



Shopeepay later in Indonesia: Navigating credit and payment issues in digital markets

Bujang Ali^{1*}, Muhammad Doing², Fitriani³

^{1,2,3}Master of Law, Pancha Bhakti University, Indonesia. E-mail: bujangali15041965@gmail.com

ARTICLE INFO

Keywords:

Law;
Marketplace;
Paylater;
Payment.

Article history:

Received Nov 21, 2023;
Revised Nov 29, 2023;
Accepted Dec 6, 2023;
Online Jan 30, 2024.

ABSTRACT

This research seeks to comprehend ShopeePay Later credit in Indonesian laws and regulations and examine the dispute resolution mechanism for Financial Technology Peer to Peer Lending using ShopeePay Later. The normative juridical and economic law approach analyzes applicable laws and regulations, statistical data, case studies, and economic literature. Legal hermeneutic analysis interprets and applies legal documents to ShopeePay Later. The research shows that ShopeePay Later must follow Indonesian law and economics, including payment failure and sanctions. According to Law no. 30 of 1999, legal protection for users of this service is divided into preventive and repressive forms, with an emphasis on preventive measures and preparation of effective dispute resolution mechanisms like Alternative Dispute Resolution (APS).

This is an open access article under the [CC BY-NC](#) license.



Corresponding Author:

Bujang Ali,
Master of Law,
Pancha Bhakti University,
Jalan Kom Yos Sudarso, Kota Pontianak, 78244, Indonesia
Email: doingm699@gmle.com

1. Introduction

Law has been used to seek justice and control community life until now (Razak et al., 2023). Humans need each other to meet their wants because they are social beings. Social and legal interactions exist between persons. The relationship between parties to a contract is legal (Sinaga Budiman, 2005).

Law has become the main factor in maintaining order and security in the state, including in this era of globalization, where the law of engagement is developing rapidly not only in one's own country but also around the world. It has become one of the factors in running a business (Harun et al., 2023). A law-based agreement is entered into by law without the parties' consent, while an agreement-based agreement is requested by two parties (Gobel dkk., 2023). When two individuals sign an agreement, they intend it to be legal, and they are actually connected to each other because of their pledge.

The vow must be kept to break this link (Purwanto, 2011). The expansion of contractual connections in business practices makes it difficult for actors to operate simply on Book III of the Civil Code concerning Engagements. This happened largely because Article 1338 of the Civil Code controls promise-making freedom.

Book III of the Civil Code has an open ideology because the parties are free to decide what is agreed upon, how to implement it, and how to handle future issues. accord reached. Freedom must not collide with norms and rules, denying honesty, decency, fairness, and legal certainty.

In this sense, social interaction include purchasing, selling, renting, lending, borrowing, loans, and exchanges. Islam regulates these acts. Muamallah governs Islamic relationships. Muamallah seeks to improve human interactions for mutual benefit.

People buy and sell for daily needs and investments. Exchanging something for another is the origin of buying and selling. Buy and sell terms include al-bai, handing over goods and receiving payment, asy-syira', exchanging substances for property rights, al-mubadah, and at-tijarah (Wafa, 2020).

Starting from this, as technology advances, it becomes easier for people to shop online with a credit system, which allows them to buy goods with non-cash payments (deferred payments or in installments). Everyone who wishes to shop can pay later on credit or in installments over several months.

Buyers can find as many sellers with the specified parameters as possible to get the market price. Vendors can discover which companies require their goods and services. Business operations become more efficient and wide in introducing business or endeavors to many clients (customers) globally without geographical or regional limits (Harahap et al., 2023). Shopee paylater is a mobile app that makes it easier for individuals to search, shop, and sell on their phones.

This platform offers a vast choice of products, secure payment options, integrated delivery services, and new social elements to make buying and selling enjoyable, safe, and practical. One interesting platform is Shopee PayLater. shopee paylater from PT. Lentera Dana Nusantara uses bailout funds from the application company and the user pays the bill. Shopee paylater offers 30-day loans to buy products and zero-percent first loans without minimum transactions (Media, 2022).

PayLater is a credit-free online loan service that lets customers pay for a transaction later, either all at once or in installments (Puluhulawa dkk., 2023). Many call this loan facility a credit limit. Many hotel, aircraft, and rail ticket booking companies, fintech, markets, and digital payments offer PayLater (Lupş a-Tătaru dkk., 2023). This "pay later" feature makes PayLater popular with consumers, especially young ones.

