

# Consumer Legal Protection in Fintech Lending Against the Risk of Default

Rahmat Budiyanto Hiola<sup>1</sup>, Mutia Ch. Thalib<sup>2</sup>, Sri Nanang Meiske Kamba<sup>3</sup>

<sup>1,2,3</sup> Faculty of Law, Gorontalo State University

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## ABSTRACT

The rapid growth of financial technology lending (fintech lending) in Indonesia has increased public access to digital financing but has also created legal problems related to consumer protection against default risks. Consumers frequently face unlawful debt collection practices, misuse of personal data, lack of transparency in loan terms, and legal uncertainty caused by illegal fintech lending platforms. Although various studies have discussed fintech legality and consumer protection, limited research has specifically examined the effectiveness of legal protection against default-related risks and the responsibility of fintech lending providers. This study aims to analyze consumer legal protection in fintech lending services and evaluate the responsibility of providers in safeguarding consumer rights. The research employs a normative legal method using statutory and conceptual approaches. Data were collected through a literature review of legislation, legal doctrines, and scholarly publications concerning consumer protection and fintech lending. The findings indicate that existing regulations, including consumer protection, personal data protection, and fintech lending regulations, have not been fully effective due to weak supervision of illegal platforms, inadequate enforcement of personal data protection provisions, and persistent abusive debt collection practices. The study concludes that fintech lending providers must ensure transparency, data security, and ethical collection procedures. Strengthening regulatory supervision, improving coordination between relevant regulations, and imposing stricter sanctions on illegal operators are necessary to enhance consumer protection and create a secure and sustainable digital financial ecosystem.

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## Corresponding Author:

Name: Rahmat Budiyanto Hiola

Institution: Faculty of Law, Gorontalo State University

Email: [rahmathiola447@gmail.com](mailto:rahmathiola447@gmail.com)

## 1. INTRODUCTION

The development of information and communication technology has driven a major transformation in the financial services sector in Indonesia. One rapidly growing innovation is *financial technology lending*

(*fintech lending*) or online lending, which connects lenders and borrowers through a digital platform. The presence of *fintech lending* provides easy access to financing for the public, especially for groups not yet reached by conventional banking services.

The fast loan application process, simple requirements, and efficient disbursement of funds have made this service increasingly popular among the public. However, this development has also raised various legal issues, particularly regarding consumer protection against the risk of default, which often results in losses for all parties involved [1].

The phenomenon of default in *fintech lending* services has become an increasingly complex issue as the number of users of online lending platforms grows. The risk of default not only results in financial losses for lenders but also creates legal problems for borrowers, such as inhumane debt collection practices, misuse of personal data, and intimidation by debt *collectors*. In practice, many consumers do not fully understand their rights and obligations under electronic agreements made through digital platforms. This situation indicates that consumers remain vulnerable to violations of their legal rights in *fintech lending* transactions [2].

Normatively, consumer protection in Indonesia is regulated under Law No. 8 of 1999 on Consumer Protection and more specifically through regulations governing fintech lending activities, including OJK Regulation No. 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services (*Technology-Based Crowdfunding Services*). These regulations aim to ensure legal certainty, transparency, accountability, and consumer protection within digital financial services. Nevertheless, the implementation of such legal protections continues to face various challenges, including weak regulatory supervision, low levels of financial and legal literacy among consumers, and the continued operation of illegal fintech lending platforms beyond regulatory oversight [3]. Consequently, a more comprehensive examination of the effectiveness of consumer protection mechanisms in addressing default-related risks is necessary.

Several previous studies have demonstrated that one of the primary issues within fintech lending services is the imbalance in the legal relationship between

service providers and consumers. Existing studies have predominantly focused on the legality of fintech operators, personal data protection, and consumer dispute resolution mechanisms [4]. However, research specifically addressing legal protection for consumers facing default risks remains relatively limited. In particular, the issues of provider liability for abusive debt collection practices, the adequacy of legal remedies available to consumers, and the effectiveness of OJK supervision in preventing consumer harm have not been comprehensively explored. Furthermore, previous studies have not sufficiently examined the interrelationship between regulatory effectiveness, provider accountability, and the practical protection of consumer rights within Indonesia's fintech lending ecosystem [5]. Therefore, this study seeks to fill these gaps and strengthen legal scholarship in the field of technology-based consumer protection.

