

# The Urgency of Online Non-Litigation Settlement in Business Disputes in Information Technology-Based Co-Funding Services

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## Abstract

Problems in information technology-based co-financing services that often occur are, for example, recipients of funds that end up failing to pay up to loan collection and personal data being misused. This problem is certainly detrimental to the organizers and recipients of funds. The purpose of this study is to explore dispute resolution through non-litigation *online*, as the embodiment of repressive legal protection. Settlement through non-litigation *online* becomes an urgency to do, considering that the whole activity is carried out *online* as well as as an embodiment of the principle of dispute settlement in a fast, simple, low cost, and sustainable way for the parties. This research method is normative, with a statutory and conceptual approach. The results of the study indicate that dispute resolution in information technology-based co-financing services tends to be carried out through litigation *online*. Non-litigation in Indonesia is still carried out conventionally. Arrangements regarding non-litigation *online* is not yet regulated in Indonesia, especially regarding information technology-based co-financing services. Settlement of the dispute should be carried out through non-litigation *online* by applying *win-win solution* in order to realize a quick, simple, low-cost, and sustainable dispute resolution. Thus it is for the sake of realizing legal protection for the parties and a good national economy, as well as a healthy business world. Legal certainty regarding the regulation is hereby necessary to be realized.

**Keywords** : Information Technology-Based Co-Funding Services, Repressive Legal Protection, Non-Litigation Online.

## 1. Introduction

Information Technology-Based Joint Funding Services is the provision of financial services to bring together donors and recipients of funds in conducting conventional or sharia-based funding directly through an electronic system using the internet. This allows lending and borrowing transactions to occur with the parties without having to hold direct meetings, the mechanism of which is only carried out on the system that the Information Technology-Based Joint Funding Service provider provides in an application or *website* (Adi and Primawardani, 2020, p. 353-367). As for this research, it limits the provision of financial services to bring together donors and recipients of funds in conducting conventional funding.

Information Technology-Based Joint Funding Services Business in Indonesia continues to grow rapidly (Novita and Imanullah, 2020, p. 151-157). The parties in the Information Technology-Based Joint Funding Service include the funders and fund recipients. The donor of funds based on the provisions of Article 1 Number 10 of the Regulation of the Financial Services Authority of the Republic of Indonesia Number 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services is an individual, legal entity, and/or business entity that provides funding. Meanwhile, the recipient of funds is a person individuals, legal entities, and/or business entities that receive funding in accordance with the provisions of Article 1 Number 9 of the Republic of Indonesia Financial Services Authority Regulation Number 10/POJK.05/2022 concerning Information

Technology-Based Joint Funding Services. The advantage of the Information Technology-Based Joint Funding Service is that funding can be done quickly, most of it is without collateral, and the requirements are easy because it can be done online *remote* by using *smartphone*. Increasing distribution of funding is certainly expected to grow the national economy (Mahfuz, 2021, p. 110-122).

Problems that often arise in the implementation of Information Technology-Based Co-Funding Services are illegal Information Technology-Based Co-Funding Services practices, bad loans, interference from third parties *debt collector* which is not reasonable to injure the rights of the borrower (Yante, 2022, p. 73-87). Even problems related to personal data which are then misused (Wijaya and Anggriawan, 2022, p. 63-72). The parties involved in the implementation of Information Technology-Based Co-Funding Services must of course be aware of these problems that may arise (Anggriawan, *et al*, 2021, p. 1-10). Parties to Information Technology-Based Co-Funding Services when facing problems in the implementation of Information Technology-Based Co-Funding Services are usually found by contacting the authorities such as the police. This person can actually also report complaints to the Financial Services Authority as the supervisory agency for the implementation of Information Technology-Based Joint Funding Services, one of which is by referring to the provisions of Law of the Republic of Indonesia Number 21 of 2011 concerning the Financial Services Authority. The Financial Services Authority basically provides complaint services, as stated in the Regulation of the Financial Services Authority of the Republic of Indonesia Number 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector. Parties who experience problems in the implementation of Information Technology-Based Joint Funding Services can also report to the Association *Fintech* Indonesian Joint Funding. Problem solving in the implementation of Information Technology-Based Co-Funding Services can actually also be carried out through a general legal process. The general legal process can be carried out through courts or non-court institutions. Settlement through court can basically refer to mediation, as stipulated in the Supreme Court Regulation of the Republic of Indonesia Number 1 of 2016 concerning Mediation Procedures in Court. In addition, this can also be done by filing a simple lawsuit, as stipulated in the Supreme Court Regulation of the Republic of Indonesia Number 4 of 2019 concerning Amendments to Supreme Court Regulation Number 2 of 2015 concerning Procedures for Settlement of Simple Claims. *kindlyonline*, basically the settlement of disputes through the courts can be done *with-e-court* as in the Regulation of the Supreme Court of the Republic of Indonesia Number 1 of 2019 concerning Administration of Cases and Trials in Electronic Courts and mediation as in the new provisions, namely Regulation of the Supreme Court of the Republic of Indonesia Number 3 of 2022 concerning Mediation in Courts electronically. Dispute resolution through non-court institutions in general can be carried out through arbitration and other alternative dispute resolutions by referring to the provisions of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, and can be carried out through other dispute resolution institutions, one of which is Consumer Dispute Settlement Agency. The agency itself was born from the provisions of the Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection and then specifically regulated in the Regulation of the Minister of Trade of the Republic of Indonesia Number 72 of 2020 concerning the Consumer Dispute Settlement Agency.

