

Effectiveness of Consumer Dispute Resolution through the Consumer Dispute Resolution Agency (BPSK)

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ABSTRACT

Background. Consumer protection is an essential aspect of fair business practices. In Indonesia, the Consumer Dispute Resolution Agency (BPSK) was established to provide an alternative to formal courts for resolving consumer disputes. However, issues such as legal loopholes, limited resources, and low public awareness challenge its effectiveness.

Purpose. This study evaluates the effectiveness of BPSK in resolving consumer disputes and protecting consumers from harmful business practices.

Method. A normative legal method was applied, focusing on the legal norms in Law Number 8 of 1999 concerning Consumer Protection (UUPK). Data were collected through document studies, including legal literature, academic journals, official reports, and regulatory frameworks.

Findings. The study reveals that BPSK offers faster and more efficient dispute resolution compared to formal courts. However, challenges such as objection procedures against decisions, limited human resources and budget, and inadequate public knowledge of consumer rights hinder its optimal functioning.

Conclusion. To improve BPSK's effectiveness, its legal position must be strengthened, resources enhanced, and regulations refined. Additionally, public awareness campaigns are essential to ensure wider utilization of BPSK services. These measures aim to achieve legal certainty and justice for consumers in Indonesia.

KEYWORDS

BPSK, Consumer Dispute Resolution, Consumer Protection, Indonesia, Non-Litigation.

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INTRODUCTION

The development in Indonesia is mainly driven by the economic sector. Business activities are an integral part of economic development, where one of the main activities is the exchange of goods and services (Aiken et al., 2021). The development of science and technology plays an important role in expanding the scope of transactions that can now be carried out beyond national borders. Technological advances facilitate interaction between business actors and consumers so that transactions of goods and services can be carried out more efficiently. This brings great benefits to consumers because they have wider access to various goods and services.



Thus, consumers can better meet their needs and choose from a variety of available options. In addition, the freedom to choose products also creates competition in the market. This competition not only encourages producers to improve the quality of goods and services offered but also affects prices, so that consumers can get better deals (Albrecht et al., 2020). Therefore, with innovation and technological developments, consumers can get products that suit their needs and budgets.

The growth and development of the goods and services industry has a positive impact, especially in providing a variety of sufficient products and providing alternative choices for consumers (Alfadil, 2020). With these various choices, people can choose the products that best suit their needs. In carrying out business activities, producers or business actors, certainly, try to achieve maximum profit in accordance with the economic principles underlying their activities. However, to achieve high profits, business actors must compete with other competitors. This competition often encourages them to adopt business strategies that may harm consumers. Tight competition can trigger unethical behavior, where business actors may use less transparent or misleading practices for profit. As a result of this unfair competition, the balance between businesses and consumers becomes skewed. Consumers, who should receive protection and fair product rights, often find themselves trapped in situations where they do not receive clear information or quality products. In practice, many problems arise from both businesses and consumers, often leading to a weaker position for consumers (Asamoah et al., 2020). Consumers are frequently treated as mere objects in business activities, with businesses focusing on maximizing profits without considering consumer rights. This situation creates an imbalance in the relationship between businesses and consumers, which should ideally be mutually beneficial.

The losses experienced by consumers can be divided into two main categories. First, there are losses caused by irresponsible behavior on the part of businesses. In many cases, sellers may offer products that do not match the description, are of low quality, or even deceive consumers with misleading information (Brooks & Butler, 2021). This not only harms consumers financially but also reduce their trust in the market and the products offered. Second, losses can also occur due to unlawful actions by third parties. For example, consumers can become victims of fraud or unfair practices involving other entities in the transaction process. These actions often harm consumers without their knowledge and add to the complexity of the problems faced in business relationships.

