



FINANCIAL SERVICES AUTHORITY IN CONSUMER AND PUBLIC PROTECTION ON ONLINE LOAN BASED ON FINANCIAL SERVICES AUTHORITY REGULATION (POJK) NUMBER 22 OF 2023

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Abstract: This research employs a normative juridical method, using a statutory approach and literature review related to consumer protection in the online lending industry. The analysis focuses on the Financial Services Authority Regulation (POJK) Number 22/POJK.01/2023 as the legal basis for consumer protection in the financial services sector, particularly in technology-based lending services. The findings reveal that POJK Number 22/POJK.01/2023 provides a stronger legal foundation for consumer protection by emphasizing the obligations of financial service providers to deliver transparent information, uphold fair treatment principles, and offer responsive complaint handling mechanisms. Additionally, the OJK holds the authority to supervise and take action against violations committed by online lending providers.

In conclusion, the Financial Services Authority plays a strategic role in protecting consumers and the public in the online lending sector through the implementation and supervision of POJK Number 22. This regulation serves as a crucial instrument to encourage ethical, transparent, and responsible business practices among service providers, while also ensuring a sense of security for the public in accessing digital financial services.

Keywords: Consumer Protection, Online Lending, OJK, Digital Financial Services

INTRODUCTION

The development of digital technology has driven a major transformation in the financial services sector, one of which is marked by the emergence of online lending services or financial technology (fintech) lending. This service provides a new alternative in accessing financing,

especially for people who have not been served by conventional financial institutions. The fast loan application process, relatively easy requirements, and easy access through digital applications make online loans increasingly popular. However, behind this convenience, various problems arise related to consumer protection. Many users experience losses due to

ignorance of the applicable terms and conditions, as well as a lack of understanding of the risks involved. Cases such as misuse of personal data, non-transparent interest, and unethical collection show that the aspect of consumer protection in online lending services is still not optimal.

With the pace of change in the competitive environment, the focus of technological development is increasingly sophisticated in innovation. The process of developing more effective technology in the economic sector plays an important role in improving the industrialization system. In the current era of globalization, technological advances are a new driver of economic growth. Financial technology or abbreviated as fintech has been able to become a new instrument to increase inclusive financial growth. In essence, fintech is an innovative technology-based financial service that is integrated online to facilitate various transactions such as installment payments, insurance premiums, household bills, money transfers, balance checks, funding, investments and others.

In today's era, many small business owners start and finance their businesses independently. However, when entering the business development stage, they are often faced with obstacles in terms of financing or capital. Not a few of them are forced to borrow funds from loan sharks due to limited knowledge and difficult access to banking services.

In addition, a number of company employees also experience financial difficulties in meeting their daily needs, so they are forced to seek loans from banks. However, some of them experience obstacles in obtaining

these loans due to various factors, such as time-consuming procedures, complicated processes, and difficult requirements to meet.

The phenomenon of increasing public need for financial loans, along with the development of financial technology (fintech), encourages the need for innovation in financial services. One of these innovations is the development of financial technology applications based on peer-to-peer (P2P) lending or online loans.

As of May 2024, 129 million people in Indonesia have borrowed money from fintech lending with a total loan disbursement of IDR 874.5 trillion. The majority of loan users in Indonesia come from middle-class households. 60% of loan users aged 19-24 years use loans not to meet their needs, but to fulfill their lifestyle. From this definition, it is clear that this online loan technology was created to make it easier for people to get loans without being limited by conventional bank requirements as long as the gadgets used, such as smartphones, can be connected to the internet.

Many people consider online loan services as an easy and fast solution to get funds. However, behind the ease and convenience, there are consequences and risks that must be borne by customers, especially if they do not fulfill the agreed obligations. The reason underlying customers who are trapped in online loans is the ease and speed of the process. Loans can be applied for with just a few clicks through the application on the cellphone, and funds can be disbursed immediately in a short time. This speed is very tempting, especially for those who need money urgently but customers do not know the impact or

risks that arise from online loans, this is because they do not have adequate financial literacy, do not fully understand the long-term consequences of online loans and do not realize that the interest charged can be very high and can cause debt to swell if not paid on time. Unstable financial conditions often force someone to find a quick way, and online loans provide an instant solution even though they are high risk.

