

PROTECTION OF FUNDERS IN P2P LENDING FAILURE CASES REVIEWED FROM POJK NUMBER 10/POJK.05/2022

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ABSTRACT

Peer-to-Peer Lending or Information Technology-Based Joint Funding Services (LPBBTI) are already familiar to the public. This Peer-to-Peer Lending service is a breakthrough product from the Financial Technology revolution 3.0 and 3.5. In Indonesia, the Peer-to-Peer Lending service is an alternative for the public to get credit without going through banking services and is also an option for investment. The increasing number of smart phone users (smartphones) also makes the users of this service more and more. The Peer-to-Peer Lending service itself in its activities is directly supervised by the Financial Services Authority. The convenience provided by this service is attractive to investors and people who need credit. This service can be accessed without knowing the boundaries of the region and time because it is based on technology. In its activities, there are three parties involved, namely LPBBTI organizers, funders, and recipients of funds. The parties involved in this service have their own goals. In the course of this service there is the possibility of a default occurring which will be detrimental to the donor. If a default occurs, the LPBBTI organizer has an obligation to help the beneficiary resolve the problem. Because there has been a default which is detrimental to the donor, of course there must be protection provided both to prevent default and when default has occurred. In the course of this service there is the possibility of a default occurring which will be detrimental to the donor. If a default occurs, the LPBBTI organizer has an obligation to help the beneficiary resolve the problem. Because there has been a default which is detrimental to the donor, of course there must be protection provided both to prevent default and when default has occurred.

Keywords: Peer-to-Peer Lending; Financial Services Authority; Legal protection; Default.

ABSTRAK

Peer-to-Peer Lending atau Layanan Pendanaan Bersama Berbasis Teknologi Informasi (LPBBTI) sudah tidak asing lagi di kalangan masyarakat. Layanan *Peer-to-Peer Lending* ini produk terobosan dari masa revolusi *Financial Technology* 3.0 dan 3.5. Di Indonesia sendiri layanan *Peer-to-Peer Lending* menjadi alternatif masyarakat untuk mendapatkan kredit tanpa melalui layanan perbankan dan juga menjadi salah satu opsi untuk investasi. Semakin banyaknya pengguna ponsel pintar (*smartphone*) juga membuat pengguna dari layanan ini semakin banyak. Layanan *Peer-to-Peer Lending* sendiri dalam kegiatannya secara langsung diawasi oleh Otoritas Jasa Keuangan. Kemudahan yang diberikan oleh layanan ini menarik bagi para investor maupun orang yang memerlukan kredit. Layanan ini dapat diakses tanpa mengenal batas wilayah dan waktu karena sifatnya yang berbasis teknologi. Dalam kegiatannya ada tiga pihak yang terlibat, yaitu penyelenggara LPBBTI, pemberi dana, dan penerima dana. Para pihak yang terlibat dalam layanan ini mempunyai tujuannya masing-masing.

Kata Kunci: *Peer-to-Peer Lending*; Otoritas Jasa Keuangan; Perlindungan Hukum; Wanprestasi.

A. Background

The era of globalization has had a major impact on people's lives, one of which is in the financial sector. Developments in the financial sector are better known as the development of Financial Technology. The development of Financial

Technology itself is divided into 3 periods, including FinTech 1.0, FinTech 2.0, FinTech 3.0 and 3.5.¹ Each period of development of Financial Technology is marked by its own inventions. During the Financial Technology 1.0 era, which occurred in the period 1866-1987, it was marked by the presence of an electronic system in financial services that was supported by technology, one of which was the invention of the Automated Teller Machine (ATM).² Continuing during the Financial Technology 2.0 period which occurred in 1987-2008, online financial services were present, namely e-banking and mobile banking.³ And during the Financial Technology 3.0 and 3.5 eras which occurred after the Financial Technology 2.0 period until now technology in banking services continues to experience development followed by the presence of financial services, one of which is Peer-to-Peer Lending.⁴