Arrangements regarding dispute resolution through *online* can only be carried out on the court route, namely through *e-court* and mediation in court electronically. Solving through *e-court* Of course, the nature of confidentiality will be blurred, considering that all information tends to be open (Nurzamzam, 2021, p. 141-153). This of course can be detrimental to the recipient of the funds related to the reputation of financing for their living

needs as well as detrimental to the organizer regarding the reputation of his business related to Information Technology-Based Co-Funding Services (Anggriawan, *et al.* 2022, p. 148-170). Mediation in court electronically itself certainly takes a very long time, given the many conflicting interests of the parties which must then be formulated in an agreement (Sri, 2020, p. 164).

Solving problems in the implementation of Information Technology-Based Joint Funding Services is actually related to the business world, where consumers as well as business actors deserve to be protected for good sustainability. This should have resolved the dispute can protect the parties properly. According to Muchsin, legal protection is something that protects legal subjects through applicable laws and regulations and is enforced by a sanction (Hanum, 2020, p. 29). Legal protection according to Hetty Hasanah is all efforts that can guarantee legal certainty, so as to provide legal protection to the parties concerned or those who take legal action (Wulandari, 2020, p. 17). According to Roscoe Pound, legal certainty is like what Peter Marzuki wrote in his book Introduction to Law where legal certainty has two meanings, namely as a general rule to make individuals understand what actions may and may not be carried out and guarantee legal security. for every person from arbitrariness.

The nature of fast, simple, and affordable solutions in this case really needs to be realized (Widowati, 2021, p. 94-114). Until now, there are no specific rules to settle disputes quickly, simply, at affordable costs through *online* in the implementation of Information Technology-Based Joint Funding Services. This is the cause of several problems related to Information Technology-Based Co-Funding Services, namely the settlement is carried out through litigation with a process that tends to be long because it prioritizes formal processes (Jaelani, *et al.*, 2022, p. 1-14). In practice, this is described as the case in Decision 689/Pdt.G/2021/PN.Jkt.Pst. which is currently unresolved and is in the appeal stage. The appeal was filed after the Judge at the court of first instance decided not to examine and adjudicate the Citizen Lawsuit lawsuit regarding Information Technology-Based Joint Funding Services. The matter had previously been decided by way of *online* through *court* on 26 September 2022, which previously the agenda for issuing the decision had been delayed for almost 1 (one) month from the original schedule. The practice of resolving Information Technology-Based Joint Funding Services problems shows that it takes a long time and is complicated, because of the formal process that must be followed. In addition, the reputation of the parties is disrupted for sustainability.

Based on the description above, this study explores repressive legal protection for parties in the implementation of Information Technology-Based Co-Funding Service Business in Indonesia and non-litigation settlement of business disputes. The novelty of this research is to pay attention to the basis of reference for the latest laws and regulations related to the conduct of this business, namely the Regulation of the Financial Services Authority of the Republic of Indonesia Number 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services which in previous studies had not been used be a reference. Apart from that, it also discusses non-litigation dispute resolution *online*, which in previous studies there was no discussion regarding the application of the system *online* in the resolution of such business disputes. This research needs to be carried out with the aim of exploring the urgency of non-litigation resolution *online* in the Information Technology-Based Co-Funding Service Business Dispute. It is hoped that the results of this research can provide benefits as an embodiment of solving problems in Information Technology-Based Co-Funding Services quickly, simply, and at low cost. Apart from that, it is also in the interests of the parties in a sustainable manner regarding their reputation, which in previous research only focused on resolving cases firmly in order to provide a deterrent effect, without regard to the sustainability of the business world for both business actors and consumers.

## 2. Objectives

The purpose of this research is to explore the urgency of resolving disputes through online non-litigation, as an embodiment of repressive legal protection. Repressive forms of legal protection that exist today will be explored first, the results of which will then lead to renewal or discovery of laws to be applied to make them more effective. In addition, the hope is that it can be a form of preventive protection in the future. Forms of preventive protection measures that exist today are also explored, the results of which indeed show that there is a need for legal discoveries to be implemented and it is an urgency to realize them.