The development of the financial technology (fintech) industry, especially peer-to-peer (P2P) lending services, is inseparable from various negative stigmas, especially related to the collection practices carried out by loan providers. Problems in fintech P2P lending services are increasingly receiving public attention, along with the increasing number of cases of violations committed by a number of companies providing these services and widely reported by the mass media. Violations that often occur from illegal online loans exploit consumers' personal data in unauthorized ways. In 2023-2024, around 40 cases involving theft of personal data related to illegal online loans were reported, with a modus operandi that often involves the use of personal data for other purposes without permission.

The forms of violations committed are varied, including debt collection by intimidation (violating Article 368 of the Criminal Code [KUHP] and Article 29 in conjunction with Article 45 of the Electronic Information and Transactions Law [UU ITE]), distribution of personal data without permission (Article 32 in conjunction with Article 48 of the ITE Law), fraud (Article 378 of the Criminal Code), and alleged sexual harassment via electronic media (Article 27

paragraph (1) in conjunction with Article 45 paragraph (1) of the ITE Law).

The various alleged violations mostly came from public complaint reports received by a number of Legal Aid Institutions (LBH) since the previous year. Based on consumer service data received by the OJK, there were 1,672 complaints indicating violations related to the behavior of debt collection officers with details of Technology-Based Lending Services [Pindar] as many as 1,106. Furthermore, violations related to the behavior of debt collection officers as many as 179 complaints in the financing company or multifinance industry, and as many as 387 complaints in the banking industry.

The consumer behavior of today's digital society has made online loans a quick and easy solution for some people, without considering the long-term impacts that may arise. One of the negative impacts that are often experienced by consumers of online loan services is related to the payment collection process. In some cases, consumers feel uncomfortable because they experience unethical treatment, such as extortion, terror, and intimidation from loan collectors. If online loan customers are late in paying, we often encounter terror from the loan application that intimidates customers, Debt Collectors come to the customer's house or workplace by cursing customers often occurs in the field so that the impact of customers who are affected by default is often fired from their workplace, shunned by their colleagues to committing suicide. Relatively high interest rates often make it difficult for customers to pay with a relatively short tenor.

Another negative impact that

arises from the use of online lending services is the risk of dissemination and misuse of borrowers' personal data. This is due to the verification process carried out online, where borrowers are required to provide consent for access to various personal data. Granting this access opens up great opportunities for misuse of personal data, both by loan providers and irresponsible third parties. Therefore, personal data protection is an important aspect that needs serious attention in the development and management of online fintech lending services. This must be given special attention by the Financial Services Authority. The increasing number of cases related to violations of consumer rights in the online lending sector indicates that clear regulations and strict supervision are needed. As an institution responsible for overseeing the financial services sector, the Financial Services Authority (OJK) has an important role in ensuring that consumers are protected from detrimental practices. Realizing this urgency, OJK issued Financial Services Authority Regulation (POJK) No. 22 of 2023 concerning Consumer and Community Protection in the Financial Services Sector, including fintech lending services.

In this context, the role of OJK is very strategic in creating a safe and fair online lending ecosystem. Consumer protection is not only important to protect people's rights, but also to build public trust in online lending services that continue to grow rapidly in this digital era. The Financial Services Authority (OJK), as a supervisory institution for the financial services sector in Indonesia, has taken steps to regulate and supervise fintech

lending. This is realized through the Financial Services Authority Regulation (POJK) No. 22 of 2023 which regulates Consumer and Public Protection in the financial services sector, including online loans.

MAIN PROBLEM

What is the role of the Financial Services Authority (OJK) in supervising the needs of online loan providers regarding consumer protection provisions stipulated in POJK No. 22 of 2023? What are the obstacles and efforts faced by the Financial Services Authority (OJK) in taking action against online loan providers and protecting consumers and fintech lending practices that violate regulations?

METHOD OF RESEARCH

This study uses a normative legal research method (normative legal research method). The normative legal research method is a library legal research conducted by examining library materials or secondary data alone. This research was conducted in order to obtain materials in the form of: theories, concepts, legal principles and legal regulations related to the subject matter.