Shopee's live chat, social sharing, and hashtag features help vendors and customers connect and find products. Shopee is free on the App Store and Google Play Store.

E-commerce on Shopee offers paylater as an installment payment option. Shopee's PayLater feature simplifies shopping and selling. Shoppe offers an introductory borrowing limit of IDR 750,000, which boosts the account's credit score. PayLater allows you to buy anything now with a predetermined payment limit (Ghani, 2017).

In Articles 1754–1769 of the Civil Code, shopee paylater in credit—a loan and borrowing agreement—is permitted. One party lends another a particular amount of used goods on the condition that the other party return the same amount of the same type and quality. 1754 KUH Per.

Each installment has several percent interest. The payments do not specify the interest rate. Shopee PayLater requires a registered and verified Shopee account that has been used for 6 months and is routinely used for buying, selling, and updating the latest version of the Shopee app.

Many customers complain about Shopee Paylater's shortcomings, such as an error message when using the payment method, which prevents them from using it. If the restriction is still intact (Assegaf, 2019).

Monthly Shopee PayLater interest rates are 0% to 2.95%. Shopee Paylater offers 30 days or 1 month of 0% interest, and 2-3 month installments at 2.95% per month. 7 According to Islamic economic law, buying and selling with a credit system (taqsith) involves installment payments. Credit-system buyers can pay in installments to meet their commitments. The ulama debate the credit system as a payment method for goods and services.

Other issues include usury and interest when payments are late or missed. According to MUI DSN Regulation NO.110/DSN-MUI/IX/2017, every sale and purchase agreement must meet the terms and conditions (Muhtar et al., 2023). One pillar and condition is that you cannot require buyers to pay fees for late installments. Because it is usury, the price and installment must be transparent, but Shopee PayLater's practice is to fine late installment payers and not specify the installment amount.

The lack of transparency about installment interest, which ranges from 0% to 2.95% per month, and late payment fees is the main issue. Users are confused and dissatisfied when they face technical issues such glitches when using ShopeePay Later or inability to use the service despite constraints. The Islamic economic law perspective considers the credit system permissible if it meets the pillars and conditions, including the prohibition on usury and late payment fines, which seems to conflict with ShopeePay Later's practice of late payment fines and lack of pricing transparency. and installments.

Islamic economic law, consumer protection, and fintech rules in Indonesia must be considered while resolving ShopeePay Later disputes. ShopeePay Later can improve user experience and transparency about interest and installment requirements. OJK Regulations on Alternative Dispute settlement (APS) require organizers to provide a fair and effective dispute settlement procedure. This may include OJK-recognized mediation or arbitration. ShopeePay Later must also follow Islamic economic law, especially when it comes to late payment penalty, to avoid legal and ethical issues and boost consumer confidence and happiness.

From the explanation above, this study problem is (1) What is Shopeepay Later credit in Indonesian laws and regulations? How does Shopeepay Later address issues regarding Peer to Peer Lending Financial Technology implementation?

Practical implications for ShopeePay Later in Indonesia involve maintaining proactive regulatory compliance by staying updated on regulations and collaborating with authorities ensures smooth operations and minimizes legal challenges.

2. Method

Our research technique will integrate normative juridical approaches and economic law to analyze ShopeePay Later and the economic law approach to payment failure and penalty. This requires an analysis of Indonesian laws and regulations, including digital financial services and consumer protection laws and Financial Services Authority regulations. The economic effects of the ShopeePay Later policy will be examined using statistical data, case studies, and economic research from an economic law perspective. Interpreting and applying legal texts to ShopeePay Later will require legal hermeneutic analysis. The goal is to study ShopeePay Later's legal and economic structure and how restrictions affect customer and service provider behavior regarding payment defaults and fines.

3. Analysis and Results

3.1. Shopeepay Later Credit Concept in Indonesian Legislation

Financial Services Authority Regulation No.77/POJK.01/2016 about Information Technology-Based Money Lending and Borrowing Services protects parties' rights under Indonesian law. Information technology-based money lending and borrowing services bring lenders and loan recipients together to make rupiah-currency lending and borrowing agreements directly through an electronic system using the internet network, according to Article 1 point 3.