## 3. Materials and Methods

This type of research is empirical juridical. Empirical juridical research is legal research related to the implementation of normative legal provisions directly in every particular legal event that occurs in society (Kadarudin, 2021, p. 161). The approach used in this study is a qualitative approach to laws and regulations and a conceptual approach. Qualitative approach can be interpreted as an approach that focuses on in-depth research. While the conceptual approach is research based on the point of view so that problems can be solved by looking at the aspects of several legal concepts that form the background or by looking at all the content in the values of the norms of a rule relating to all the concepts used as a reference (Kadarudin, 2021, p. 110). Sources of data in this study were obtained from primary legal materials, secondary legal materials, and tertiary legal materials. Primary legal material is legal material consisting of laws and regulations, official records, treatises in making laws and judges' decisions (Prasetyo, 2019, p. 177). In this study the primary legal materials used are as follows:

- a. The 1945 Constitution of the Republic of Indonesia;
- b. Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection;
- c. Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution;
- d. Law of the Republic of Indonesia Number 21 of 2011 concerning the Financial Services Authority;
- e. Regulation of the Financial Services Authority of the Republic of Indonesia Number 1/POJK.07/2014 concerning Alternative Dispute Resolution Institutions in the Financial Services Sector;
- f. Republic of Indonesia Supreme Court Regulation Number 1 of 2016 concerning Mediation Procedures in Courts;
- g. Republic of Indonesia Financial Services Authority Regulation Number 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector;
- h. Republic of Indonesia Supreme Court Regulation Number 4 of 2019 concerning Amendments to Supreme Court Regulation Number 2 of 2015 concerning Procedures for Settlement of Simple Claims;
- i. Republic of Indonesia Supreme Court Regulation Number 1 of 2019 concerning Electronic Administration of Cases and Trials in Courts;
- j. Regulation of the Minister of Trade of the Republic of Indonesia Number 72 of 2020 concerning the Consumer Dispute Settlement Agency;
- k. Republic of Indonesia Supreme Court Regulation Number 3 of 2022 concerning Electronic Mediation in Courts;
- l. Republic of Indonesia Financial Services Authority Regulation Number 6/ POJK.07/2022 concerning Consumer and Community Protection;
- m. Regulation of the Financial Services Authority of the Republic of Indonesia Number 10/POJK.05/2022 concerning Information Technology-Based Joint Funding Services; and

n. Decision of the Central Jakarta District Court Number 689/Pdt.G/2021/PN.Jkt.Pst.  
Secondary legal materials are materials which are primarily library materials which contain the basic principles of legal science and all the views of legal experts. In this study, the secondary legal materials used include:

- a. Books;
- b. Scientific journals; and
- c. Dissertation.

Tertiary legal materials are legal materials that provide instructions and explanations of primary legal materials and secondary legal materials. In this study the tertiary legal materials used include:

- a. Indonesia Dictionary;
- b. Legal dictionaries; and
- c. Internet site.

The legal material collection technique used in this research is library research. The analysis of legal material in this study uses qualitative analysis, meaning that it describes the legal material which is processed in detail into sentence forms. Based on the results of the analysis a deductive conclusion is drawn, namely a way of thinking based on general facts to then draw a specific conclusion (Bachtiar, 2021, p. 101).

#### **4. Results**

Information Technology-Based Co-Funding Services as stipulated in Article 1 Point 1 of the Republic of Indonesia Financial Services Authority Regulation Number 10 of 2022 concerning Information Technology-Based Co-Funding Services is the provision of financial services to bring together donors and recipients of funds in conducting conventional funding or based on sharia principles. directly through the electronic system using the internet. The implementation of Information Technology-Based Joint Funding Services in Indonesia is basically the result of ongoing financial and technological developments, which then penetrated into lending and borrowing activities. Burgelijk Wetboek is the basis for regulating lending and borrowing activities, while the technology used in lending and borrowing activities is based on Law of the Republic of Indonesia Number 19 of 2016 concerning Information and Electronic Transactions.

Parties in the implementation of Information Technology-Based Co-Funding Services consist of organizers and users, which include funders and fund recipients. Provider is a party in the form of an Indonesian legal entity that provides, manages, and operates Information Technology-Based Co-Funding Services either conventionally or based on sharia principles. Information Technology-Based Co-Funding Operators only act as intermediaries who bring together donors and recipients of funds. The novelty of lending and borrowing in the Information Technology-Based Co-Funding Service is that it is organized to bring together donors and recipients of funds in conducting conventional or sharia-based funding directly through an electronic system using the internet. This Information Technology-Based Joint Funding Service hereby regulates more specifically related to conventional or sharia financing, which is a form of adjustment to the needs of society in terms of financial and technological developments. The legal form of Information Technology-Based Joint Funding Services must be in the form of a Limited Liability Company, which was previously permitted in the form of a cooperative by upholding the principle of kinship in improving the national economy. This is because it is a form of prudence, bearing in mind that cooperative forms tend to be riskier than limited liability companies. The weakness of the legal form of cooperatives is that the amount of capital is limited, making it difficult to develop. The capital for establishing Information Technology-Based Co-Funding Services business activities is Rp. 25,000,000,000 (twenty-five billion rupiah), which previously was only Rp.

