as a key reform to ensure accessible and fair dispute resolution. Moreover, future legal developments must focus on harmonizing domestic regulations with international standards while strengthening cooperation with global e-commerce platforms to safeguard consumers' digital rights.

5. Conclusion

The transformation of commerce from traditional to digital systems has significantly reshaped contractual relations and consumer protection frameworks. This study finds that e-commerce contracts in Indonesia are legally valid under Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law) and Government Regulation No. 80 of 2019 on Trade through Electronic Systems. These laws provide the legal basis for recognizing electronic contracts and digital signatures as binding and enforceable. However, their practical implementation still faces major challenges, particularly in ensuring fairness, transparency, and accountability within digital transactions.

The findings also indicate that consumer protection in e-commerce remains limited due to weak enforcement mechanisms, low public awareness of legal rights, and the absence of a standardized dispute resolution framework. International experiences such as those in the European Union and Hong Kong demonstrate that effective consumer protection requires not only legislation but also the integration of Online Dispute Resolution (ODR) systems to provide accessible and efficient justice for digital consumers.

Therefore, the success of consumer protection in Indonesia's e-commerce environment depends on harmonizing existing regulations, strengthening institutional oversight, and improving digital literacy among

consumers. Legal certainty and fairness in digital transactions will only be achieved through continuous legal adaptation, government commitment, and cooperation among all stakeholders.

6. Suggestions

a. For the Government

The government should establish a specific regulatory framework for Online Dispute Resolution (ODR) that aligns with international best practices. Strengthening the supervision of e-commerce activities and enforcing compliance with consumer protection standards are essential to ensure fairness and trust in digital trade.

b. For Business Actors

E-commerce platforms and online sellers must enhance transparency in their contractual terms, guarantee the protection of personal data, and implement internal dispute resolution mechanisms that are accessible and impartial. Ethical business practices should be prioritized to maintain consumer confidence.

c. For Consumers

Consumers should increase their awareness and understanding of their legal rights in digital transactions. Active participation in consumer education programs and cautious behavior when engaging in online contracts are crucial to reducing potential harm and ensuring safer e-commerce practices.

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