The Financial Services Authority (OJK) controls online lending in Indonesia under OJK Regulation No.77/POJK.01/2016, which relates to ShopeePay Later. According to the legislation, this information technology-based lending and borrowing business supports money lending transactions between lenders and borrowers via a digital platform. ShopeePay Later, part of the digital financial services ecosystem, connects loan givers and recipients in direct money lending and borrowing arrangements using electronic systems and internet networks in line with OJK law. Thus, ShopeePay Later operations offer convenience and accessibility in digital financial transactions and are regulated by the Indonesian financial authorities to protect user rights and ensure fair and transparent lending practices. POJK No.77/POJK.01/2016 governs OJK oversight of fintech in technology-based lending and borrowing services during pre-operational and operational phases.

a. Pre-Operational Business, the organizer will begin registration and permit processing at this point. Article 7 POJK No.77/POJK.01/2016 requires organizers to register and receive OJK permissions. Foreigners can own no more than 85% of a company. Article 8 paragraph (3) POJK requires the Board of Directors to submit registration applications to the Chief Executive of Insurance Supervision, Financing Institutions, Pension Funds, and other Financial Services Institutions with associated papers. After receiving the financial service provider's registration application, the OJK will assess it and approve it within 10 working days. A registration letter from the OJK will be issued after 10 days of work. Every OJK-registered organizer must apply for a permit within one year of registration.

If the organizer receives a certificate of registration but does not submit a permit application within the one-year OJK period, the certificate will be invalid and the organizer will no longer be registered with the OJK and cannot reapply for re-registration.

Article 11 POJK requires permission applications to be submitted within 20 working days of receipt of the permit document, after which the OJK will approve or deny the application. In these 20 days, the OJK will review the documentation, assess the work plan's feasibility, and interview owners or prospective directors. The interview also checks that capital payments do not come from loans for illegal activities like money laundering and other financial crimes, have never been punished for committing criminal acts in the financial services business and/or economy by permanent court decisions in the last five years, and have never been declared bankrupt.

OJK permission is required for changes in organizer ownership during pre-operational monitoring. If an organizer with a permit is unable to continue operations, he must request revocation from the OJK, along with reasons for his inability and a plan to resolve usage rights and obligations. The permit might be revoked within 20 working days of request.

ShopeePay Later must register and be licensed by the OJK under POJK No.77/POJK.01/2016 to operate legally in Indonesia. This rule limits foreign citizens and legal entities to 85% share ownership in ShopeePay Later and requires severe registration and licensing procedures. After the Board of Directors submits an application to the OJK, the OJK evaluates it for up to 10 working days to issue a certificate of registration.

ShopeePay Later must apply for an operational permission within one year of registration. Unless they apply for a permission within that time, their registration will be void. ShopeePay Later must also meet specific permission application requirements, which the OJK will review within 20 working days, including investigating the capital source and owner or prospective directors' backgrounds. To protect user security and confidence, financial services like ShopeePay Later follow OJK legal and supervisory norms.

b. During Business Operations, there are two types of supervision during business operational processes by OJK: a) Fintech organizers may use self-assessment or reporting systems. This

involves financial and corporate supervision and basic budget implementation via periodic reporting. If the company is not registered with the OJK but has operated, this supervision is expected. Articles 45–56 "POJK Number.77/POJK.01/2016" clarify reporting. b) The OJK conducts periodic checks on peer-to-peer lending fintech services by collecting, searching, analyzing, and assessing data and information. This activity monitors periodic reports and inspects the company's regulatory compliance (Fitriadi & Subanar, 2017).

For services like ShopeePay Later, OJK operational oversight has two primary types, which are important for compliance and efficiency. First, fintech operators self-assess or report under Articles 45 to 56 POJK Number.77/POJK.01/2016. ShopeePay Later's organizer must produce monthly reports on its finances, business activity, and articles of association. This system is vital for monitoring company activity, especially for unregistered companies that are currently operating.

Second, the OJK personally inspects periodically under the Officer Supervisory System. This involves gathering, searching, analyzing, and assessing data on peer-to-peer lending fintech platforms like ShopeePay Later. This oversight checks periodic reports and the company's compliance with requirements. OJK uses these two monitoring tools to ensure that services like ShopeePay Later comply with legal and regulatory criteria to protect consumers and financial markets.

The potential risk mapping analysis highlights four legal protections the government and authorities must consider when implementing fintech peer-to-peer lending (Napitupulu et al., 2017): a) Transparency and Completeness of Information, CHAPTER VII POJK Number 77/POJK.07/2016 covers education and protection of IT-based money lending and borrowing users. In article 29, operators must follow the essential user protection principles of transparency, fairness, reliability, data confidentiality and security, and simple, quick, and affordable dispute resolution. The organizer must provide complete, straightforward, and transparent product and service information when translated. Lack of clarity in information leads to community misunderstanding, which is crucial to public trust. Information completeness and transparency in financial technology services must include communication to debtors or consumers, terms and conditions of service use, duties, and all debtor charges.