1,000,000,000 (one billion rupiah). The high initial capital required to obtain a business license in Indonesia is in order to apply the prudential principles and professionalism of the organizers in carrying out their business activities. Of course, this large funding cannot come from things that are prohibited by law, such as crimes in the financial sector.

The implementation of Information Technology-Based Co-Funding Services in Indonesia is increasingly widespread. Funding through Information Technology-Based Co-Funding Services has grown significantly in the last 5 (five) years. This can then be seen in the following table:

No.	Year	Value of Funding (Rp. Trillion)
1.	2018	5,04
2.	2019	13,16
3.	2020	15,32
4.	2021	29,88
5.	2022	40,17

Table 1.

Funding in Information Technology-Based Co-Funding Services  
in 2018-2022.

(Website: [katadata.com](http://katadata.com), downloaded on August 28, 2022, at 21.37 WIB. In data for 2018 until early June 2022, the term LPMUBTI is still used. The term LPBBTI has only been enforced since June 29, 2022)

Based on table 1 above, the Financial Services Authority report shows that funding through Information Technology-Based Joint Funding Services has grown significantly in the last 5 (five) years. The amount of funding through Information Technology-Based Co-Funding Services in 2018 only reached Rp. 5.04 trillion, which in the following years continued to increase. In 2021 it will reach Rp. 29.88 trillion and as of May 2022 the total funding has reached Rp. 40.17 trillion. This growth rate has reached around 697% (six hundred nine seven percent). Funding that is still circulating until May 2022 is still centered on the island of Java, namely as much as Rp. 32.38 trillion and the amount outside Java Island is only Rp. 7.78 trillion. Regarding the distribution of Information Technology-Based Co-Funding Services in Indonesia, you can then find out by looking at the following figure:

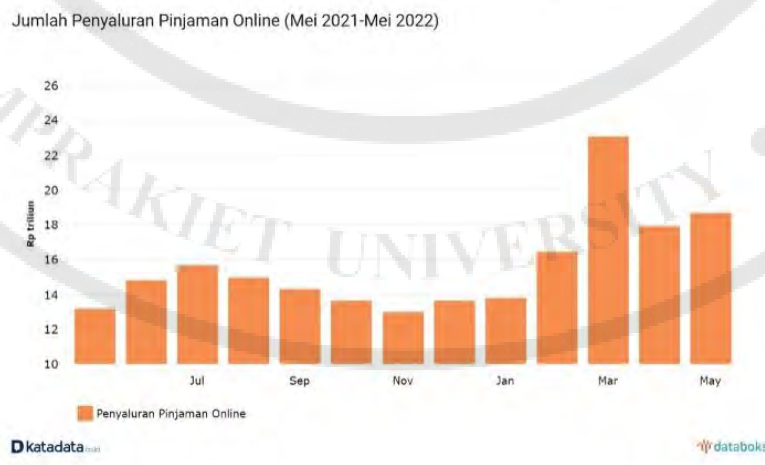


Figure 2.

Distribution of Information Technology-Based Co-Funding Services in 2021-2022

Based on Figure 1 above, it shows that the distribution value has increased by up to 3.96% (three point ninety six percent) every month. If on an annual basis, lending increases by around 41.48% (fourtyone, point forty eight percent). *Loanonline* in May 2022 distributed to 18.05 million borrowing entities. The number of borrowers increased by 30.98% (thirtypoint ninety eight percent) compared to the previous month, the majority of borrowers were from Java with a figure of 14.94 million borrowers. Loans of Rp. 7.28 trillion or 39.13% (thirtynine point thirteen percent) is given to the productive sector. Of this amount, it was then loaned to the wholesale and retail trade sector worth Rp. 2.45 trillion. Loan disbursement to the agriculture, forestry and fishery sectors reached Rp. 117.40 billion. Loan disbursement to the processing industry was recorded at Rp. 78.75 billion. The figure shows that lenders, the number reached 10.59 million entities with a value of Rp. 18.26 trillion. Cooperation in lending by institutional lenders during this period was contributed by 234 (two hundred and thirtyfour) conventional financial service institutions in the amount of Rp. 2.58 trillion.