The legal issues addressed in this study concern the forms of legal protection available to consumers in fintech lending services against the risk of default and the extent of provider responsibility in safeguarding consumer rights. These issues warrant examination given the increasing number of public complaints regarding unlawful debt collection practices, misuse of personal data, and other actions inconsistent with the principles of consumer protection. Moreover, technological innovation in digital finance often develops more rapidly than the corresponding legal framework, creating regulatory gaps that may weaken consumer protection.

This study aims to analyze the forms of legal protection afforded to consumers in fintech lending services and to evaluate the effectiveness of existing regulations in mitigating risks arising from default. In addition, the study seeks to identify the legal responsibilities of fintech lending providers in ensuring consumer security, transparency, and legal certainty. The findings are expected to contribute to a broader understanding of consumer protection mechanisms in the digital era and provide recommendations for

the development of more adaptive and responsive regulatory frameworks in the financial technology sector.

The approach employed in this study is a normative legal approach through the examination of statutory regulations, legal doctrines, and scholarly literature concerning consumer protection and fintech lending. A conceptual approach is also utilized to explore the fundamental principles of legal protection within electronic transactions and digital financial services. The analysis focuses on both the applicable legal framework and its implementation in practice, particularly in relation to consumer protection against default-related risks in Indonesia's fintech lending industry. Through this approach, the study aims to provide an objective, systematic, and comprehensive analysis of the legal issues under consideration.

The novelty of this study lies in its specific focus on consumer legal protection against default risks in fintech lending services by examining the relationship between regulatory effectiveness, provider accountability, and consumer rights protection. Unlike previous studies that primarily discuss legality, personal data protection, or dispute resolution, this research specifically analyzes provider liability for unlawful debt collection practices and evaluates the effectiveness of OJK supervision in protecting consumers from legal and financial harm. By integrating these aspects, the study offers both theoretical and practical contributions to the development of consumer protection law in the financial technology sector and provides insights for policymakers and regulatory authorities in strengthening fintech lending oversight in Indonesia.

## 2. LITERATURE REVIEW

### 2.1 *Legal Consumer Protection in Digital Transactions*

The theory of consumer legal protection is used in this study to analyze the legal safeguards available to consumers in fintech lending services, particularly when facing risks arising

from digital transactions. Consumer protection aims to ensure legal certainty, balance the legal relationship between business actors and consumers, and prevent abuses resulting from unequal bargaining positions [6]. In fintech lending transactions, consumers often interact through standard electronic agreements and automated systems that may limit their ability to fully understand contractual terms. Therefore, the principles contained in consumer protection law, including the rights to security, transparency, accurate information, and fair treatment, provide an important analytical framework for assessing whether existing legal mechanisms adequately protect consumers against losses caused by default risks and unlawful collection practices [7], [8].

### 2.2 *Fintech Lending and the Risk of Default*

The concept of fintech lending and default risk is relevant to this research because default constitutes one of the primary legal and financial issues affecting consumers within digital lending ecosystems. Fintech lending expands access to financing through technology-based platforms, but its rapid growth also increases the potential for disputes related to repayment obligations, debt collection practices, and consumer losses [9]. The theory of credit risk explains that default may arise from borrowers' inability to fulfill contractual obligations and may trigger legal consequences for all parties involved [10]. This theoretical perspective is used to examine how default risks influence consumer vulnerability and to evaluate whether existing legal protections are sufficient to address the challenges posed by legal and illegal fintech lending operations [11].

### 2.3 *Regulations and Responsibilities of Fintech Lending Operators*

The theory of legal regulation and business liability serves as the foundation for assessing the responsibilities of fintech lending

operators in protecting consumer rights. Regulatory frameworks establish legal standards regarding licensing, transparency, data protection, and dispute resolution, while the principle of liability requires service providers to bear responsibility for actions that cause harm to consumers [12]. In the context of fintech lending, operator responsibility extends beyond facilitating loans and includes ensuring secure transactions, safeguarding personal data, and conducting debt collection in accordance with legal and ethical standards [13]. This theory is essential for evaluating the effectiveness of existing regulations and determining whether regulatory compliance and enforcement mechanisms are capable of providing adequate legal protection against consumer losses arising from default situations and related disputes [14].

### 3. METHODS

This study employs normative legal research, which examines legal issues through the analysis of legal norms contained in legislation, legal principles, and legal doctrines relevant to the research topic. This method was selected because the research focuses on assessing the adequacy and effectiveness of legal protection for consumers in financial technology lending (*fintech lending*) services against the risk of default. To address the research problem, the study applies a statutory approach and a conceptual approach. The statutory approach is used to examine the legal framework governing consumer protection and fintech lending services, while the conceptual approach is employed to analyze legal concepts and principles relating to consumer rights, legal responsibility, and legal protection in digital financial transactions.