Fundamentally, consumers are often in a weaker position compared to businesses. One of the main factors contributing to this position is their low level of awareness regarding their rights. Many consumers are unaware of these rights due to a lack of adequate education and knowledge about consumer protection (Bundgaard et al., 2021). As a result, they are often unable to defend themselves or protect their interests in business transactions. The importance of a good understanding of consumer rights cannot be underestimated. Without sufficient knowledge, consumers risk becoming victims of unfair or unethical business practices. In this regard, the presence of Law Number 8 of 1999 concerning Consumer Protection (UUPK) becomes very crucial. The UUPK provides a strong legal basis for the government and consumer protection agencies, including non-governmental organizations, to carry out various empowerment efforts for consumers. Through the UUPK, the government seeks to increase consumer awareness of their rights through training and education programs (Butt, 2022). This includes information on how to file complaints, the right to quality products, and the right to receive clear and accurate information about goods or services.

To safeguard consumer rights in various aspects of economic activities, legal protection as regulated by the Consumer Protection Law (UUPK) is necessary. The existence of this legal regulation is crucial because it provides legal force that obliges businesses to comply with the

established provisions. With these rules in place, businesses are expected to conduct their activities more responsibly. The existing regulations also serve as a monitoring tool that allows consumers to demand accountability if their rights are violated (Chausson et al., 2020). The UUPK establishes strict sanctions for businesses that violate the rules, thus creating a deterrent effect. These sanctions are important to encourage compliance and minimize business practices that harm consumers. With strong legal protection, consumers will feel more secure in their transactions. They can be more confident in choosing products and services, knowing that their rights are protected by law. This also encourages businesses to be more cautious and transparent in their business practices, ultimately creating a fairer and more sustainable business ecosystem.

The core of Article 3 of the Consumer Protection Law (UUPK) states that this law aims to empower consumers in choosing, determining, and demanding their rights. These objectives include creating a consumer protection system that emphasizes legal certainty and open access to information (Chen et al., 2020). Additionally, the UUPK aims to raise awareness among businesses about the importance of consumer protection. To achieve these goals, several institutions have been established to support the implementation of the UUPK. One such institution is the Consumer Dispute Settlement Agency (BPSK), which functions as a mediator and arbitrator in disputes between consumers and businesses. BPSK plays an important role in providing a channel for consumers to file complaints and resolve the issues they face. The establishment of BPSK is expected to increase consumer trust in businesses, as they know that there is a fair and transparent resolution mechanism in case of disputes (Gao et al., 2020). With BPSK, consumers have better access to demand their rights and find solutions to their problems. This also encourages businesses to be more responsible in their business practices, considering the presence of an agency ready to handle disputes and protect consumer rights.

The Consumer Dispute Settlement Agency (BPSK) was established as an implementation of the Consumer Protection Law (UUPK), with the primary task of handling and resolving disputes between businesses and consumers outside of the court system (Gaudio et al., 2020). BPSK focuses on resolving small-scale and simple consumer problems, which are often overlooked in formal legal processes. The rationale behind the establishment of BPSK stems from the fact that many consumers are reluctant to resolve disputes through the courts. This is due to the imbalance of power between consumers and businesses, both socially and financially. In many cases, consumers often feel disadvantaged and lack the power to challenge businesses that are more experienced and have greater resources. With the presence of BPSK, it is hoped that consumers can more easily fight for their rights. This simpler and faster dispute resolution process provides easy access for consumers to file their complaints (Gostic et al., 2020). Additionally, BPSK also serves as an incentive for businesses to be accountable in their business practices. With this agency in place, businesses are expected to pay more attention to consumer rights and strive to resolve issues fairly and transparently.

The Consumer Dispute Settlement Agency (BPSK) is authorized by the Consumer Protection Law (UUPK) to determine the existence of consumer losses, inform decisions to businesses that have violated consumer protection, and impose administrative sanctions on businesses that violate the provisions stipulated in the UUPK (Harvey et al., 2020). In the process of resolving consumer disputes, the head of BPSK has an important role in determining who will be the members of the panel assigned to handle the case. According to Article 54 paragraph (3) of the UUPK, decisions issued by BPSK are final and binding, meaning that these decisions cannot be appealed and must be obeyed by all parties involved. However, Article 56 paragraph (2) contains a provision that allows parties who are dissatisfied with the BPSK decision to file an objection to the court (Jung et al.,

2020). This provision creates confusion and differing interpretations regarding the legal force of BPSK decisions.