The widespread use of Information Technology-Based Co-Funding Services has resulted in several problems, such as default, intimidating billing, sharing of personal data, and many more. The existence of problems in the Information Technology-Based Co-Funding Service certainly needs an effective resolution, which in fact does not end in harming the parties. The resolution of these problems is actually related to the realization of repressive protection. Repressive legal protection is basically the final protection in the form of sanctions such as fines or compensation given when a dispute has occurred or a violation has been committed. According to Philip M. Hadjon, repressive legal protection aims to resolve disputes. The form of repressive legal protection in the implementation of Information Technology-Based Co-Funding Services is manifested in the existence of sanctions that can ensnare the organizers of Information Technology-Based Co-Funding Services as business actors who then violate existing provisions that can harm consumers. The form of repressive legal protection for users of Information Technology-Based Co-Funding Services is the realization of efforts to resolve disputes over losses that befell users of Information Technology-Based Co-Funding Services. In this case, the giver of funds and the recipient of funds are given the opportunity to seek a settlement of the dispute over the loss that has befallen them. The means of repressive legal protection are manifested as follows:

a. Complaint

Complaint service arrangements in the implementation of Information Technology-Based Joint Funding Services are regulated in the Regulation of the Financial Services Authority of the Republic of Indonesia Number 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector which regulates the mechanism for service and settlement of consumer complaints to service businesses finance. This should be applicable in the implementation of Information Technology-Based Co-Funding Services, Information Technology-Based Co-Funding Services providers can serve problems that occur and are also obliged to report this matter periodically every 3 (three) months to the Financial Services Authority. However, until now there has been no resolution of problems in the implementation of Information Technology-Based Co-Funding Services which were resolved by the Information Technology-Based Co-Funding Services providers themselves.

The authority of the Financial Services Authority based on Law of the Republic of Indonesia Number 21 of 2011 concerning the Financial Services Authority in Article 9 in letter g is to stipulate administrative sanctions against parties who violate laws and regulations in the financial services sector. Financial services business actors who violate the provisions referred to in the Regulation of the Financial Services Authority of the Republic of

Indonesia Number 1/POJK.07/2014 concerning Alternative Dispute Resolution Institutions in the Financial Services Sector in the provisions of Article 12 in Paragraph (1) are subject to administrative sanctions in the form of a written warning, a fine by paying a certain amount of money, business activities to be restricted or even frozen, until the permit for said business activity is revoked.

b. NonLitigation

Efforts to resolve disputes in the implementation of Information Technology-Based Co-Funding Services which then harm users of Information Technology-Based Co-Funding Services is that there are repressive protection measures based on the provisions of the Financial Services Authority and Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection. The Financial Services Authority provides dispute resolution facilities through non-litigation channels based on the Regulation of the Financial Services Authority of the Republic of Indonesia Number 1/POJK.07/2014 concerning Alternative Dispute Resolution Institutions in the Financial Services Sector. Dispute resolution apart from being carried out through litigation channels, can also be carried out through non-litigation channels. Disputes that are settled out of court are known as Alternative Dispute Resolutions in Indonesia. The legal basis for this is as stipulated in the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. Disputes resolved through out of court. in practice it is the application of the cultural values, customs or customs of the Indonesian people, which are in line with the ideals of the Indonesian people as set forth in the 1945 Constitution of the Republic of Indonesia. consensus when making decisions. Enter the concept of Alternative Dispute Resolution in Indonesia of course Indonesian people can easily accept it. Alternative Dispute Resolution is expected to be a way out of cases piling up in court. The existence of these basic regulations can then be applied to problems that occur in the implementation of Information Technology-Based Co-Funding Services which then harm consumers. Article 1 point 10 of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution stipulates that Alternative Dispute Resolution is an Institution for resolving disputes or differences of opinion through procedures agreed upon by the parties, namely settlement of disputes outside the court by way of consultation, negotiation, mediation, conciliation or expert judgment. While Alternative Dispute Resolution is an Alternative to Adjudication includes resolution of disputes that are consensus or cooperative (Herniati and Lin, 2019, p. 52). The development of Alternative Dispute Resolution in Indonesia is one of which has special enforcement, of which there are 6 (six) Alternative Dispute Resolutions as follows:

1) Consultation

Consultation according to Black's Law Dictionary is "Act of consulting or conferring; e.g. patient with doctors, clients with lawyers. Deliberation of persons on some subjects". The principle of consultation is a personal action between one party and another party as a consultant in order to provide an opinion or view of the client for the needs of that party. The parties are free to use it or not based on the opinions that have been given. This happened because there was no formulation of "attachment" or "obligation" in conducting consultations. Consultation has a meaning in the form of Alternative Dispute Resolution Institutions. The consultant's role in resolving disputes is limited to providing legal opinions as requested or asked by the disputing parties. Subsequent decisions related to resolving the dispute absolutely depend on the parties to the dispute, although sometimes opportunities are also given in order to formulate the form of dispute resolution desired by the parties.