The legal materials used in this study consist of primary, secondary, and tertiary legal materials. Primary legal materials include Law Number 8 of 1999 concerning Consumer Protection, Law Number 19 of 2016 concerning Electronic Information and

Transactions, and Financial Services Authority Regulation Number 10/POJK.05/2022 concerning Information Technology-Based Crowdfunding Services. Secondary legal materials comprise books, scientific journals, previous research findings, and other academic publications discussing consumer protection, financial technology, and online lending services. Tertiary legal materials, including legal dictionaries and encyclopedias, are utilized to support the interpretation and understanding of legal concepts relevant to the study.

The collection of legal materials was conducted through library research by identifying, reviewing, and classifying legal sources relevant to the research issues. The legal materials obtained were then analyzed qualitatively using a descriptive-analytical method. The analysis involved interpreting applicable legal provisions, examining the relationship between existing regulations and consumer protection principles, and evaluating their implementation in fintech lending practices in Indonesia. Through this analytical framework, the study seeks to provide a systematic understanding of the forms of legal protection available to consumers and the legal responsibilities of fintech lending operators in mitigating the risks arising from default.

### 4. RESULTS AND DISCUSSION

The development of financial technology lending (*fintech lending*) services in Indonesia has shown a significant increase in recent years. The availability of these services provides easier access to financing for people who previously had difficulty obtaining credit from conventional financial institutions. The fast, digital-based loan application process has been a major factor in the growing use of these services. On the other hand, this convenience has also given rise to various legal risks, particularly regarding consumer protection against default [15]. Research findings indicate that the majority of consumers do not fully understand their rights and obligations in

online lending transactions. This situation leaves consumers vulnerable to various forms of legal violations.

The risk of default in fintech lending services does not only impact the financial relationship between lenders and borrowers. This risk also raises legal issues in the form of debt collection practices that violate consumers' privacy rights and dignity. In practice, service providers are still found to engage in intimidation and the dissemination of consumers' personal data during the collection process. Such actions are contrary to the provisions of Law Number 27 of 2022 concerning Personal Data Protection and the consumer protection principles regulated by the Financial Services Authority. Furthermore, the public's limited understanding of dispute resolution mechanisms leads many consumers to forgo legal recourse when they suffer losses. This situation underscores the need to strengthen legal protections for users of online lending services [16].

One of the primary factors contributing to loan defaults is the public's low financial literacy. Many consumers take out loans without understanding the interest rates, penalties, and legal consequences resulting from late payments. Some consumers also tend to use online loans for discretionary spending, leading to a low ability to repay. These conditions demonstrate that financial education plays a crucial role in minimizing the risk of loan defaults. Furthermore, fintech lending providers often fail to provide transparent explanations regarding loan terms. Consequently, consumers find themselves in an unequal position in their legal relationship with the providers [17].

Based on an analysis of existing regulations, consumer legal protection in fintech lending services is actually governed by various legal provisions. The Consumer Protection Act and Financial Services Authority Regulation Number 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services provide a legal foundation regarding consumers' rights to safety, convenience,

transparency, and fair treatment. However, the implementation of these regulations has not yet been fully optimized. This study found that oversight of fintech lending providers still faces various challenges, particularly regarding unregistered illegal platforms not listed with the OJK. The existence of these illegal platforms makes it difficult for consumers to obtain legal protection when they suffer losses [18]. Therefore, the effectiveness of oversight is a critical aspect of consumer protection.

Electronic agreements in fintech lending services generally take the form of standard contracts unilaterally drafted by the providers. Consumers are only given the option to accept or reject the established terms without room for negotiation. This situation creates an imbalance of bargaining power between providers and consumers. From the perspective of consumer protection theory, consumers are positioned as the weaker party who require state intervention to achieve substantive justice. Furthermore, although the principle of freedom of contract recognizes the autonomy of parties to enter agreements, such freedom cannot justify clauses that disproportionately disadvantage consumers or violate principles of good faith and fairness [19]. Therefore, oversight of the content of standard clauses is necessary to prevent harm to consumers.