Furthermore, in this type of research, descriptive research is used because this research describes and analyzes the problem of solving the role and efforts made by the OJK. Regarding data, this legal research is based on primary legal data and secondary legal data. Primary data is data obtained directly through the first source. The author obtained primary data sources in this

empirical research method directly from sources in the field, as well as sources that solve problems within the scope of the OJK, in the form of interview results. Secondary data was obtained from primary, secondary, and tertiary legal materials. The primary legal materials used in this study are:

- a. Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Electronic Information and Transactions
- b. Government Regulation Number 82 of 2012 concerning the Implementation of Electronic Systems and Transactions
- c. Financial Services Authority Regulation Number 77/PJOK.01/2016 of 2016 concerning Information Technology-Based Money Lending Services
- d. Financial Services Authority Regulation Number 10/POJK.05/2022 of 2022 concerning Information Technology-Based Joint Funding Services
- e. Financial Services Authority Regulation (PJOK) Number 22 of 2023 concerning Consumer and Community Protection in the Financial Services Sector

Secondary legal materials in the form of draft laws, research results, and opinions of legal experts. This includes research results, writings of legal practitioners, and academic ideas and views. Tertiary legal materials in the form of legal dictionaries and encyclopedias. After all data has been collected, namely primary and secondary data, a qualitative analysis is carried out. The data is categorized, grouped, and analyzed using measurement and

assessment methods based on laws and regulations in order to provide answers to the problems. Thus, the results obtained will be able to provide answers to this research.

RESEARCH RESULT AND DISCUSSION

1. The role of the Financial Services Authority (OJK) in supervising the needs of online loan providers regarding consumer protection provisions stipulated in POJK No. 22 of 2023

The Financial Services Authority (OJK) is an independent institution that has the functions, duties, and authority to regulate, supervise, inspect, and investigate. OJK was established based on Law Number 21 of 2011 concerning the Financial Services Authority which functions to organize an integrated regulatory and supervisory system for all activities in the financial services sector. OJK was established to replace the role of Bapepam-LK in regulating and supervising capital markets and financial institutions, and to replace the role of Bank Indonesia in regulating and supervising banks, and to protect consumers of the financial services industry.

Financial Services Authority Regulation No. 22 of 2023 aims to strengthen consumer and public protection in the financial services sector. This regulation encourages transparency of information in financial products and services, ensuring that consumers have sufficient access to the information needed to make informed decisions. First, increasing the obligations of service providers, this regulation stipulates the obligation for financial service providers to provide clear and accurate information

to consumers, and to ensure that the products and services they offer are in accordance with the needs and risk profiles of consumers. This regulation emphasizes the responsibility of financial service providers in providing adequate protection for consumers, including through effective and transparent dispute resolution mechanisms. Second, regulating fair business practices, this regulation also sets clear standards for fair and non-discriminatory business practices in the financial services sector, so that consumers are protected from detrimental practices. Third, increasing financial literacy by encouraging increased financial literacy among the public, so that consumers can make smarter and more responsible financial decisions. Overall, Financial Services Authority Regulation No. 22 of 2023 aims to create a safer, fairer, and more transparent environment for consumers and the public in transacting in the financial services sector.

OJK has several functions related to supervision, namely:

- a. First, OJK is responsible for establishing regulations and policies that govern the operations of financial institutions, including financial technology (fintech) companies that provide online loan services. These regulations cover various aspects such as maximum interest rates, administration fees, and other provisions that must be adhered to by online creditors.
- b. Second, OJK is tasked with carrying out supervision to ensure that all financial institutions comply with the regulations and policies that have been set. This

supervision is carried out both directly through field inspections and indirectly through periodic reporting and online supervision systems. In addition, OJK also plays a role in protecting consumers of financial services by ensuring that they receive clear and correct information and are protected from unfair or misleading practices.

- c. Third, OJK has a responsibility to improve public financial literacy. To improve public understanding of financial products and services and the risks involved, various education programs and campaigns have been carried out. The goal is to build a healthy and sustainable financial ecosystem.

The Financial Services Authority (OJK) implements an integrated supervision system, meaning that all financial services activities carried out by financial services institutions are under the regulation and supervision of OJK. In carrying out its functions, OJK has full authority to supervise and regulate financial institutions in order to maintain stability and consumer protection in the financial services sector. As part of this effort, OJK issued special regulations related to Financial Technology (fintech) services on September 28, 2016. The regulation is stated in the Financial Services Authority Regulation (POJK) Number 77/POJK.01/2016 concerning Information Technology-Based Money Lending Services. This regulation is the legal basis for regulating and supervising fintech activities in Indonesia, especially those engaged in digital money lending.