2) Negotiation

Negotiation belongs to one of the APS as stated in Article 1 point (1) of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute



Resolution. The definition of negotiation is basically not regulated explicitly in laws and regulations, but can be seen in Article 6 paragraph (2) of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution that the parties basically have the right to resolve a dispute on their own. Disputes that occurred between the parties. The results of the agreement from the settlement of disputes are then set forth in writing, with the approval of the parties.

### 3) Mediation

Mediation according to Article 1 number (1) of the Supreme Court Regulation of the Republic of Indonesia Number 1 of 2016 concerning Mediation Procedures in Court is a dispute settlement by negotiation to obtain an agreement from the parties assisted by a mediator. Arrangements related to mediation are regulated in the provisions of Article 6 Paragraph (3), Paragraph (4), and Paragraph (5) of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. Mediation is basically a negotiation involving a third party who is an expert on effective mediation procedures, which can help conflict situations to be resolved properly.

### 4) Conciliation

The definition of conciliation is not regulated explicitly in the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, but mention of conciliation as an alternative dispute resolution institution can be found in the provisions of Article 1 number 10 and Paragraph 9 in the general explanation. Conciliation according to Black's Law Dictionary, namely "Conciliation is the adjustment and settlement of a dispute in a friendly, unantagonistic manner used in courts before trial with a view towards avoiding trial and in a labor disputes before arbitration". Court of Conciliation is a court which proposes terms of adjustment, so as to avoid litigation". Conciliation is a continuation of mediation. The mediator in this case switches the function of becoming a conciliator, who performs a more active function in seeking forms of dispute resolution as well as offering them to the parties. That is, if the parties can agree, the solution made by the conciliator will become a resolution. The agreement that occurs will be final and binding on the parties. If the disputing parties are unable to formulate an agreement, then the third party can propose a solution for a way out of the dispute. Conciliation has similarities to mediation, in that both ways involve a third party to resolve disputes peacefully.

### 5) Member Ratings

Expert Assessment as concluded on the meaning of Alternative Dispute Resolution in Article 1 point 10 of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution that is one way of resolving disputes out of court by the parties by asking for opinions or expert judgment on the ongoing dispute.

### 6) Arbitration

Arbitration according to Article 1 Paragraph (1) of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution is a method of settling civil disputes outside a general court based on an arbitration agreement made in writing by the parties to the dispute. Arbitration is used to anticipate disputes that may occur or are currently experiencing disputes that cannot be resolved by negotiation or consultation or through third parties and to avoid dispute resolution through court institutions which takes a long time.

### c. Litigation

Based on Article 42 Paragraph (1) Regulation of the Financial Services Authority of the Republic of Indonesia Number 6/ POJK.07/2022 concerning Consumer and Community Protection stipulates that consumers can settle disputes through the court if no agreement is reached on complaint resolution between financial service businesses and consumers. This can of course be applied by Users of Information Technology-Based Co-Funding Services

when they experience a loss. Disputes that are resolved using the litigation route are dispute efforts that are resolved through the courts. This settlement is a conventional method used to resolve several matters in business. The practice of Information Technology-Based Co-Funding Services can of course also be applied in this regard. The litigation process places the parties against each other. Dispute resolution using the litigation route is the final means (*last resort*) after attempts at alternative dispute resolution have failed. Litigation dispute resolution can be done online through e-court and electronic mediation. Regulation of the Supreme Court of the Republic of Indonesia Number 1 of 2019 concerning Administration of Cases and Trials in Electronic Courts is the basis for implementing e-court, while the basis for implementing mediation in electronic courts is Regulation of the Supreme Court of the Republic of Indonesia Number 3 of 2022 concerning Mediation in Electronic Courts.

## 5. Discussion

Based on the description above, it shows that the dispute resolution facilities that can be applied in solving problems in the implementation of LPBBTI actually have not shown any settlement that can be done through online non-litigation. Repressive legal protection in the form of online non-litigation that should be applicable in the implementation of Information Technology-Based Co-Funding Services is that it has not been properly embodied in a rule or reality that shows legal certainty. Completion through non-litigation actually guarantees the nature of confidentiality, because the process until the results are not published. In addition, it does not take a long time, because it does not go through procedural and administrative as through litigation. Problem solving in Information Technology-Based Co-Funding Services through online non-litigation hereby needs to be implemented. All Information Technology-Based Co-Funding Services activities are carried out online, of course it should be related to non-litigation dispute resolution on problems in Information Technology-Based Co-Funding Services carried out online also in order to be able to apply dispute resolution in a simple, fast, affordable, and sustainable manner, which in this case means being able to maintain the business reputation as well as the financing reputation of the parties in the future. This can actually be considered on the basis of Article 6 Paragraph (1) of the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution which stipulates that civil disputes can be resolved by the parties through alternative dispute resolution based on good faith by setting aside the settlement litigation disputes in the District Court. Settlement through litigation actually hinders business activities, because the process of litigation in court must follow a predetermined procedure. The time needed tends to be long, secrets are not protected, there are winners and losers. Thus, the settlement of disputes through litigation channels is considered very complicated (Subagyo and Vandawati, 2019, p. 20). Dispute resolution through litigation is starting to be abandoned by business people, because the process is long, expensive, time consuming, and complicated (Hariyani, Yustisia, Serfianto, 2018, p. 223).