Peer-to-Peer Lending (P2P Lending) services are regulated in Financial Services Authority Regulations with the aim of establishing these regulations, among other things, to support the growth and development of business information technology-based financial services institutions. Peer-to-Peer Lending or Information Technology-Based Joint Funding Services (LPBBTI) based on Financial Services Authority Regulation Number 10/POJK.05/2022 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.⁵ This Peer-to-Peer Lending (P2P Lending) service is well known to the public. P2P Lending financial services in Indonesia in the implementation of these services are supervised by the Financial Services Authority.

P2P Lending services have different functions from banking services, if a bank collects public funds as a function, then P2P Lending is an intermediary that brings together donors of funds and recipients of funds.⁶ There are 3 parties involved in this service, namely Information Technology-Based Joint Funding Service Providers (LPBBTI), Fund Providers, and Fund Recipients. Based on OJK Regulation Number

¹Supreme Court Justice Ramadhan and Dinita Andriani Putri. "Big Data, Artificial Intelligence, Blockchain, and Financial Technology in Indonesia." Directorate General of App. Inform. Ministry. commun. and Inform, (2018), 34.

²Ibid.

³Ibid.

⁴Ibid.

⁵Indonesia, Regulation of the Financial Services Authority Number 10/POJK.05/2022 Concerning Information Technology-Based Joint Funding Services (State Gazette of the Republic of Indonesia of 2022 Number 2, Supplement to State Gazette of the Republic of Indonesia Number 2). Article 1.

⁶ Made, Ni Made Intan Pranita Dewanthara, and Gde Subha Karma Resen. "Legal Protection for Lenders Due to Peer to Peer Lending Defaults." Acta Comitatus: Journal of Notary Law 5.3 (2020). Thing. 481.

10/POJK.05/2022, Information Technology-Based Co-Funding Service Providers are Indonesian legal entities that provide, manage, and operate Information Technology-Based Co-Funding Services either conventionally or based on Sharia Principles.

Legal subjects who provide funding are known as funders, while legal subjects who receive funding are known as recipients of funds. The parties involved in this Information Technology-Based Co-Funding Service have their own objectives. As in the case of funders, the use of this Information Technology-Based Co-Funding Service is to benefit from the money lent to the recipient of the funds. Meanwhile, the purpose of recipients of funds in using this service is to obtain loan funds without the need to go through a bank.

The ease of using this service makes people more interested both from the side of the lender who aims to make investments with promising interest returns. And from the recipient of the funds can apply for credit with easy terms to meet daily needs or to pursue a business but the capital is not enough. In practice, this service as a whole is carried out without face-to-face meetings. One of them is in the agreement on funding agreements carried out by both the administrator and the funder as well as the agreement between the funder and the recipient of the fund. With all the conveniences offered by this service, people are interested in transacting with this service.

In the process of implementation, it is possible that the recipient of the funds will not be able to return the amount of funds borrowed along with the interest as agreed in the agreement or it can be said that the recipient of the funds has failed to pay. The problem that arises is how is the legal protection for the donor of funds in the event that the recipient of funds fails to pay. Failure to pay by recipients of funds can be done either intentionally or unintentionally. In this case, the organizer plays a role in helping funders to get back their rights as stipulated in the Financial Services Authority Regulations. Losses experienced by donors also intersect with legal protection as a result of the losses they experience.

Cases of default in P2P Lending services are sufficient consideration for the public to enter this service. Therefore, the lender needs legal protection if at any time during the course of the funding there is a case of default. With the protection provided to lenders, there is a sense of security when lenders decide to invest with P2P Lending services. To see the default rate in P2P Lending services, it can be seen from the percentage of TKW 90, namely non-performing loans, namely the level of

default or default that occurs starting from 90 days since the financing is due according to the time period. The event of default cannot be ascertained because it can happen to the donor at any time.