Article 7 of the POJK states, "Organizers are required to submit registration and licensing to the

Financial Services Authority. Financial service providers that use financial technology (fintech) systems are categorized as non-bank financial institutions. As a formal institution, fintech organizers must be in the form of a legal entity, either a limited liability company or a cooperative. In addition, before starting their business activities, fintech organizers must obtain official permission from the Financial Services Authority (OJK). After the enactment of POJK Number 77/POJK.01/2016, OJK has blocked around 900 fintech entities of the type of inter-party lending that are unlicensed or illegal. Although illegal fintech has been blocked by the authorities, there are still many illegal fintech applications that operate secretly. In this case, there needs to be increased regulation and firm policies from the government regarding illegal fintech such as transparency of its business activities, organizational structure, operational permits and financial audits. Thus, the government and the Financial Services Authority (OJK) can better monitor fintech applications circulating on digital platforms by using digital detection and monitoring tools.

Financial Services Authority Regulation Number 22 of 2023 concerning Consumer Protection in the Financial Services Sector, stipulates that in the context of consumer protection provisions, OJK has the authority to request data and information from POJK with consumer protection provisions.

To realize orderly, fair, and efficient non-bank financial institution industry activities and protect consumer interests, OJK has the authority to regulate, supervise and protect consumers, namely:

1. Regulation

One of the main tasks of the Financial Services Authority (OJK) is to carry out regulatory functions in the financial services sector. In carrying out this function, OJK has the authority to stipulate implementing regulations of the Law, prepare laws and regulations applicable in the financial services sector, and issue OJK regulations and decisions as a form of operational policy. This regulatory task aims to create a healthy, stable, and transparent financial system, as well as provide a clear legal basis for financial services business actors and adequate protection for consumers.

2. Supervision

The purpose of management and supervision is:

- a. The company implements the agreed plan, be it the system, process, or results achieved
- b. Preventing deviations
- c. Minimizing deviations committed by employees
- d. Facilitating prevention
- e. Cost supervision
- f. Helping to achieve the company's goals

3. Consumer and Community Protection

The Financial Services Authority (OJK) has the authority to take preventive measures against all forms of activity in the financial services sector that have the potential to harm consumers and the community. In carrying out this protection function, OJK can submit an application to terminate some or all business activities that are considered detrimental.

In an interview with Mrs. Erza Bestari as part of the strategic management service, the Regulation relating to consumer protection in the

financial services sector is POJK Number 22 of 2023 by implementing the principles of consumer protection regulated in Article 3 of Consumer and Community Protection in the Financial Services Sector, namely:

1. Adequate education
2. Openness and transparency of product and/or service information
3. Fair treatment and responsible business behavior
4. Protection of consumer assets, privacy, and data
5. Effective and efficient handling of complaints and dispute resolution.
6. Enforcement of compliance, and
7. Healthy competition.

The Financial Services Authority (OJK) strengthens consumer and community protection efforts in the financial services sector through the issuance of Financial Services Authority Regulation (POJK) No. 22 of 2023 concerning Consumer and Community Protection in the Financial Services Sector. In substance, there are 11 strengthenings of consumer and community protection covered in POJK No. 22 of 2023.

1. Adjustment of the scope of Financial Services Business Actors (PUJK) and consumer protection principles.
2. Prohibition on accepting as consumers and/or cooperating with parties carrying out business activities in the financial sector that do not have a permit from the OJK or the competent authority.
3. Rights and obligations of prospective consumers, consumers and PUJK and prohibitions for PUJK.
4. Inclusion of fees and

commissions/rewards to marketing agents/intermediaries in the agreement.

5. Mechanism for collection and takeover/withdrawal of collateral by PUJK for credit and financing products and/or services.
6. Adjustment of the complaint service period for PUJK.
7. Protection of data and/or information and the obligation to ensure the security of information systems and cyber resilience.
8. Supervision of PUJK behavior (market conduct).
9. Strengthening regulations on the provision, delivery of information and marketing of Investment-Linked Insurance Products (PAYDI).
10. Filing objections to administrative sanctions issued by the OJK.
11. Strengthening the authority of the OJK in filing civil lawsuits.

POJK No. 22 of 2023 also emphasizes OJK's authority in supervising PUJK Behavior (Market Conduct) in designing, providing information, conveying information, marketing, making agreements, and providing services for products and/or services as well as handling complaints and resolving disputes.