Case in Decision 689/Pdt.G/2021/PN.Jkt.Pst. which is currently unresolved and is in the appeal stage, where previously the agenda for issuance of the decision has been delayed for almost 1 (one) month from the original schedule, indicating that the practice of solving problems with Information Technology-Based Co-Funding Services is carried out through litigation, even though it is online. it still takes a long time and is complicated, because of the formal process that must be followed. In addition, the reputation of the parties is disrupted for sustainability (LBH Jakarta, 2023). Settlement through online non-litigation is thus a breakthrough to be implemented.

The solution with the quick principle is that it can be associated with the sentence "*Justice delayed is justice denied*" as William Gladstone argues to illustrate how important the principle of finishing quickly is. The protracted case settlement process means the same

as ignoring justice itself (Edison and Djajaputra, 2021, p. 4411-4427). The principle of being simple, fast, and low-cost is that the process of completion is not complicated, the program is clear, easy to understand and costs are affordable even for the grassroots. The steps for determining the time for settlement of cases are indeed significant, but in the context of realizing the principle of a simple, fast and low-cost settlement, this becomes less meaningful if it is not followed by consistency in adhering to the time of completion of cases. Sudikno Mertokusumo believes that simple is a program that is clear, easy to understand, and not complicated. The fewer formalities that are required or required in court proceedings the better, there are too many formalities that are difficult to understand or regulations that have multiple meanings (*doubt*) thus allowing the emergence of various interpretations that do not guarantee legal certainty and cause reluctance or fear to proceed before the court. Quick words indicate the course of justice, too many formalities are obstacles to the course of justice. Low costs to be borne by the people, high costs cause interested parties to be reluctant to submit demands to the court (Widowati, 2021, p. 1979-2115).

Alternative Dispute Resolution is a solution that can be used in resolving disputes outside the court because it is considered more effective and efficient. Basically, the APS model dispute resolution has been regulated in the Law of the Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. Regarding Alternative Dispute Resolution on Information Technology-Based Co-Funding Services, it is regulated in Article 29 of the Law of the Republic of Indonesia Number 21 of 2011 concerning the Financial Services Authority, which explains that the Financial Services Authority is an institution that oversees the running of Information Technology-Based Co-Funding Services and perform services on consumer complaints including users of Information Technology-Based Co-Funding Services.

Dispute resolution in Information Technology-Based Co-Funding Services through non-litigation Alternative Dispute Resolution should be implemented using the Online Dispute Resolution model. But the Online Dispute Resolution mechanism in national law does not yet have a clear and detailed conceptual formulation. Service users on the Online Dispute Resolution platform in civil and business cases are the disputing parties. Disputing parties consist of consumers or users who feel their rights have been harmed and organizers who are suspected of violating or abusing their authority which has implications for consumer rights. The second party that plays a role is the provider and operator of the Online Dispute Resolution service as a dispute resolution facilitator. Online Dispute Resolution service provider can be done by the private sector or the government (Sugiarto, 2019, p. 50-65).

According to Joseph W. Goodman, the 3 models of Online Dispute Resolution that are widely implemented by the international community are full automatic cyber, using software and facilitators, and using online technology. In a fully automated cyber model, dispute resolution is carried out by a software system whose role is to automatically bring the reporting party and the reported party together until an agreement is reached. Meanwhile, the software and facilitator usage model consists of several stages, including the appointment of a third party as a facilitator who acts as an intermediary for the disputing parties to provide proposals for appropriate negotiation models and compiling demands submitted in the Online Dispute Resolution process. The presence of arbitrators or third parties as facilitators of dispute resolution remains an important key and cannot be directly replaced by technological devices. Then software on the Online Dispute Resolution platform will identify the demands of the parties to find a solution. Approach to the use of online technology implementing several service features such as e-mail, video conferencing, chat rooms, and instant messaging. The concept of using online technology usually uses 3 (three) ways of settlement, namely negotiation, arbitration and mediation. Referring to the legal norms in the Law of the