This difference in interpretation is important to note because it has implications for the rights and obligations of consumers and businesses. While Article 54 paragraph (3) emphasizes that BPSK decisions are final, Article 56 paragraph (2) provides a loophole for the parties to challenge these decisions through the courts. This creates uncertainty about the extent of the legal force of BPSK decisions and can affect consumer confidence in this institution (Kazi et al., 2020). Consequently, if consumers feel that a BPSK decision is unfair or detrimental to them, they have the option to take the matter to court. However, this can also potentially hinder the effectiveness of BPSK in resolving disputes quickly and efficiently. On the other hand, for businesses, the possibility of appealing to the court can be a means to avoid responsibility for violations committed.

BPSK functions as a quasi-judicial institution, meaning it can adjudicate, although it cannot be considered a formal court. This quasi-judicial institution, by the provisions of the Law, is authorized to examine, resolve, and decide disputes or violations of law and certain ethical issues. Decisions made by BPSK are final and binding, similar to court decisions that have permanent legal force or “*inkracht*.” Although BPSK plays an important role in resolving consumer disputes, there is a significant weakness in terms of legal certainty (Kwon et al., 2020). Decisions issued by BPSK are not equipped with executory power, meaning that these decisions cannot be enforced directly. This potentially leads to a loss of protection for consumer rights, as businesses can easily ignore decisions issued by BPSK without clear consequences.

This condition creates challenges for consumers in fighting for their rights because, although BPSK can issue decisions, without a strong enforcement mechanism, consumers may feel they are not getting the justice they deserve. This situation also has implications for public trust in the BPSK institution, which should function as a mediator and protector of consumer rights (Kwasny et al., 2022). Therefore, it is important to review and strengthen the legal position of BPSK to provide more effective protection for consumers and ensure that decisions made can be implemented in practice.

The regulation regarding consumer dispute resolution is found in Article 45 of the Consumer Protection Law (UUPK), which states that dispute resolution can be carried out through two channels: litigation and non-litigation. The parties involved in the dispute have the freedom to choose which path they wish to take (Li et al., 2021). The non-litigation process is often the preferred choice, and one of the institutions that can be used to resolve such disputes is the Consumer Dispute Settlement Agency (BPSK). BPSK has the responsibility and authority to carry out consumer dispute resolution through methods such as mediation, conciliation, or arbitration. These methods not only serve to resolve disputes but also empower BPSK to impose administrative sanctions on businesses that violate applicable regulations. This is important for enforcing discipline among businesses and protecting consumer rights. However, there is an inconsistency that needs to be addressed in practice. Although BPSK decisions are stated to be final and binding, the parties still have the right to file an objection to the District Court (Martínez-Mena et al., 2020). This creates confusion because, although the BPSK decision is final, the objection process to the court allows for changes or reviews of the decision. Furthermore, BPSK decisions cannot be directly enforced, resulting in a lack of legal certainty for consumers who expect effective protection of their rights.

RESEARCH METHODOLOGY

The research method used in this study is the normative legal method, namely legal research that focuses on the study of applicable legal norms. The approaches used include the statute approach and the conceptual approach (Matharu et al., 2020). The statutory approach is carried out by reviewing various related regulations, including Law Number 8 of 1999 concerning Consumer Protection (UUPK) and other regulations relevant to the dispute resolution mechanism through the Consumer Dispute Resolution Agency (BPSK) (H. Mohammed et al., 2020). Meanwhile, the conceptual approach aims to analyze legal concepts related to consumer protection and non-litigation dispute resolution mechanisms regulated in the Indonesian legal framework. This study uses secondary data obtained from various sources, such as legal literature, academic journals, official BPSK reports, and statutory documents (I. Mohammed et al., 2022). Data collection techniques are carried out through document studies, which aim to review and analyze various legal regulations, official documents, and relevant literature to gain an in-depth understanding of the effectiveness of BPSK in protecting consumers and resolving consumer disputes in Indonesia.