Supervision of the behavior of Financial Services Business Actors (PUJK), or known as Market Conduct, is expected to maintain and increase consumer trust in PUJK in every activity and business activity in the financial services sector. This supervision also aims to ensure that PUJK carries out fair, efficient, and transparent business practices, while providing equal opportunities and chances for business development in the sector.

Since the enactment of the P2SK Law, PUJK has been increasingly encouraged to become a healthy business entity in terms of business, and to implement good actor behavior (market conduct) in carrying out its business activities.

2. The obstacles and efforts faced by the Financial Services Authority (OJK) in taking action against online loan providers and protecting consumers and fintech lending practices that violate regulations

Fintech Lending, or information technology-based loans, is one of the innovations in the financial sector that utilizes advances in digital technology. Through fintech lending, lenders and borrowers can carry out borrowing and lending transactions directly without having to meet face to face. This model allows the loan process to be faster, more efficient, and more accessible to various levels of society.

Fintech Lending is also known as online loans and improving services in the financial industry is one form and function of fintech. Online loans are money lending facilities provided by financial service providers that are integrated with information technology. The entire process from application, approval, to disbursement of funds is done online or via confirmation via SMS and/or telephone. This system makes it easier for people to access loans with a faster and more efficient process than conventional methods. The way online loans work is as an intermediary platform that brings together lenders and borrowers. Online loan providers do not act as direct lenders, but rather facilitate the transaction process between the two parties. Currently,

there are many online loan providers that are registered and supervised by the Financial Services Authority (OJK) as a form of compliance with applicable regulations. This is what is known as illegal online loans. The Financial Services Authority (OJK), in accordance with its authority, has established various forms of legal protection for consumers, especially when violations occur by online loan business actors that cause losses. These forms of protection include:

1. Termination of business activities, if deviant practices are found that are detrimental to consumers.
2. Legal defense of consumer interests, including through filing lawsuits against parties that cause losses
3. Issuance of written warnings or reprimands to financial service business actors who do not comply with the provisions of laws and regulations, as a corrective effort so that improvements are made immediately.

Legal protection for consumers in online loan services is not only carried out through an administrative approach, but also through a criminal approach if there is a violation of consumer rights, especially in terms of misuse of personal data. Article 45 of Law Number 11 of 2008 concerning Information and Electronic Transactions (UU ITE) provides a legal basis for the imposition of criminal sanctions against anyone who intentionally and without the right distributes or makes accessible electronic information containing defamation, including misuse of personal data. In addition to the

criminal sanctions, Article 47 paragraph (1) of POJK No. 77/POJK.01/2016 also specifically regulates administrative sanctions, namely in the form of written warnings, fines, restrictions on business activities, and revocation of permits, especially for legal online loan business actors.

Thus, the Financial Services Authority (OJK) is expected to always have a strong commitment and consistency in carrying out its function as a supervisory authority and consumer protector in the financial services sector, especially in the context of online lending services. Given the position of consumers who tend to be weaker and more vulnerable to losses, it is necessary to increase the intensity and quality of consumer protection efforts so that consumer rights can be optimally enforced. In addition to the supervision and protection aspects, coaching for financial service business actors, including fintech lending organizers, is also crucial. The goal is that business actors are not only subject to formal legal regulations, but also uphold business ethics and the principle of fair treatment of consumers.

With a better understanding of the problems faced and the progress that has been achieved, it is hoped that the OJK and stakeholders can continue to improve supervision and quality of service in the online lending fintech industry.

Based on the results of the interview with Mrs. Erza Bestari, it was stated that there are obstacles for the Financial Services Authority in protecting consumer data and the public who make online loans, namely because the public itself has not confirmed in advance whether the

online loan company is registered or licensed with the Financial Services Authority; people tend to borrow only for consumptive needs; inconsistency of product offerings; inconsistency of credit/financing installment calculations; difficulty in disbursing claims; behavior of collection officers; requests for data returns; transactions without approval and other problems that are detrimental and/or potentially detrimental to consumers because PUJK does not fulfill the agreed agreement.

From the constraints of the Financial Services Authority, it turns out that it is also caused by the carelessness of consumers and the public in viewing the agreement and seeing the interest set by the financial services institution, but this is also due to the lack of counseling or socialization as well as appeals from the Financial Services Authority in conveying to consumers or the public regarding the stages, systems and also caution in choosing a financial services institution that is already registered and licensed.