Personal data protection is one of the primary issues in fintech lending practices. Many consumers complain about the misuse of contact information, photos, and other personal data by service providers or debt collectors. Such misuse typically occurs when consumers are late on loan payments. Collection practices involving the disclosure of personal information to third parties clearly violate the principles established under the Personal Data Protection Law, which requires personal data to be processed lawfully, fairly, and with the consent of the data subject. In addition to causing material losses, such actions also impose psychological stress on consumers [20]. Therefore, personal data protection must be a priority in the provision of online lending services.

In terms of legal liability, this study indicates that fintech lending providers have a duty to ensure the security and transparency of the services provided to consumers. Providers are required to provide clear information regarding interest rates, administrative fees, loan terms, and potential risks arising from loan transactions. However, in practice, information is still not always communicated transparently to consumers. This results in many users failing to fully understand the contents of the agreement before taking out a loan. This lack of clarity in information has the potential to lead to legal disputes in the future [21]. Therefore, information transparency is a crucial component of consumer protection.

Fintech lending platforms often utilize debt collection agencies in the debt collection process. The use of debt collectors is permitted as long as it is conducted in accordance with legal regulations and ethical collection standards. However, in practice, many collection practices remain intimidating and inhumane. Such violations include verbal threats, the disclosure of personal data, and psychological pressure on consumers. These practices are inconsistent with POJK Number 10/POJK.05/2022, which requires collection activities to be conducted ethically and prohibits actions that may intimidate or harass consumers [22]. Therefore, oversight of debt collection mechanisms needs to be tightened by the relevant authorities.

Consumers who have suffered losses due to fintech lending services still face difficulties in accessing dispute resolution mechanisms. Most consumers are unaware of the complaint procedures with the OJK or consumer protection agencies. Additionally, the dispute resolution process often takes a considerable amount of time and incurs certain costs. This situation leads many consumers to choose not to pursue legal action despite having suffered losses. In this context, the state has a responsibility to provide dispute resolution mechanisms that are easily accessible and effective. The existence of alternative dispute resolution institutions can serve as a solution for

resolving conflicts quickly and efficiently [23].

The existence of illegal fintech lending platforms poses a serious threat to consumer protection in Indonesia. Illegal platforms generally lack official licenses and are not subject to OJK oversight. As a result, their operational practices often violate the law and harm consumers. Numerous cases indicate that illegal platforms impose exorbitant interest rates and employ debt collection methods that violate human rights. Consumers using these services also struggle to obtain legal protection because the operators' identities are often unclear [24]. Therefore, enforcement against illegal platforms must be carried out firmly and consistently.

The vulnerability of consumers in fintech lending is also influenced by limited awareness regarding digital financial risks. Many users fail to verify whether a platform is registered with the OJK and often provide access to personal information without understanding the consequences. This condition is exacerbated by the aggressive marketing strategies of certain fintech operators that emphasize speed and convenience while minimizing disclosure of risks. Consequently, consumer protection requires not only legal safeguards but also continuous public education concerning responsible borrowing practices [25].

Based on the analysis, existing regulations actually provide a sufficient legal foundation to protect consumers in fintech lending services. However, the main issue lies in the implementation and oversight of these regulations. The ineffectiveness of supervision is caused not only by the rapid growth of digital platforms but also by limited institutional capacity, fragmented coordination among regulatory agencies, and the ability of illegal operators to quickly reappear under different identities after being blocked. This study indicates that regulatory enforcement often remains reactive rather than preventive. Therefore, regulatory updates must be accompanied by stronger institutional supervision

mechanisms and technological monitoring systems.

The principle of prudence has not been fully applied by some fintech lending providers. During the loan approval process, some platforms fail to adequately assess the financial capacity of prospective borrowers. Consequently, loans are granted to consumers who lack the ability to repay. This situation increases the risk of default and escalates the likelihood of legal disputes. The principle of prudence should form the foundation of every loan eligibility analysis. By applying this principle, the risk of loss for both consumers and providers can be minimized.

The OJK plays a crucial role in establishing legal protections for consumers of fintech lending services. The OJK functions not only as a supervisory body but also as an institution that provides education and protection to the public. Through its regulations and oversight, the OJK strives to create a healthy and secure digital financial services system. However, limited resources and the rapid expansion of digital platforms present unique challenges for the OJK. Therefore, support from various stakeholders is needed to strengthen oversight of online lending services. Synergy between the government, law enforcement agencies, and the public is a key factor in consumer protection.

Preventive legal protection plays a very important role in reducing the risk of default. Preventive protection is implemented through the provision of clear information, financial education, and oversight of service providers. With preventive protection in place, consumers can understand their rights and obligations before entering into a loan transaction. Additionally, preventive measures can also prevent legal disputes from arising in the future. This study indicates that a preventive approach is more effective than dispute resolution after losses have occurred. Therefore, enhancing preventive efforts must be a priority within the consumer protection system.