B. Formulation of the problem

From the background that has been formulated in the previous section, the problems that will be discussed in this study can be drawn, namely "How is Legal Protection for Fund Providers who suffer losses as a result of defaults committed by recipients of funds?" Legal protection for funders in this matter will be reviewed based on the Financial Services Authority Regulation Number 10/POJK.05/2022.

C. Research methods

The research method used to examine the problems that have been formulated previously is analytical descriptive in nature. The research was conducted by examining regulations that apply to legal issues. To support the research conducted, legal materials are needed, including primary, secondary and tertiary legal materials. Legal materials in the form of norms, basic regulations, laws and regulations, customary law, jurisprudence, treaties, and laws that have been in force since the colonial era which have been in force and are recognized until now are included in primary legal materials.⁷The results of legal writings that can support primary legal materials are referred to as secondary legal materials.⁸And tertiary legal materials are legal materials that support the two previous legal materials which can be found through legal dictionaries, encyclopedias, or legal encyclopedias.⁹

D. FINDING & DISCUSSION

1. Peer-to-Peer Lending

Information Technology-Based Joint Funding Services based on Financial Services Authority Regulation Number 10/POJK.05/2022 is defined as the provision of financial services to bring together funders and recipients of funds in conducting conventional funding or based on Sharia principles directly through electronic systems using the internet. This service is run by Information Technology-Based Co-Funding Service Providers, namely Indonesian legal entities that provide, manage, and operate Information Technology-Based Co-Funding Services either

⁷Soerjono Soekanto and Sri Mamudji, Normative Legal Research A Brief Overview, Raja Grafindo, Jakarta, 1995, p.31.

⁸Ibid.

⁹Ibid.

conventionally or based on Sharia principles.¹⁰In its activities, namely bringing together funders and fund recipients in a financial service, Information Technology-Based Co-Funding Service Providers must comply with all applicable regulations relating to Information Technology-Based Co-Funding Services, one of which is the Financial Services Authority Regulation Number 10/POJK.05/ 2022.

This Peer-to-Peer Lending service is another alternative for several parties, both for investing and for obtaining credit outside of bank services. From the lender's point of view, peer-to-peer lending is an option for investing because the risk of loss tends to be smaller compared to other investment products. When viewed from the side of the beneficiary who chooses peer-to-peer lending services to get a loan, the procedures and requirements are much easier than making a loan through a bank. Each transaction activity carried out by funders and fund recipients can be carried out remotely and only requires an internet connection to be able to carry out transactions and transactions are carried out in the rupiah currency.¹¹

The meeting between the funder and the recipient of funds in this peer-to-peer lending service then creates an agreement between the parties. The engagement between the parties is marked by an agreement, namely a funding agreement. From the meeting of donors and recipients of funds in a service by utilizing an electronic system, the intermediation function implemented by banks is lost.¹²The parties who meet through this service then create a legal relationship through a funding agreement on an agreement to carry out transactions giving and receiving funding.¹³Agreements that have been mutually agreed upon by the parties agreed electronically by using electronic media must be complied with thoroughly. Funding agreements in peer-to-peer lending services because of their electronic form, the form of the agreement being agreed by the parties is by embedding the electronic signature of each party.

The agreements used in this service are agreements between providers and funders and agreements between funders and recipients of funds. Each of these agreements certainly has different clauses. The agreement between the provider and

¹⁰Indonesia, Regulation of the Financial Services Authority Number 10/POJK.05/2022 Concerning Information Technology-Based Joint Funding Services (State Gazette of the Republic of Indonesia of 2022 Number 2, Supplement to State Gazette of the Republic of Indonesia Number 2). Article 1.