The Financial Services Authority (OJK) as a regulator of the financial services sector faces challenges and opportunities in the digitalization of financial services by encouraging digital financial innovation that considers aspects of security, fairness, and openness, increasing public literacy in the use of digital financial products, especially online loans, monitoring and guaranteeing all financial transactions, from collecting public funds to financial services and services that will be obtained by customers or investors, regulating, supervising, examining, and investigating all activities in the financial services sector, providing

information and education to the public on the characteristics of the financial services sector, services, and products and formulating policies and strategies that are in accordance with global and technological developments.

To be able to carry out these tasks, OJK is expected to use the principle of checks and balances. This principle can make OJK internally supervise each other in each of its tasks in order to gain public trust. OJK has a big challenge in navigating the era of digitalization of financial services, but is also faced with many opportunities to increase financial inclusion and industry efficiency. With an adaptive regulatory approach and a focus on education and legal protection for consumers, OJK can ensure that digital transformation takes place safely and effectively, providing maximum benefits for the Indonesian people.

OJK is an independent institution that is tasked, functions and has the authority to regulate to prepare a number of regulations that can provide supervision and regulation of the development of types of businesses in the financial sector that use technological advances or fintech. The authority held by OJK is an attributive authority, namely the authority that comes from the division of power by laws and regulations, so that the implementation of its authority is in accordance with the provisions of Law Number 21 of 2011 concerning the Financial Services Authority.

In addition to its authority to supervise and regulate the fintech industry, OJK also has the authority to protect the public who use fintech services. The supervision carried out by OJK is only for legal online loan

companies, namely those that have been registered and have obtained permission from OJK, but supervision of illegal online loan companies will be handled by the Investment Alert Task Force (hereinafter abbreviated as the Investment Alert Task Force). This Investment Alert Task Force is a place to coordinate with fellow regulatory institutions, law enforcement, supervisory agencies and other parties that are members of the Investment Alert Task Force to handle allegations of violations of the law in community fundraising and investment activities. Some of the agencies that are members of the Investment Alert Task Force include: OJK, Ministry of Trade, Banking, Ministry of Cooperatives and Small and Medium Enterprises, Investment Coordinating Board (BKPM) as regulators. The Attorney General's Office and the Indonesian Police as law enforcers. The Ministry of Communication and Informatics as a supporting institution.

The Investment Alert Task Force carries out handling efforts starting from blocking sites, conducting joint inspections of business activities suspected of being illegal investigations, asking parties who have illegal investments to stop their business activities, and increasing coordination in handling cases with related agencies. Legal protection is a right that must be obtained by the community and the state also has an obligation to provide legal protection to its people. In addition, legal protection is given to legal subjects in the form of legal instruments, both preventive (preventing disputes) and repressive (settling a dispute) or both written and unwritten. Legal protection must be based on legal rules that function to provide justice and become a means

to realize welfare for the entire community.

Based on the results of the interview with Mrs. Erza Bestari in the Strategic Management Services Section, the efforts made include:

1. Making efforts to prevent violations by collecting and processing data on illegal online loans, then coordinating with the Task Force for the Eradication of Illegal Financial Activities or Satgas PASTI (formerly Satgas Waspada Investasi) to summon the illegal fintech and provide an explanation to register their fintech or stop carrying out operational activities as long as their fintech is still illegal. If there is no response from the fintech, the OJK will announce to the public a list of the names of the illegal fintechs.
2. The OJK through the Task Force for the Eradication of Illegal Financial Activities or Satgas PASTI routinely coordinates with the Minister of Communication and Information to block websites and applications for illegal online loans. The cyber patrol carried out by the Minister of Communication and Information on the data found regarding illegal online loans is then given to the Satgas PASTI for verification and blocking. The aim is so that illegal online loans cannot freely carry out their activities.
3. Various information reports from the public if proven to have received terror, threats, intimidation or other elements that contain criminal elements will be reported to law enforcement officers, namely the Police, for further law enforcement or the public can also directly report to

the Police if they feel they are victims of illegal online loan crimes.

4. If the violation that occurs is carried out by a legal online loan, the public can directly report to the OJK accompanied by evidence to be processed by the OJK based on the sanctions contained in POJK No. 77 in the form of warning sanctions to revocation of membership status.