Republic of Indonesia Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution as the initial basis for enabling the implementation of Online Dispute Resolution in non-litigation practices. The concept of utilizing online technology is the closest scheme to the regulatory provisions, which can be used as an option to resolve civil disputes relating to consumers in an online service., including Information Technology-Based Co-Funding Services. The use of online technology systems usually begins with reports of claims for losses by consumers whose rights have been violated by the organizer as a service company as the reported party. The application is submitted to the Online Dispute Resolution service provider institution. The organizers of the Online Dispute Resolution then it will send notification *via email* to the reported party, namely a digital platform service provider company for claims submitted by consumers. The organizer as a service company as the reported party will accept the offer of dispute resolution and provide an overview of the intended final result and propose the selection of a third party as a facilitator. Responding to this, *operatorplatform* Online Dispute Resolution will forward a report requesting the appointment of a facilitator who will be asked for approval or rejection from consumers. If the reporter agrees, the request will be forwarded to the facilitator. The facilitator is obliged to review the settlement request which is expected by each party to find an ideal middle ground for the disputing parties. The role of the facilitator plays a role in bridging the parties to negotiate with each other to find common ground for dispute resolution. If the complainant and the reported party reach an agreement, then the organizer of the Online Dispute Resolution will announce the result of the decision to the disputing parties (Mukti, Churniawan, Rudatyo, 2020, p. 113-132).

In the practice of handling consumer service complaints in Indonesia, the public is given various choices in terms of sectoral dispute resolution forums between government agencies. Consumers must first identify cases of violation of their rights before deciding which institution to visit to file a complaint. This causes the public as consumers to be reluctant to submit complaints of dispute resolution outside the court. The Ministry of Trade of the Republic of Indonesia was later found to form *platform* digital to serve complaints of consumer violations to resolve disputes outside the court through digital applications. However, this only lasted 1 (one) year, due to weak coordination between government agencies regarding server management and case handling authority (Amertha, Putu, Putu W., 2021, p. 135-141).

Dispute resolution through Online Dispute Resolution is also carried out internally (*self-regulation*) by the electronic system operator. The media used is on the server owned by the service provider. These digital services provide privacy policies and terms and conditions for users to resolve disputes between users and service providers. The terms and conditions that are regulated digitally include several things including the choice of law that will be used to resolve disputes. The legal jurisdiction used is limited to the laws that apply in the territory of Indonesia, so it cannot reach unlimited. Procedure for resolving disputes *online* provides freedom to determine and use legal options, then offers great effectiveness and efficiency compared to conventional face-to-face dispute resolution, especially costs which are sometimes much more expensive than litigation processes can be minimized. Benefits for consumers and business actors in resolving disputes through Online Dispute Resolution, including time and cost savings. Online dispute resolution can certainly streamline the time of the parties involved in a dispute *online*. The use of the internet to resolve a dispute can speed up the dispute resolution mechanism of the parties. This is because of the Online Dispute Resolution provide freedom for the parties to determine the time flexibly in the settlement process. Online Dispute Resolution speed is one of its basic advantages. The parties do not need to travel to meet, the time between submissions can be short, and

settlement can be based on documents alone. The cost of accommodation needs in this case is certainly not needed anymore (Thurmudzi and Nasution, 2022, p. 38-52).

With the Online Dispute Resolution in solving problems in Information Technology-Based Co-Funding Services it is hoped that dispute resolution can be carried out effectively and efficiently. If the Online Dispute Resolution is to be considered in an effort to resolve disputes, several things must be understood and prepared, namely (Aminuddin, 2021, p. 94-95).

- a. Preparing the legal basis for the implementation of the Online Dispute Resolution;
- b. Institutional strengthening of Alternative Dispute Resolution Institutions; And
- c. Increasing public awareness and literacy regarding Online Dispute Resolution.

Solving the problem of Information Technology-Based Co-Funding Services is actually related to the business world, where consumers as well as business actors need to be protected for good sustainability. This should have resolved the dispute can protect the parties properly. The nature of solutions that are fast, simple, affordable, and sustainable in this case really needs to be realized.

## 6. Conclusion

Dispute resolution in Information Technology-Based Co-Funding Services in Indonesia needs to be realized through online non-litigation. The implementation of Information Technology-Based Co-Funding Services is carried out entirely online, so that the solution to the problem will be correct when the whole thing is done online, through non-litigation in order to achieve *win-win solution* in order to maintain the business reputation of the provider of Information Technology-Based Co-Funding Services as well as the reputation of the financing. This is in view of the settlement of cases in the implementation of Information Technology-Based Co-Funding Services which tend to prioritize criminal pathways and end with no compensation for users of Information Technology-Based Co-Funding Services who have been harmed, due to the complicated process and the long time required. In addition, the reputation of the parties is easily tarnished. The realization of dispute resolution in the implementation of the Information Technology-Based Co-Funding Service business through online non-litigation has become an urgency to be realized, which is at the same time a manifestation of fast, simple, low-cost, and sustainable dispute resolution. The basic concept of regulation as well as the mechanism needs to be specified so that legal certainty can also be realized properly.

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