Due to the low financial literacy of the Indonesian people, Article 32 POJK requires service product information to be communicated clearly and in simple language. Providing easy access to complete and transparent financial technology service information raises debtor/consumer awareness of peer to peer lending costs and hazards.

Completeness and transparency of product services are also preventive legal protection measures that limit disputes by ensuring debtors and consumers avoid fraud or unequal information from service providers.

CHAPTER VII POJK Number 77/POJK.07/2016 emphasizes user education and protection in information technology-based money lending and borrowing services like ShopeePay Later. Article 29 requires organizers to provide openness, equitable treatment, reliability, secrecy, and data security, as well as simple, rapid, and affordable dispute resolution. ShopeePay Later organizers must present thorough, clear, unambiguous, and transparent product and service information.

Ambiguity in information can cause public miscommunication and damage trust. Openness and transparency in fintech services must include notifications to debtors or consumers, terms and conditions of service use, and debtor obligations and costs. Article 32 also requires product and service information to be presented in simple English, given Indonesians' low financial literacy. Information should be complete and easy to comprehend to raise debtor/consumer understanding of fintech peer-to-peer lending fees and dangers. Complete information and product transparency avoid disputes and protect debtors and consumers from fraud or unequal

information from service providers: a) Consumer Dispute Complaints, to build debtor or consumer trust, organizers must handle complaints and resolve disputes. Besides boosting trust, analyzing complaints can enhance products and services. The organizer of a dispute complaint must provide easy contact information, such as phone numbers and email addresses, standards for handling consumer complaints, and education to debtors about the dispute. b) Service System and Fraud Prevention, regulators must comprehend fraud prevention and financial technology service product proliferation. The enormous number of peer-to-peer lending fintech services makes network security vulnerable to fraud and hacking. Thus, organizers must strengthen system security, and the regulator must supervise security and certify service system reliability. c) Personal Data Protection, financial technology services can be destroyed by personal data leaks, which can lead to identity theft and public distrust of peer-to-peer lending. Organizers must encrypt debtor/consumer data, maintain data security, manage data access, and explain personal data to debtors/consumers (Napitupulu et al., 2017).

"Financial Services Authority Regulation (POJK) Number 77/POJK.01/2016 concerning Information Technology-Based Money Lending and Borrowing Services" outlines legal protections: a) Risk Mitigation, chapter V Risk reduction is explained in POJK Articles 21–24. Risk mitigation is a planned and sustainable action by the risk owner to mitigate the impact of a potentially harmful or dangerous event. Article 21 requires fintech peer-to-peer lenders and consumers to reduce risks. Article 24 also requires organizers to maintain an escrow and virtual account to facilitate transactions and prevent them from collecting public monies. b) System Governance in Fintech, article 25 paragraph (3) requires fintech operators to have a data center and data recovery center and meet minimum standards for information technology systems, risk management, security, resilience to disruption and system failures, and management transfer (to maintain confidentiality, integrity, and availability of personal data). c) Education, "Organizers are required to provide an audit track record of all their activities in the Information Technology-Based Money Lending and Borrowing Services Electronic System" for supervision, verification, dispute settlement, law enforcement, and testing and inspections. Peer-to-peer lending fintech companies must also manage information technology and fintech service security and implement procedures and service facilities to avoid failure, disruption, and loss to consumers and providers. d) Principles and Techniques of Customer Introduction, Lending between peers Fintech providers with OJK permits are liable for user losses caused by organizer errors or negligence. Article 37 additionally states that the lender or investor is solely responsible for loan recipients' defaults or non-payments. The organizer does not want to be liable for loan recipient nonpayment. This is regrettable because the government should cooperate on issues like these to boost fintech peer-to-peer lending credibility. Legal protection regulations must be enhanced to resolve default issues against loan beneficiaries.

As an electronic-based firm, fintech is protected by Article 65 of Law No. 7 of 2014 regulating Trade. In addition to complying with the Information and Electronic Transactions Law, service providers must provide complete and truthful information. In addition, the Draft Law on Electronic Trading strengthens legal protection, which is not enough to regulate but also requires institutional mechanisms to reduce fraud and system misuse, which will affect fintech service institutions' trust.