Based on the provisions of the financial services authority regulation number 22 of 2023 concerning consumer and public protection in the financial services sector, there are provisions governing the obligation to protect the security and confidentiality of consumer data as stated in article 19 paragraph (1). the obligations carried out are the implementation of the basic principles of processing personal data protection as regulated in the provisions of laws and regulations concerning personal data protection. in addition, the obligations that must be carried out are the provision of product and service information as stated in article 29 paragraph (1), must provide information about products and/or services that are clear, accurate, honest, easily accessible, and do not have the potential to mislead potential consumers and/or consumers.

These efforts are made to create order and provide protection to the public who use online loan services or fintech. In addition to the efforts that have been made between agencies, OJK in this case also provides an understanding to the public so that they do not get caught in illegal online loan services by emphasizing and appealing to the public to be more selective in choosing online loan

services. The public is asked to be wiser in using online loan services by using online loan services that have been registered with OJK because all online loan services that have been registered with OJK have been confirmed legal by OJK. The characteristics of illegal online loan services are that they do not have an official permit, their identity is unclear with changing office addresses and contact numbers, the disbursement of funds for loans is very easy, there are high fines and interest, access to all borrower data as collateral, and there is terror if the borrower is in arrears. A list of legal online loan applications can be seen on the website www.ojk.go.id. The public is asked to truly understand the difference between licensed online loans that have been registered with the OJK and illegal online loans so that they can avoid fraudulent modes that will harm themselves. The OJK has also opened a complaint post via telephone 157 if the fintech landing organizer has been registered/licensed with the OJK. Or via the AFPI website www.afpi.or.id or telephone of 150505.

CONCLUSION

1. The increasing number of public complaints regarding online loans indicates serious problems in the practice of organizing digital loan services, especially those carried out by illegal entities. Common complaints include very high interest rates, unethical or intimidating debt collection, misuse of personal data, and terrorizing borrowers and their contacts. This condition causes unrest and is detrimental to society socially and financially. In this case, the Financial Services Authority (OJK)

plays an important role as an institution that oversees and regulates the financial services sector. OJK has carried out various strategic roles and steps such as:

- a. educating the public about the characteristics of legal online loans and the dangers of illegal online loans
- b. issuing regulations to protect consumers, including provisions on interest and debt collection ethics
- c. collaborating with law enforcement officers and other agencies in taking action against illegal online loans
- d. providing consumer complaint services, so that the public has an official channel to submit complaints
- e. By strengthening regulations, supervision and ongoing education, OJK is expected to be able to suppress illegal online lending practices and create a healthy, safe and trusted digital financial ecosystem for the entire community.

The Financial Services Authority (OJK) has a very crucial role in tackling and supervising illegal online lending practices in Indonesia. As an institution responsible for regulating and supervising the financial services sector, OJK works to ensure that fintech services (including online loans) run in accordance with applicable regulations and maintain consumer protection. The following are some aspects of OJK's role in prosecuting and supervising illegal online loans, such as adjusting regulations and regulating online loan services by setting strict

requirements for fintechs wishing to operate in Indonesia, supervising online loan providers by having OJK monitor and inspect all registered fintechs periodically. This monitoring includes operational aspects, financial feasibility, and compliance with existing regulations.

The goal is to ensure that online loan providers do not violate the law and maintain the security of user data and transactions, and closing illegal online loan applications by collaborating with Kominfo to block illegal fintech applications that can harm the public. The Ministry of Communication and Information is tasked with blocking unregistered applications through digital platforms, thereby minimizing public access to unauthorized applications, and enforcing the law and imposing sanctions such as imposing administrative sanctions on online loan providers who violate regulations, such as fines or freezing operations by cooperating with law enforcement officers if there are criminal acts that harm consumers such as fraud, misuse of personal data and extortion and threats.

2. The Financial Services Authority (OJK) has made various strategic and coordinated efforts to take action against online loan providers, especially those that operate illegally and harm the public. These efforts include aspects of supervision, law enforcement, education and cross-agency collaboration. Through cooperation between the Investment Alert Task Force and institutions such as the Ministry of Communication and Information and the police, OJK

also formed the PASTI Task Force, the Task Force for the Eradication of Illegal Financial Activities. OJK actively blocks illegal applications, disseminates official information, and takes legal action against violators. In addition, OJK continues to update regulations and operational standards for registered online loan providers to ensure compliance with consumer protection principles. OJK is also actively increasing digital financial literacy and education so that the public is wiser and more careful in choosing loan services. With this approach, OJK seeks to create a healthy, legal, and justice-oriented online loan ecosystem and consumer protection.

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