RESULT AND DISCUSSION

Effectiveness of Consumer Dispute Resolution through the Consumer Dispute Resolution Agency (BPSK)

The Consumer Dispute Resolution Agency (BPSK) in Indonesia adopted a concept derived from the Small Claim Tribunal (SCT), which has proven effective in various developed countries. However, although BPSK was inspired by SCT, this institution is not entirely similar to the tribunal. SCT originates from countries that adopt the Common Law or Anglo-Saxon legal system, which has the characteristics of dynamic law enforcement and is highly dependent on jurisprudence, or judges' decisions that are used as precedents in subsequent cases (Nichols et al., 2022). In contrast, Indonesia adopts the Civil Law or Continental European legal system, where law enforcement is mainly based on written law regulated through legislation. In this case, BPSK is designed as an institution that combines the two legal systems. Although inspired by the SCT model applied in Common Law countries, BPSK adapts elements of the court system and alternative dispute resolution (ADR) mechanisms that are unique to Indonesia. This allows BPSK to offer more flexible and easily accessible solutions to consumers, but still within the written and standard legal framework, as regulated in the Civil Law system. In other words, BPSK is a combination of the formal court system and ADR that prioritizes non-litigation dispute resolution.

BPSK was formed based on the provisions of the Consumer Protection Law (UUPK). The main task of BPSK is to resolve disputes between consumers and business actors that arise from various transactions of goods or services. Article 23 of the UUPK gives consumers the authority to sue business actors who refuse or do not respond to claims for compensation filed by consumers. If the business actor does not fulfill its responsibilities, consumers have the right to bring this dispute to BPSK for resolution (Olivares-Urbano et al., 2020). Alternatively, consumers can also file a lawsuit through a judicial body located in their domicile. In its implementation, BPSK offers a simpler alternative compared to formal courts. This institution is designed to handle disputes quickly and efficiently, especially for small-scale cases.

The basic concept of establishing the Consumer Dispute Resolution Agency (BPSK) is to handle disputes that are generally related to relatively small transaction values. However, in practice, there is no limit to the value of the lawsuit filed with BPSK, so this institution can handle disputes with small to large values. The existence of BPSK has a very important function, namely in addition to resolving consumer disputes, this institution is also tasked with supervising the inclusion

of standard clauses by business actors. This supervision aims to ensure that business actors comply with the provisions stipulated in the Consumer Protection Law (UUPK), which is the legal basis for consumer protection in Indonesia (Pan et al., 2021). In addition to handling disputes, BPSK also has an important role in encouraging business actors to comply with UUPK. Many business actors may not fully comply with the provisions stipulated in this law, especially regarding the inclusion of standard clauses, namely provisions in agreements or contracts that are often detrimental to consumers. Through supervision carried out by BPSK, business actors are expected to be more responsible and transparent in carrying out their business practices, as well as ensuring that consumer rights are protected.

BPSK carries out its duties by offering various methods for resolving consumer disputes, including mediation, conciliation, and arbitration. These three methods allow consumers and business actors to resolve disputes in a non-litigation manner, meaning without having to go through a formal court process. Mediation and conciliation aim to reach a peaceful agreement between the two disputing parties, while arbitration involves the determination of a decision by a neutral third party. With this method, BPSK acts as a mediator and supervisor in the dispute resolution process, ensuring that both parties receive justice. In addition to its main duties, BPSK also functions as an institution that provides consumer protection consultations (Peng et al., 2020). Consumers who feel that their rights have been violated or are facing problems with business actors can seek advice or assistance from BPSK. This is important in empowering consumers, especially those who may not have sufficient legal knowledge to protect their interests. BPSK also plays a role in educating consumers about their rights under the Consumer Protection Law.