In addition to preventive protection, this study also highlights the importance of repressive legal protection in resolving fintech lending disputes. Repressive protection is implemented through the imposition of sanctions against legal violations committed by service providers. These sanctions may take the form of administrative, civil, or criminal penalties, depending on the severity of the violation. Strict law enforcement will serve as a deterrent to violators and enhance public trust in the legal system. However, this study found that law enforcement regarding fintech lending violations remains suboptimal. Therefore, strengthening legal enforcement mechanisms within the digital financial services sector is necessary.

Consumer protection in fintech lending services cannot be separated from the protection of human rights. Debt collection practices involving threats, intimidation, and the dissemination of personal data constitute violations of human dignity. As legal subjects, consumers have the right to be treated humanely and fairly in every financial transaction process. Therefore, service providers must uphold ethical principles and human rights in conducting their business. This study emphasizes that legal consumer protection must be viewed as part of the protection of citizens' fundamental rights. Consequently, the legal approach employed must be comprehensive and equitable.

Non-litigious dispute resolution is preferred by consumers over court proceedings. This is because the non-litigious process is considered faster, simpler, and does not require significant costs. Mediation and negotiation mechanisms are deemed capable of providing more flexible solutions for the parties involved. However, the effectiveness of non-litigious resolution heavily depends on the good faith of the disputing parties. In some cases, service providers are uncooperative in resolving consumer complaints. Therefore, strengthening alternative dispute resolution institutions is crucial within the consumer protection system.

The development of digital technology demands an update to the legal paradigm in consumer protection. Conventional regulations often fail to accommodate the rapidly evolving dynamics of electronic transactions. This situation gives rise to various new legal issues that are not yet clearly regulated in existing laws and regulations. This study emphasizes that the law must be able to adapt to technological advancements without neglecting the principles of justice and legal certainty. Therefore, the establishment of responsive and progressive regulations is an urgent necessity in the fintech lending sector. An adaptive legal approach will provide more effective protection for consumers.

Collaboration between the government and service providers is crucial for enhancing consumer protection. The government has a duty to establish effective regulations and oversight, while service providers are obligated to operate responsibly. Such collaboration is necessary to create a safe and sustainable digital financial services ecosystem. Additionally, the public must be engaged through improved legal and financial literacy. With good cooperation among all parties, the risk of consumer violations can be minimized. This demonstrates that consumer protection is a shared responsibility.

Legal consumer protection in fintech lending services must be based on the principle of transparency. Consumers have the right to receive accurate and complete information regarding all aspects of the loan transaction. This transparency includes information on interest rates, additional fees, the risk of default, and dispute resolution mechanisms. This study found that a lack of transparency is one of the main causes of disputes between consumers and service providers. Therefore, providers are required to convey information clearly and in a way that is easily understood by users. With transparency, consumers can make rational and responsible decisions.

Consumer protection in fintech lending services requires adequate technological support. Digital security

systems must be capable of protecting consumers' personal data from the risks of data breaches and misuse. Additionally, technology can be used to enhance the quality of data verification and loan eligibility analysis. The appropriate use of technology will help reduce the potential for default and improve transaction security. However, the use of technology without proper oversight can actually create new risks for consumers. Therefore, technological development must be accompanied by the implementation of strong legal protection principles.

The public tends to use fintech lending services because the process is easier compared to conventional loans. The speed of fund disbursement is the main reason for the increasing use of these services. However, this ease often leads consumers to underestimate the risks that may arise. Many users take out loans without proper financial planning, putting them at risk of default. This situation highlights the importance of responsible borrowing behavior and informed decision-making in digital financial transactions. With a solid understanding, the public can utilize fintech lending services more safely and responsibly.

Fintech lending providers need to enhance their business ethics standards in conducting their operations. Business ethics are crucial for maintaining consumer trust and fostering healthy legal relationships among all parties. In practice, there are still providers who prioritize profit over consumer protection. This is evident in the application of high interest rates and inhumane collection methods. This study emphasizes that the success of the fintech lending industry is not only measured by economic gains but also by compliance with legal and ethical principles. Therefore, the application of business ethics must be an integral part of the digital finance industry.