¹¹Nurhimmi Falahiyati, "Legal Review of Electronic Contracts in Information Technology-Based Money Lending (Peer-to-Peer Lending Transactions), *Justiq Journal* Volume 02, Number 01 (February 2020): 4

¹²*Ibid.*

¹³Ratna Hartanto and Juliyana Purnama Ramli, "Legal Relations of the Parties in Peer to Peer Lending," *Ius Quia Iustum Journal*, Volume 25 Issue 2 (May 2018): 325.

the recipient of the funds as stipulated in the Financial Services Authority Regulation Number 10/POJK.05/2020 Article 31 contains, among other things, the agreement number, the date of the agreement, the identities of the parties in the form of the name of the Funder and the Funder's Identification Number; the rights and obligations of the parties, the amount of Funding, the economic benefits of Funding, the amount of commission, time period, details of costs, provisions regarding fines; if any, use of Personal Data, Funding billing mechanisms, risk mitigation in the event of bad Funding, dispute resolution mechanisms,

In the funding agreement between the lender and the recipient of the funds written in Article 32 of the Financial Services Authority Regulation Number 10/POJK.05/2022 it must contain at least the agreement number, date of agreement, identity of the parties, amount of Funding, economic benefits of Funding, installment value, period of time, collateral object; if any, associated costs, provisions regarding fines; if any, the use of Personal Data, dispute resolution mechanisms, and mechanisms for settlement of rights and obligations in accordance with statutory provisions if the Organizer cannot continue its operational activities.

In the agreement that has been agreed upon, of course there will be risks that will be faced, one of which is the non-fulfillment of promises by one of the parties involved in the agreement. Risks that can be detrimental in peer-to-peer lending services include fraud, the economy in a recession, economic crisis, and bankruptcy of the service provider company.¹⁴ *Fraud* the terms in this service are known as the actions of one party not using a real identity which makes no payment made at all. Another risk is that the occurrence of a recession in a country increases the risk of default by the recipient of the funds.¹⁵

As an organizer, of course, you have a responsibility if one of the parties involved in transactions and funding agreements does not fulfill their achievements. The role of the organizer here is very necessary so that the parties whose rights are not fulfilled can be fulfilled in accordance with the validity of the agreement agreed upon by the parties. Of course there are certain ways so that the fulfillment of these rights can be carried out by the organizers as stipulated in the Financial Services Authority Regulation both regarding Information Technology-Based Co-Funding Services and

¹⁴Nurasiah Harahap and Relly Anastasya Nasution, "Legal Protection of Financial Technology Services (Financial Technology) Borrowing and Borrowing Money Based on Information Technology (Peer To Peer Lending)," *Journal of Legal Principles*, Volume 20, Number 1 (2020): 76

¹⁵*Ibid.*, p. 77.

the Financial Services Authority Regulation concerning Consumer and Public Protection in the Financial Services Sector.

The legal relationship between the parties will only be completed if each party has fulfilled its obligations and fulfilled its rights according to what is written in the agreement. As long as the agreement lasts, the operator still has an obligation to protect consumers from the products and/or services they offer. When a dispute occurs or a complaint is filed by a consumer during a legal relationship, the administrator is obliged to settle it. Likewise, if the recipient of funds fails to pay, the organizer is obliged to help the donor get his rights back.

2. Legal Protection of Recipient of Funds When a Payment Failure Occurs in Peer-to-Peer Lending Services

Peer-to-peer lending services operate in the financial sector that bring together two parties, namely the giver and recipient of funds in a service. During the meeting an agreement was reached between the parties. The agreement is then set forth in an agreement which is then also mutually agreed upon with the electronic system. Because the agreement has been agreed upon, rights and obligations arise for the parties who agree on the contents of the agreement. The lender is obliged to provide funding in accordance with what has been written in the agreement and has been agreed upon by him. The reciprocity of the obligations he carried out was to obtain the right in the form of a refund along with interest according to what was written in the agreement. While the beneficiary of funds after agreeing on an agreement, of course, also has rights and obligations. The right obtained by the recipient of funds is to receive funds from the donor in accordance with the agreed amount. And an obligation arises that must be carried out by the recipient of the funds, namely returning the funds that have been borrowed in accordance with the agreed nominal along with interest from the funds borrowed.