The Consumer Protection Law (UUPK) is the legal basis for the authority of the Consumer Dispute Resolution Agency (BPSK) as an institution that functions to resolve disputes outside the courts. UUPK has regulated that parties who can file disputes through BPSK are limited to consumers or their heirs who have suffered losses as a result of consuming goods and/or services. Consumers referred to in UUPK must meet the criteria as end consumers, namely those who use or utilize a product as the final user (end-user). This means that consumers who are recognized in dispute resolution at BPSK are those who do not intend to gain profit from transactions with business actors but rather use the product for personal needs (Qian et al., 2020). The definition of end consumers in UUPK is an important emphasis because these consumers do not have a commercial or economic purpose from the transactions carried out. Consumers are considered end users who do not integrate the purchased products into the production process of other goods or services. Therefore, UUPK does not provide rights to intermediate consumers, namely consumers who use a product as part of the production process of other products, to file disputes with business actors, either through the courts or BPSK.

Consumers are considered closer to business actors because of their role in the production process. They buy goods or services not for final use but to continue the production process, which ultimately makes them also part of the business chain. Therefore, the right to file a dispute is limited only to end consumers who have no direct involvement in business activities or further production of the goods they buy (Ricardo et al., 2021). This is intended so that BPSK remains focused on protecting the rights of consumers who are truly in a vulnerable and powerless position in dealing with business actors. This limitation also reflects the view that consumer disputes involving end consumers are more urgent to be resolved quickly and fairly. End consumers often have limited access to information, resources, and legal mechanisms compared to intermediate consumers who usually have a business relationship with business actors.

Referring to the provisions of Article 49 paragraph (1) and Article 54 paragraph (1) of the Consumer Protection Law (UUPK) and Article 2 of the Decree of the Minister of Industry and Trade (SK Menperindag) Number 350/MPP/Kep/12/2001, it can be identified that the main function of the Consumer Dispute Resolution Agency (BPSK) is as a legal instrument to resolve disputes outside the court. This shows that BPSK plays an important role in mediation between consumers and business actors, providing a more efficient alternative dispute resolution and not involving formal litigation processes in court (Salanova et al., 2021). Furthermore, the duties of BPSK are specifically regulated in Article 52 of the UUPK, where there are several points explaining the responsibilities of this institution. These duties, as stated in points e, f, g, h, i, j, k, l, and m, basically cover various aspects related to the main function of BPSK. One important task is to provide consumer protection consultation as regulated in Article 52-point b of the UUPK. This action can be seen as an effort to socialize the Consumer Dispute Resolution Law, both to consumers and business actors, so that both parties better understand their rights and obligations.

When BPSK receives a Consumer Dispute Application (PSK) that has been registered with the secretariat, the consultation provided will be directed to resolving the dispute being faced. BPSK has several settlement methods that can be used, such as conciliation, mediation, or arbitration, in accordance with the provisions contained in Article 6 of the Decree of the Minister of Industry and Trade No. 301/MPP/Kep/10/2001. This provides flexibility for the parties to choose the settlement method that best suits their needs and conditions. The consumer dispute resolution procedure through BPSK consists of three clear stages. The first stage is the application, where the parties must meet the requirements to file a dispute resolution without the assistance of a lawyer. In the second stage, a trial is held which can be carried out through various methods, namely conciliation, mediation, or arbitration. This process aims to find common ground between the two parties. The final stage is the decision, which must be completed no later than 21 working days after the lawsuit is received and followed by the execution of the decision. Each party involved in the dispute has the freedom to choose the desired resolution method, whether through a formal court process or the more informal BPSK. If the parties agree to use the BPSK process, they are required to follow the procedures that have been determined.