Due to the COVID-19 pandemic, which is affecting various sectors, including the national economy, many people are turning to uncontrolled online loans for money. The government provides preventive legal protection by giving legal certainty through laws. Peer to peer lending financial technology is regulated in POJK Number 77 of 2016, yet this legislation is problematic for protecting lower-middle-class debtors. The notion is good – giving individuals without collateral credit – but it's loan sharking with a digital twist. In addition, OJK regulations do not limit loan interest, therefore fintech services can charge unlimited interest. Because of this, the government offers insufficient supervision and legal protection for peer-to-peer lending financial technology users (Media, 2020).

Article 43 POJK prohibits peer-to-peer lending fintech businesses, providing legal protection: a) Conducting business operations outside those regulated by OJK; b. As a lender or loan recipient; c. Guaranteeing other parties' obligations in all ways; d. Issue debt securities; e. Publish false or misleading information; f. Offering services to Users or the public via private communication without approval; And g. Cost Users for complaints.

Service-using debtors were protected by this ban. If an organizer violates, they may be warned in writing, fined, have their business operations restricted, or lose their permits.

"Law Number 8 of 1999 concerning Consumer Protection" protects consumers and balances producers (Sutedi, 2008). Article 4 of the Consumer Protection Law states that consumer comfort, security, and safety are paramount. Consumer rights include three main principles (Abdul Halim, 2019): a) The right in question aims to protect consumers from personal and property harm: The right to fair pricing for products and services, the right to find suitable solutions to issues. b) Despite efforts to prevent unlawful fintech providers from harming consumers, the OJK cannot safeguard them. LBH Jakarta received debtor complaints because the OJK did not investigate losses. Losses include asset loss when interest rates are excessively high, making it difficult for debtors to succeed. Plus, billing is problematic and personal data is shared, making many borrowers feel disadvantaged. c) OJK accepts fintech peer-to-peer lending complaints in any form, including phone calls by its call center or visits to its office, but debtors without permission cannot complain to OJK. Only illegal peer-to-peer lending fintech debtors should submit losses to the police, according to the OJK. Unlike legitimate peer-to-peer lending fintech debtors, the OJK can act on complaints (Tendiyanto, 2021).

In other literature, the OJK's main focus after POJK Number 77/POJK.01/2016 was registration and licensing provisions for fintech peer-to-peer lending companies to monitor the pre-operational stage of the business. Bank Indonesia's BI Fintech Office tackles financial technology challenges, however the OJK has not. The OJK is reorganizing its structure to determine the best way to regulate and supervise fintech development in Indonesia to meet economic development goals. The "Indonesian Fintech Association (AFTECH)" supports the creation of an OJK department that supervises and develops fintech regulations to resolve issues and regulators' follow-up and commitment after "POJK 77/POJK.01/2016" (OJK, 2020).

3.2. Settlement of Disputes on the Implementation of Financial Technology Peer to Peer Lendingin Shopeepay Later

The relationship between consumers and Financial Services Institutions (LJK), which continues to evolve with more financial service products, is linked to technology-based financial service conflicts. One reason is that debtors and financial service providers may not grasp one other's information. Negligence by debtors/consumers and service providers in fulfilling agreements also causes problems (OJK, tt).

Business disputes are civil disagreements that can be litigated or not. Businesspeople avoid litigation because it is inefficient, even though the Supreme Court has advocated a fast, simple, cheap, and efficient judicial process. Businesspeople employ Alternative Dispute Resolution (APS) to resolve conflicts outside of court since it is more effective and efficient. Law No. 30 of 1999 on Arbitration and Alternative Dispute settlement regulates APS model dispute settlement (Hariyani, 2010).

Financial Technology Peer to Peer Lending services like ShopeePay Later often lead to disputes between consumers and technology-based financial institutions due to miscommunication or neglect of contractual obligations. Business conflicts are civil, and businesspeople avoid litigation owing to procedure delays, hence Alternative Dispute Resolution (APS) is preferred. Arbitration and Alternative Dispute Resolution Law no. 30 of 1999 regulates APS, a more efficient and effective approach to resolve disputes outside of court. This means that ShopeePay Later can handle disputes with its customers via the APS system, making it easier, faster, and

cheaper for both sides. This helps maintain strong relationships between service providers and consumers and settle concerns fairly without protracted and complex litigation. In Top Form.