Legal protection is an act of providing protection to human rights whose rights have been violated by legal subjects with the aim that those who have been harmed can enjoy their rights again in accordance with the law.¹⁶Protection of users of Information Technology-Based Co-Funding Services regulated in the Financial Services Authority Regulation governing consumer protection is written in Article 100 Paragraph (1), namely:

¹⁶Satjipto Rahardjo. (2002). Legal studies. 5th printing, Bandung: Citra Aditya Bakti., h. 53.

- (1) To realize consumer protection, organizers are required to apply the principles of:
- a. Transparency;
 - b. Fair treatment;
 - c. Reliability;
 - d. Confidentiality and security of consumer data/information; and
 - e. Handling of complaints and settlement of consumer disputes in a simple, fast and affordable way.

One of the transparency that must be implemented by Technology-Based Co-Funding Service Providers is regarding funding performance which contains information at least regarding the amount of funding disbursed, the number of donors, the number of recipients of funds, and the success rate of payment. The embodiment of consumer protection as written in the Financial Services Authority Regulation Number 6/POJK.07/2022 concerning Consumer Protection in the Financial Services Sector must be implemented by Financial Services Businesses who in Information Technology-Based Joint Funding Services are Providers.

Legal protection obtained by financiers who are consumers in the financial services sector is also written in the Financial Services Authority Regulation Number 6/POJK.07/2022 concerning Consumer Protection in the Financial Services Sector which in Article 2 namely the application of the principles of adequate education, transparency and information transparency, fair treatment and responsible business behavior, asset protection; privacy; and consumer data, and effective and efficient handling of complaints and dispute resolution.¹⁷ Protection of consumers and the community itself is defined as an effort to provide education and understanding of PUJK (Financial Services Business Actors) products and/or services that will be used or utilized by consumers and/or the public, and efforts to provide legal certainty to protect consumers in fulfilling their rights and obligations. consumers in the financial sector.¹⁸

In each of these principles, donors are prioritized as part of the consumers of the financial services sector. The first principle is the principle of adequate education. In this principle, the Financial Services Providers have an obligation to provide

¹⁷ Made, Ni Made Intan Pranita Dewanthara, and Gde Subha Karma Resen. Loc City, p. 485.

¹⁸Indonesia, Financial Services Authority Regulation Number 6/POJK.07/2022 Concerning Consumer Protection in the Financial Services Sector (State Gazette of the Republic of Indonesia of 2022 Number 2, Supplement to State Gazette of the Republic of Indonesia Number 2). Article 1.

education by giving the public an understanding of financial management, various characters in the financial services sector, other available financial products and/or services. In addition, the Financial Services Providers also play a role in providing an understanding of the benefits of the products/services offered, the risks and costs along with procedures for consumer protection from the start of being marketed to the settlement of complaints by consumers. In the second principle, namely information openness and transparency where based on this principle, Financial Service Providers must prioritize clarity, accuracy, truth, and providing information that is not potentially misleading from the products and/or services offered to consumers. Information provided to consumers includes explaining the possibility of loss due to certain matters.

The third principle, namely fair treatment and responsible business behavior, is a principle that prioritizes justice, that is, there is no discrimination and the Financial Services Providers also have a responsibility in carrying out their business activities by taking into account the points of consumer interest, including:¹⁹

1. Financial Services Business Actors must take into account the needs and capabilities of consumers before offering their products and/or services to consumers;
2. Financial Services Business Actors must mitigate the possibility of conflict arising between Financial Services Business Actors and consumers in the financial services sector, for example when Financial Services Business Actors offer their products/services to consumers not based on achieving targets. However, as a Financial Services Business, they must ensure that detailed information on products/services is conveyed in full without any information being omitted.