The Consumer Dispute Resolution Body (BPSK) is required to issue a decision regarding a dispute filed by a consumer within a maximum of 21 (twenty-one) working days after receiving the lawsuit. If there is a decision from the BPSK panel, the next step is to request an execution order from the competent District Court, according to the defendant's domicile. Business actors who are parties to the dispute are also required to implement the decision within a maximum of 7 (seven) working days after the decision is issued, as stipulated in Article 55 of the Consumer Protection Act. This shows that although the BPSK functions as a mediator, the decision produced by this institution does not have independent executory power, so it requires court intervention to execute it. However, in practice, dispute resolution through the BPSK often takes more than 21 working days, especially if the case is resolved through arbitration. Several factors that can cause this delay are the absence of one or both parties in the settlement process and the lack of complete evidence provided by the parties. This is certainly an obstacle that can extend the settlement time, which should be able to be carried out efficiently (Salzwedel et al., 2020). There is also a mismatch in the provisions stipulated in the Consumer Protection Law regarding BPSK decisions. Article 56 paragraph (2) states that parties who object to BPSK decisions may file such objections with the District Court within a maximum of 14 (fourteen) working days after receiving the decision. On the other hand, Article 54 paragraph (3) states that BPSK decisions are final and binding, which should eliminate the space for parties to file objections. The mismatch between these two articles creates

confusion regarding the legal status of BPSK decisions and the rights of parties involved in the dispute and reflects the need for regulatory adjustments to ensure that this dispute resolution procedure runs more consistently and effectively. Based on the explanation of Article 54 paragraph (3) of the Consumer Protection Law (UUPK), the term “final BPSK decision” indicates that in the dispute resolution process through BPSK, there is no appeal or cassation mechanism. This means that the decision issued by BPSK must be considered the end of the dispute resolution process at that level. However, if we refer to the provisions of Article 56 paragraph (2) of the Consumer Protection Act, the meaning of “final” of the BPSK decision seems to be limited only to appeals, while filing objections to the District Court is still permitted (Zhang & Zou, 2022). This indicates an ambiguity in the interpretation of the term final that needs to be clarified, especially regarding the procedures that must be followed by the parties involved in the dispute. In practice, the implementation of BPSK decisions often faces challenges, especially when business actors do not file objections but also do not implement the decision. In this case, the execution of BPSK decisions refers to the provisions stipulated in the Civil Procedure Code (HIR/RBg). It should be noted that BPSK acts as an arbitrator in resolving disputes between consumers and business actors, not acting on behalf of consumers. This raises questions regarding the effectiveness of supervision of the BPSK decision implementation, especially the protection of consumer rights. One major problem that arises due to the possibility of objections to BPSK decisions in the District Court and even to the Supreme Court is uncertainty regarding consumer rights. A protracted legal process can cause delays in the payment of compensation to consumers. Consumers who should receive their rights are hampered by the length of the legal process that must be gone through. If this is analyzed in Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, then there is an inconsistency. In the legal framework of arbitration, a final and binding decision does not provide room for appeal or cassation, thus creating a conflict with the procedures in the UUPK which allows for the submission of objections. (Sarfranz et al., 2021)

Filing objections to decisions of the Consumer Dispute Resolution Agency (BPSK) is not only regulated in the Consumer Protection Law (UUPK) but also has special provisions in Supreme Court Regulation Number 1 of 2006. This regulation explains the procedures for filing objections to decisions issued by BPSK. In accordance with Article 1 paragraph (3) of Perma Number 1 of 2006, objections are defined as efforts that can be made by business actors or consumers who are dissatisfied with the BPSK decision. It is important to note that this objection can only be filed against arbitration decisions made by BPSK, thus indicating the limitations of the application of this law. In Article 6 of Perma Number 1 of 2006, there is a discussion regarding the objection examination procedure. This process can only be carried out based on the BPSK decision and related documents in the case file. Thus, the examination of objections has a clear and limited scope, focusing on documents and decisions that have been issued. This creates a more structured procedure for dealing with dissatisfaction with decisions taken by BPSK.