Many laws specify how to resolve disputes over digital transactions or services (Utami, 2020): a) According to "Law Number 19 of 2016 Concerning Information and Electronic Transactions" Chapter VIII Article 38 paragraph (1), anyone can sue the organizer who causes losses. Article 39 paragraph (2) states that arbitration or other alternative dispute resolution mechanisms can resolve issues; a "Law Number 8 of 1999 concerning Consumer Protection". This statute merely states that aggrieved consumers can resolve issues out-of-court with many alternative dispute resolution agencies and the courts. Consumers, groups of consumers, non-governmental consumer protection institutes, and installations that suffer losses can sue. b) "Law Number 21 of 2011 concerning Financial Services Authority" Article 29 states that the Financial Services Authority oversees peer-to-peer lending fintech business services and handles customer complaints. For consumers who lose, the OJK can defend itself legally. c) "Bank Indonesia Regulation Number 19/12/PBI/2017 concerning the Implementation of Financial Technology" This rule does not address fintech operator loss claims, but all fintech activities must be approved by Bank Indonesia and registered as fintech operators.

Indonesian laws and regulations provide a thorough legal framework for settling disputes around ShopeePay Later's Financial Technology Peer to Peer Lending implementation. Consumers can sue fintech operators who cause losses under "Law Number 19 of 2016 concerning Electronic Information and Transactions" and resolve issues through arbitration or other means. Additionally, "Law Number 8 of 1999 concerning Consumer Protection" allows customers to seek compensation through courts or other dispute resolution agencies.

The OJK supervises and protects fintech consumers like ShopeePay Later under "Law Number 21 of 2011 concerning the Financial Services Authority". While "Bank Indonesia Regulation Number 19/12/PBI/2017 concerning the Implementation of Financial Technology" does not address dispute resolution, it highlights fintech businesses' necessity for operational permissions. Thus, ShopeePay Later, a peer-to-peer lending fintech service provider, must follow these laws while settling consumer issues.

OJK issued "OJK Regulation Number 01/POJK.07/201 concerning Alternative Dispute Resolution Institutions in the Financial Services Sector" and "OJK Decision Number Kep-01/D.07/2016" to form six APS institutions: BMPPI, BAMPPI, and IBDR (J, 2006).

OJK regulations state that if the debtor/consumer defaults due to the organizer's negligence, the organizer must compensate him. If an agreement cannot be reached during the complaint process, the offended party may settle outside or in court.

Alternative Dispute Resolution (APS) or Online Dispute Resolution (PSD) can be used to resolve fintech peer-to-peer loan disputes. ODR uses phone, email, meeting apps, and video conferencing to resolve disputes. Since all fintech service actions are documented on digital footprints, the ODR idea has been studied for fintech peer-to-peer lending. With ODR, dispute resolution should be efficient and effective. To use ODR in dispute resolution, several things must be done: prepare the legal basis for ODR; strengthen Alternative Dispute Resolution Institutions (LAPS); and raise public awareness and literacy about ODR (Napitupulu et al., 2017).

SquareTrade, an ODR mediation provider for online business issues, has mediated millions of fintech business disputes worldwide, including eBay and PayPal conflicts. SquareTrade resolves fintech disputes through two stages of negotiation or mediation, which has been shown to work (Hariyani, 2018).

The Indonesian Financial Services Authority (OJK) framework can be used to resolve disputes in ShopeePay Later's Financial Technology Peer to Peer Lending. Under "OJK Regulation Number 01/POJK.07/2013" and "OJK Decision Number Kep-01/D.07/2016", fintech providers

and customers can use Alternative Dispute Resolution Institutions (APS) to resolve disputes. The Pension Fund Mediation Board (BMDP) and Indonesian Capital Market Arbitration Board are examples. When an organizer, like ShopeePay Later, is negligent and a debtor/consumer defaults, OJK regulations mandate compensation. If a complaint fails, dispute resolution can be done in or out of court.

Online Dispute Resolution (ODR) can also help fintech companies like ShopeePay Later resolve complaints. ODR uses phone, email, meeting apps, and video conferencing, like finance services. Legal basis, LAPS institution improvement, and public understanding regarding ODR must be prepared to implement ODR efficiently. SquareTrade, which has mediated millions of online business disputes, can demonstrate effective mediation. ODR with financial services like ShopeePay Later will improve dispute resolution efficiency and give consumers more ways to settle their issues promptly and safely.

4. Conclusion

In dispute resolution for Financial Technology Peer to Peer Lending, as implemented by ShopeePay Later, users receive preventive and repressive legal protection. Fintech service providers utilize preventive legal protection to avert disputes between users or between users and service providers. In contrast, coercive legal protection addresses conflict resolution thereafter. According to Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution, ShopeePay Later organizers must prepare effective dispute resolution mechanisms like Alternative Dispute Resolution (APS) in addition to preventive measures like providing clear and transparent information about their services. By taking this strategy, ShopeePay Later can safeguard its users from legal issues and resolve conflicts.