The existence of personal data protection regulations plays a crucial role in safeguarding fintech lending consumers. Personal data is part of the right to privacy that service providers are obligated to protect. The misuse of personal data can

result in both material and immaterial losses for consumers. Consequently, providers must implement strict and responsible data security systems. This study found that weak data security is one of the factors contributing to the rise in consumer rights violations. With strengthened regulations and oversight, personal data protection can be implemented more effectively.

Legal consumer protection must encompass social and psychological aspects in addition to economic ones. Consumers who default on payments often face mental stress due to inhumane debt collection practices. In some cases, this stress even impacts consumers' social relationships and personal lives. These conditions indicate that fintech lending issues are not merely economic but also humanitarian concerns. Therefore, a legal protection approach must be holistic, taking into account societal social aspects. Thus, consumer protection can be realized more equitably.

Legal education plays a crucial role in raising public awareness of their rights as consumers. Many people do not yet understand the mechanisms of legal protection when they suffer losses in digital transactions. As a result, consumers tend to be passive and do not pursue legal action even when their rights are violated. This study emphasizes that legal education must be conducted continuously through various media and educational institutions. As public legal awareness increases, consumer protection will become more effective. Legal awareness can also foster the creation of a healthy and responsible digital transaction culture.

Strengthening international cooperation is also necessary for the oversight of fintech lending services. The development of digital technology allows cross-border platforms to operate without clear territorial boundaries. This situation makes the oversight of digital services more complex. Therefore, international cooperation is required in the exchange of information and the enforcement of laws regarding cross-border violations. This study indicates that a national approach alone is

insufficient to address the challenges of financial technology globalization. Through international cooperation, consumer protection can be implemented more comprehensively.

The development of fintech lending contributes positively to financial inclusion. Many small business owners and low-income individuals have gained access to financing that was previously difficult to obtain. However, these benefits must be balanced with adequate legal protections to prevent harm to consumers. This study emphasizes that the primary goal of regulation is not to hinder innovation, but to create a balance between technological development and the protection of public rights. With appropriate regulation, fintech lending services can grow in a healthy and sustainable manner. Therefore, the balance between innovation and legal protection is of utmost importance.

The success of consumer legal protection is heavily influenced by the level of compliance by providers with applicable regulations. Legal compliance reflects the providers' responsibility and professionalism in conducting their business. However, violations are still found to be committed in pursuit of quick profits. This situation indicates that supervision and law enforcement must be carried out consistently and firmly. This study confirms that consumer protection will not be effective without compliance from business operators. Therefore, a culture of legal compliance needs to be instilled in the fintech lending industry.

The development of digital financial services demands an update to the national legal system to make it more adaptive. Regulations must be able to anticipate various forms of technological innovation that continue to evolve. Additionally, the law must provide certainty and protection for all parties involved in digital transactions. This study indicates that a responsive legal approach can strike a balance between the interests of business operators and consumers. Thus, the legal system can function effectively in regulating the

development of fintech lending. Legal reform is a crucial step in addressing the challenges of the digital era.

Based on the overall research findings, it is evident that legal consumer protection in fintech lending services against the risk of default still faces various challenges. These issues include low public literacy, weak oversight, misuse of personal data, and inhumane debt collection practices. On the other hand, existing regulations have actually provided a sufficient legal foundation to protect consumers. Therefore, it is necessary to optimize the implementation of regulations through effective oversight, increased public education, and strict law enforcement. With these steps, consumer legal protection in fintech lending services can be realized more effectively. This study also underscores the importance of collaboration between the government, service providers, and the public in creating a safe, fair, and sustainable digital financial ecosystem.

## 5. CONCLUSION

This study concludes that although Indonesia has established a relatively comprehensive legal framework for

consumer protection in financial technology lending (fintech lending) through consumer protection, electronic transaction, and financial services regulations, the effectiveness of such protection remains constrained by weaknesses in regulatory enforcement, the persistence of illegal fintech lending operations, inadequate consumer literacy, and non-compliant debt collection practices. The findings demonstrate that consumer protection against default-related risks depends not only on the existence of legal norms but also on the accountability of fintech lending providers in ensuring transparency, personal data protection, and ethical business conduct, as well as on the effectiveness of supervisory mechanisms implemented by the Financial Services Authority. Accordingly, this research contributes to the development of consumer protection law in the digital financial sector by highlighting the interrelationship between regulatory effectiveness, provider responsibility, and consumer rights protection, while emphasizing the need for a more adaptive, preventive, and enforcement-oriented legal framework to ensure legal certainty, justice, and security within Indonesia's fintech lending ecosystem.

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