Furthermore, Article 70 of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution confirms that there are certain elements that can be the basis for filing a request for cancellation of an arbitration decision. One of the elements regulated is if there is a letter or document that is recognized or declared to be false after the decision is issued. This provision shows that legal remedies against arbitration decisions, including those issued by the BPSK, have a monitoring and control mechanism that allows parties who feel aggrieved to fight for their rights. Overall, the provisions regarding filing objections provide a way for business actors and consumers to obtain justice if they are dissatisfied with the BPSK decision. However, it is important to ensure that this objection procedure does not interfere with the effectiveness of existing dispute resolution

and continues to provide protection for consumer rights quickly and efficiently. This also requires the need for stricter supervision and an effective enforcement mechanism so that the results of the BPSK decision can be implemented optimally, considering that the objections submitted can potentially slow down the dispute-resolution process.

Increasing the Effectiveness and Several Obstacles of BPSK in Resolving Consumer Disputes

To address the various obstacles faced by the Consumer Dispute Settlement Agency (BPSK), a number of strategic measures can be implemented to enhance the effectiveness of this institution in carrying out its duties. Some suggestions that can help optimize BPSK's performance include increasing human resource capacity, increasing budget allocation, raising public awareness, improving regulations, strengthening the implementation of decisions, expanding access and reach, and increasing collaboration with various stakeholders (Tsapas et al., 2020). BPSK can improve the quality of its services by conducting regular training and development for its members. This training aims to enhance their ability to handle various types of consumer disputes, from simple to complex ones. In addition, with the increasing number of consumer dispute cases, especially in areas with a high volume of cases, the addition of personnel is urgently needed. Adding personnel to BPSK, especially in areas with high demand, will ensure that each case can be handled more quickly and effectively.

The next step is to increase the budget to support BPSK's operations comprehensively. Financial support from the government is essential, especially for aspects of outreach, training, and infrastructure development. With a larger budget, BPSK can expand the reach and quality of its services. In addition to government funding, partnerships with the private sector can also be explored. Through initiatives such as Corporate Social Responsibility (CSR), BPSK can obtain additional support for the consumer protection programs they run. Extensive outreach through various media, including mass media, the internet, and social media, is crucial for the public to become more familiar with BPSK's role. Additionally, seminars held at the community level can help disseminate information on how to access BPSK services. Moreover, consumer education should be part of a long-term strategy. By integrating consumer education into formal and non-formal education programs, the public will be more aware of their rights as consumers and the proper way to resolve disputes with businesses.

BPSK needs to work with the government to improve regulations related to consumer dispute resolution. These improvements aim to close legal loopholes that can be exploited by certain parties and to avoid overlapping regulations that hinder dispute resolution. Furthermore, coordination with related institutions such as courts and other legal authorities is necessary to ensure that BPSK decisions can be better enforced and have a strong legal force (Wan et al., 2020). To make BPSK more effective, clear and effective sanctions need to be implemented against businesses that do not comply with BPSK decisions. Stronger sanctions will provide a deterrent effect for businesses that try to violate the rules. In addition, legal support from courts or law enforcement agencies is also needed to assist in the implementation of binding BPSK decisions. With this collaboration, businesses that violate can be sanctioned in accordance with applicable regulations.

One way is to establish BPSK in new areas. The government can expand the territorial scope of BPSK, especially in areas that have not yet been reached, such as rural or remote areas. This will make it easier for people in these areas to access fair consumer protection. Additionally, BPSK needs to develop online services that enable online dispute resolution. With a digital platform, people throughout Indonesia can more easily access BPSK services without having to come directly to the BPSK office, making the dispute resolution process more efficient. BPSK can strengthen collaboration with consumer associations and businesses to prevent disputes and build a shared

understanding of the importance of fair dispute resolution (Wang et al., 2021). In this regard, BPSK can also develop an early mediation program aimed at resolving disputes more quickly through negotiation or direct dialogue, without having to involve the more complex and formal stages at BPSK. With this early mediation, disputes can be resolved more quickly and efficiently, reducing the workload of BPSK and providing faster solutions for consumers and businesses. With the proper implementation of all these suggestions, BPSK is expected to carry out its functions more effectively, provide better protection to consumers, and reach more people who need help in resolving their disputes.