Research ShopeePay. Due to data breaches and privacy violations, Indonesia confronts data privacy and security restrictions. Credit accessibility and financial inclusion for different users may also be difficult. The economic consequences, including expenditure and debt management, must be understood. Researchers must address Indonesia's digital payment and credit sector's regulatory framework and compliance challenges. Analysis of consumer behavior, adoption factors, and user satisfaction is crucial.

Future research should include risk assessment and mitigation, user financial literacy, and comparisons with other digital payment platforms. Assessing cross-border consequences, legislative changes, and long-term financial effects is vital. Examine socioeconomic factors affecting adoption and user experience. Research can also examine global expansion and digital payment sector data security and responsible lending ethics. Future research will advance digital finance in emerging nations like Indonesia.

References

- Abdul Halim, B. (2019). *Hak-Hak Konsumen*. Nusamedia.
- Assegaf, Z. Z. (2019). *TINJAUAN HUKUM ISLAM TERHADAP PRAKTIK UTANG PIUTANG MELALUI MEDIA ONLINE (Studi di Aplikasi Pinjam Yuk)* [PhD Thesis, UIN Raden Intan Lampung]. <http://repository.radenintan.ac.id/7930/1/Skripsi%20Zainab%20Zalfa%20asegaf.pdf>
- Fitriadi, M., & Subanar, S. D. (2017). Kedudukan Otoritas Jasa Keuangan terhadap Perusahaan Modal Ventura Asing dalam Melakukan Pembiayaan Secara Langsung di Indonesia. *Jurnal Penelitian Hukum Gajah Mada*, 1(2), 77–86. <http://download.garuda.kemdikbud.go.id/article.php?article=959417&val=14753&title=KEDUDUKAN%20OTORITAS%20JASA%20KEUANGAN%20TERHADAP%20PERUSAHAAN%20MODAL%20VENTUR%A%20ASING%20DALAM%20MELAKUKAN%20PEMBIAYAAN%20SECARA%20LANGSUNG%20DI%20INDONESIA>
- Ghani, E. N. R. & A. M. bin A. (2017). AKAD JUAL BELI DALAM PERSPEKTIF FIKIH DAN PRAKTIKNYA DI PASAR MODAL INDONESIA. *Al-'Adalah*, 12(2), Article 2. <https://doi.org/10.24042/adalah.v12i2.214>
- Gobel, R. T. S., Muhtar, M. H., & Putri, V. S. (2023). Regulation And Institutional Arrangement Of Village-Owned Enterprises After The Work Creation Era Applied. *Jurnal Pamator : Jurnal Ilmiah Universitas Trunojoyo*, 16(1), Article 1. <https://doi.org/10.21107/pamator.v16i1.19135>