The fourth principle, namely the principle of asset protection, privacy, and consumer data, is a principle that prioritizes certainty over procedures, mechanisms, and systems that guarantee protection, confidentiality and security of consumer assets managed by Financial Services Businesses, along with privacy and and/or relating to consumer information. Financial Services Businesses must also guarantee that consumers' personal data is used only for the interests and purposes based on the

¹⁹Ibid.

consent of the consumer but still in accordance with the applicable laws and regulations.²⁰

Entering the last principle, namely the principle of effective and efficient complaint handling and dispute resolution. What is meant by this principle is that the Financial Services Providers must focus on fulfilling the rights of consumers in the financial services sector who buy their products/services, especially in the event of complaints and dispute resolution. Complaints filed by consumers can be in the form of devices, procedures, and mechanisms for receiving complaints only by the Financial Services Providers. In addition, the settlement of complaints and dispute resolution must be at an affordable cost, which means it does not burden consumers.²¹

Before consumers of the financial services sector in this context were funders, prior to making funding Information Technology-Based Co-Funding Service Providers had previously conducted education and protection for funders, especially in terms of the risk of failure in payment. In the event of a failure to pay by the recipient of funds whether done intentionally or not, the Financial Services Business, namely the Information Technology-Based Co-Funding Service Provider, has an obligation to help the funder recover his rights. However, the method used by the administrator to recover the rights of the recipient of funds must be in accordance with the applicable laws and regulations.

3. Failed Payment Dispute Resolution for Peer-to-Peer Lending Services

The return of borrowed funds along with non-refundable interest according to the time specified in the agreement raises disputes for the users of the Information Technology-Based Co-Funding Services. When the recipient of funds fails to pay, the organizer is obliged to seek a refund and help the funder to recover his rights.²² Settlement of default disputes can be done in several ways, namely through litigation or non-litigation. When a default occurs, the Information Technology-Based Co-Funding Service Provider has an obligation to bill the beneficiary as written in Article 102 of the Financial Services Authority Regulation Number 10/POJK.05/2022 which can be done by sending a warning letter.

²⁰Ibid.

²¹Ibid.

²²Nadiya Fitri Fauziah and Devi Siti Hamzah Marpaung, "Mediation as an Alternative Dispute Resolution in Peer To Peer Lending in Indonesia," *Journal of Law Widya Yuridika* Volume 4 Number 2 (December 2021): 554

Warning letters that will be sent to beneficiaries who commit default must contain at least the following clauses, including the number of days of delay in payment of obligations, the final position of the total Funding that has not been repaid or the principal payable, economic benefits of funding, and fines payable. In the Financial Services Authority Regulation Number 6/POJK.07/2022 concerning Consumer and Community Protection in the Financial Services Sector which is written in Article 41 that in handling complaints and resolving disputes Financial Services Business Actors are prohibited from charging fees to consumers during the implementation of policies and procedures complaint service. It is continued in article 42 which states that if a dispute or complaint does not reach an agreement, other settlements can be made through the court or outside the court.

Before disputes are resolved either through an Alternative Dispute Resolution Institution or through a court, the Financial Services Providers have an obligation to resolve disputes or complaints between the parties first. If the dispute/complaint cannot be resolved between the parties, the complaint/dispute is resolved in a court or non-court institution. The settlement selection is chosen in accordance with the agreement of the parties involved in it. In the case of peer-to-peer lending services, the dispute resolution mechanism is written in the funding agreement signed by the parties electronically. If the written agreement states that the dispute settlement will be resolved through a court institution, then the dispute will be resolved in court,

However, before the dispute is resolved, there are procedures that must be passed by the organizer in case the recipient of the funds fails to pay. Providers have an obligation to collect funds from beneficiaries. The procedure for collecting funds must also be carried out in accordance with the provisions of the applicable laws and regulations, one of which is by sending a warning letter to the recipient of the funds. And during the billing, Information Technology-Based Co-Funding Service Providers can also work with other parties. If the default dispute has not received a settlement with the service of a warning letter, the dispute will be resolved in both the court and LAPS of the Financial Services Sector according to the institution chosen and written in the Funding Agreement.