Although BPSK has an important role in protecting consumer rights and creating justice, this institution often faces various challenges in carrying out its duties. One significant obstacle is the lack of adequate human resources. With limited personnel, BPSK is often unable to handle the incoming volume of cases efficiently (Wei et al., 2021). This can potentially lead to delays in the dispute resolution process, which ultimately harms consumers seeking justice. This limitation can also result in a lack of specialization in handling certain types of disputes, which can reduce the quality of case handling.

In addition, budget constraints are also a major problem for BPSK. With often insufficient funds, the operations of this institution are hampered, from conducting training to improve the capacity of members to public outreach regarding consumer rights and how to file a dispute. The lack of funds for outreach campaigns leaves the public insufficiently informed about the existence of BPSK, so not many utilize this service (Wu et al., 2020). Lack of public awareness is another equally important obstacle. Many consumers are not aware that they have the right to file a dispute through BPSK or do not know how to access the available services. This causes the number of cases entering BPSK not to reflect the potential disputes that actually occur in society. The public needs to be empowered with the right information to increase their understanding of their rights as consumers and the role of BPSK in protecting those rights.

Legal and regulatory constraints are also a challenge for BPSK. Some legal provisions governing consumer dispute resolution are sometimes unclear or even overlap with other regulations, which can complicate the case-handling process (Yao et al., 2020). This ambiguity has the potential to reduce the effectiveness of BPSK in resolving disputes and providing the necessary protection for consumers.

In addition, although BPSK can issue decisions, enforcing these decisions is often a challenge. Business actors sometimes refuse to comply with BPSK decisions, which can harm consumers and damage public trust in this institution. This situation creates a dilemma for BPSK in carrying out its function as an enforcer of justice in the consumer protection sector. Finally, location and accessibility are also factors that affect the effectiveness of BPSK (Yuan et al., 2021). Currently, not all regions in Indonesia have BPSK representatives, which makes it difficult for people in certain areas to access this service. The limited geographic reach of BPSK results in injustice for consumers in underserved areas. Therefore, it is important for BPSK to continue to improve its capacity and operational mechanisms in order to provide more optimal services to all consumers and business actors, as well as overcome existing challenges.

CONCLUSION

The Consumer Dispute Resolution Agency (BPSK) in Indonesia, although inspired by the Small Claim Tribunal (SCT) of the Common Law legal system, faces various challenges in carrying out its duties as regulated by the Consumer Protection Law (UUPK). Although BPSK offers a faster and more efficient alternative to dispute resolution compared to formal courts, problems such as

regulatory inconsistencies, limited resources, and low public awareness of the existence of this institution hamper its operational effectiveness. In addition, the procedure for filing objections to BPSK decisions also creates ambiguity that can result in legal uncertainty for consumers. Therefore, to improve BPSK performance and protect consumer rights, improvements in capacity, socialization, and regulatory adjustments are needed so that the dispute resolution process becomes more consistent, transparent, and responsive to the needs of the community. The Consumer Dispute Resolution Agency (BPSK) faces various challenges that hamper its effectiveness in protecting consumer rights, including a lack of human resources, a limited budget, and low public awareness of their rights. To overcome this problem, a series of strategic steps are needed, such as increasing human resource capacity through training, increasing budget, and wider socialization, as well as improving regulations and strengthening the implementation of decisions. In addition, expanding access to BPSK services and collaboration with various stakeholders are also very important to create more efficient and fair dispute resolution. With the implementation of these steps, BPSK is expected to be able to carry out its functions better, reach a wider community, and increase public trust in this institution

AUTHORS' CONTRIBUTION

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.

Author 2: Conceptualization; Data curation; In-vestigation.

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