-
- Harahap, T. K., Prayuti, Y., Latianingsih, N., Damanik, A., Maheni, T., Farida, I., Muhtar, M. H., & Mustaqim. (2023). PENGANTAR ILMU HUKUM. *Penerbit Tahta Media*. <https://tahtamedia.co.id/index.php/issj/article/view/255>
- Hariyani, I. (2010). *Prosedur Mengurus HAKI Yang Benar*. Pustaka Yustisia.
- Hariyani, I. (2018). PERLINDUNGAN HUKUM DAN PENYELESAIAN SENGKETA BISNIS JASA PM-TEKFIN. *Jurnal Legislasi Indonesia*, 14(3), Article 3. <https://doi.org/10.54629/jli.v14i3.136>
- Harun, A. A., Puluhalawa, F. U., ElFikri, N. F., & Moha, M. R. (2023). Indonesian Mining Regulations Shift as a Potential Sector in Developing the Economy. *Jurnal Pamator : Jurnal Ilmiah Universitas Trunojoyo*, 16(2), Article 2. <https://doi.org/10.21107/pamator.v16i2.20114>
- J, S. (2006). *Hukum Perlindungan Konsumen di Indonesia*. Citra Aditya Bakti. https://scholar.google.com/scholar?hl=en&as_sdt=0%2C5&q=Hukum+Perlindungan+Konsumen+di+Indonesia&btnG=
- Lupşa-Tătaru, D. A., Nichifor, E., Dovleac, L., Chişu, I. B., Todor, R. D., & Brătucu, G. (2023). Buy Now Pay Later—A Fad or a Reality? A Perspective on Electronic Commerce. *Economies*, 11(8), Article 8. <https://doi.org/10.3390/economies11080218>
- Media, K. C. (2020, Mei 6). *Lemahnya Regulasi Pemerintah Terkait Praktik Pinjaman Online Halaman all*. KOMPAS.com. <https://nasional.kompas.com/read/2020/05/06/14452211/lemahnya-regulasi-pemerintah-terkait-praktik-pinjaman-online>
- Media, K. C. (2022, Juli 17). *Mudah, Ini Syarat dan Cara Mengaktifkan Shopee Paylater Halaman all*. KOMPAS.com. <https://money.kompas.com/read/2022/01/17/140400126/mudah-ini-syarat-dan-cara-mengaktifkan-shopee-paylater>
- Muhtar, M. H., Kasim, N. M., & Suryani, I. (2023). *The Role and Impact of Local Sharia Regulations in Indonesia's Constitutional Law (a Study of Characteristics Sharia Local Regulations) | TSAQAFAH*. <https://ejournal.unida.gontor.ac.id/index.php/tsaqafah/article/view/8717>
- Napitupulu, S. K., Rubini, A., Khasanah, K., & Rachmawati, A. (2017). Kajian perlindungan konsumen sektor jasa keuangan: Perlindungan konsumen pada fintech. *Departemen Perlindungan Konsumen Otoritas Jasa Keuangan Republik Indonesia*.
- OJK. (t.t.). *Lembaga Alternatif Penyelesaian Sengketa*. Diambil 21 November 2023, dari <https://www.ojk.go.id/id/kanal/edukasi-dan-perlindungan-konsumen/pages/lembaga-alternatif-penyelesaian-sengketa.aspx>
- OJK. (2020). Peran Otoritas Jasa Keuangan (OJK) dalam Mengawasi Maraknya Pelayanan Financial Technology (Fintech) di Indonesia. *Jurnal Magister Hukum Udayana (Udayana Master Law Journal)*, 9(3), 559–574. <https://ojs.unud.ac.id/index.php/jmhu/article/download/62675/36828>
- Puluhalawa, J., Muhtar, M. H., Towadi, M., Swarianata, V., & Apripari. (2023). The Concept of Cyber Insurance as a Loss Guarantee on Data Protection Hacking in Indonesia. *Law, State and Telecommunications Review*, 15(2), Article 2. <https://doi.org/10.26512/lstr.v15i2.44206>
- Purwanto, H. (2011). Keberadaan Asas Rebus Sic Stantibus dalam Perjanjian Internasional. *Mimbar Hukum - Fakultas Hukum Universitas Gadjah Mada*, 0, Article 0. <https://doi.org/10.22146/jmh.16160>
- Razak, A., Muhtar, M. H., Bloks, S. A., & Saragih, G. M. (2023). Balancing Civil and Political Rights: Constitutional Court Powers in Indonesia and Austria. *Journal of Indonesian Legal Studies*, 8(2), Article 2. <https://journal.unnes.ac.id/sju/index.php/jils/article/view/70717>
- Sinaga Budiman, N. P. D. (2005). *Hukum Kontrak dan Penyelesaian Sengketa dari Prespektif Sekretaris*. Raja Grafindo Persada.
- Sutedi, A. (2008). *Tanggung jawab produk dalam hukum perlindungan konsumen*. Ghalia Indonesia.
- Tendiyanto, T. (2021). Pelanggaran Penyelenggara Peer To Peer (P2P) Lending Financial Technology Ilegal Terhadap Debitur. *Logika : Jurnal Penelitian Universitas Kuningan*, 12(01), 85–93. <https://doi.org/10.25134/logika.v12i01.4040>
- Utami, T. T. (2020). Rechtvakum Dalam Penyelesaian Pinjaman Gagal Bayar Pada Pinjaman Online Di Indonesia. *Jurnal Rechtsvinding, BPHN Kementerian Hukum dan Hak Asasi Manusia*. https://rechtsvinding.bphn.go.id/jurnal_online/RECHTVAKUM%20DALAM%20PENYELESAIAN%20PINJAMAN%20GAGAL%20BAYAR%20PADA%20PINJAMAN%20ONLINE%20DI%20INDONESIA.pdf
- Wafa, A. K. (2020). Tinjauan Hukum Ekonomi Syariah terhadap Shopeepay Later. *Jurnal Hukum Ekonomi Syariah*, 4(01), Article 01. <https://doi.org/10.26618/j-hes.v4i01.3588>
-