A. Conclusion

Information Technology-Based Joint Funding Services (LPBBTI) is a service

breakthrough in the financial sector that can be a solution for various parties. For investors who are involved in Information Technology-Based Co-Funding Services, this is an option to invest. With a success rate that is still good and without the need for large costs to be able to start investing. The offers offered from this service that make investors interested are the returns that are enough to make investors invest through this service. If from the side of the beneficiary of funds, namely those who need additional capital or credit to finance their daily needs,

Before funders and fund recipients known as consumers decide to make transactions through peer-to-peer lending services, Providers of Information Technology-Based Co-Funding Services are obliged to provide education on their products and/or services to consumers. One of the information that must be informed is regarding the risks of the products and/or services offered by the organizers. In addition, Information Technology-Based Co-Funding Service Providers are also obliged to provide all information related to funding, including the period of funding, amount of funding, results of funding, and information from recipients of funds. The entire agreement is stated in a funding agreement which will then be agreed upon by the parties.

The economic condition of a country can experience changes, one of which is a decline or recession. This of course greatly affects the economy of the community as well. One of the effects of economic conditions with peer-to-peer lending services is the occurrence of defaults, which are usually carried out intentionally or unintentionally by recipients of funds. Because there is a violation of the agreement that has been agreed upon, of course the rights of the donor are also not obtained. Therefore, the role of the Information Technology-Based Co-Funding Service Provider is to assist the lender to get his rights back, namely in the form of a nominal amount of funds lent to the recipient of the funds along with interest. One of the methods taken is by sending a warning letter or billing can be done with the help of another party.

It can be seen that the role of Information Technology-Based Co-Funding Service Providers as Financial Services Businesses (PUJK) protects consumers from before the transaction is carried out to the process of executing the agreement and ending the agreement. Protection for funders who experience default is written in the Financial Services Authority Regulation Number 10/POJK.05/2022 concerning

Information Technology-Based Joint Funding Services. In which it is written regarding the obligations of the organizer if a default occurs between the donor and the recipient of funds. All matters relating to consumer and public protection in the financial services sector are also written in the Financial Services Authority Regulation Number 6/POJK.07/2022 concerning Consumer and Community Protection in the Financial Services Sector.

B. Suggestion

Technology that continues to experience development must of course be followed by adequate regulation. When these regulations are adequate with the aim of protecting the public from legal fraud, that is where the law serves as protection for the community. One of the Information Technology-Based Co-Funding Service activities is an attraction for the community to get involved in it. In the financial sector there are periods of ups and downs. A country's economic decline certainly affects this service. One of the cases is when the beneficiary of the fund is unable to fulfill his achievements, that is, he does not make payments. Or in other words, there is a default that ultimately harms the lender.

Due to these default cases, the role of the provider of Information Technology-Based Co-Funding Services is unavoidable in being able to resolve the problems that occur. The organizers are expected to be able to resolve disputes that occur between the parties, both resolved between the parties, through court institutions, as well as non-court institutions, namely the Financial Services Sector Alternative Dispute Resolution Institution (LAPS). Costs arising from the settlement of these disputes may also not be borne by the consumer, namely the funder. The entire obligation of the organizer is to resolve disputes until the consumer, namely the funder, gets his rights back. All guarantees regarding consumer protection in the financial services sector are well written and clear enough in the Financial Services Authority Regulations. So from the organizers to get consumers, of course, they must follow the applicable regulations and regulations, including in terms of dispute resolution. If the organizer follows all applicable regulations, this can make the image of the organizing company better in the eyes of the public. That way, more and more people will make transactions, both products and services offered by the organizers.

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