

Online Dispute Resolution as an Alternative Model for Dispute Settlement in The Financial Technology Sector

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Abstract

Financial technology (fintech) is the use of technology in financial services in the digital economy era. Digital payments, peer to peer lending, and crowdfunding are examples of fintech that is growing rapidly in Indonesia. However, the high number of disputes in the fintech sector is an indication of the need for a dispute resolution mechanism that is fast, simple, and low-cost. In this regard, online dispute resolution (ODR) is present as an alternative dispute resolution model. ODR has many challenges, such as the existence of a legal vacuum (rechtsvacuum) regarding the ODR mechanism, internet disruption, and the weak protection of personal data in Indonesia.

A. Introduction

Financial Technology (fintech) is the use of technology in financial services.¹ The term fintech consists of two words, namely "technology" and "financial".²

The use of the term "technology" refers to the use of new technologies and innovative business models that change traditional patterns or habits. New technologies used include: cognitive computing, machine learning, artificial intelligence, blockchain and distributed ledger technologies via the inter-

net. Then, the term "financial" refers to financial services in the banking industry, financing industry, investment, insurance industry and other financial industries. These various financial services include digital payments, e-wallet, electronic money, equity crowdfunding, insurtech and various other financial services.³

Financial Stability Board's (FSB) defines fintech as "technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services".⁴

1 Ubaidillah Kamal and Ayup Suran Ningsih, "The Urgency of Revising the Finance Services Authority Regulation Number 77/POJK.01/2016 As an Umbrella Law in Practicing Peer to Peer Lending Based on Financial Technology in Indonesia", *Journal Pandecta*, Vol 16, No 1 (2021). <https://doi.org/10.15294/pandecta.v16i1.30397>

2 Dona Budi Kharisma, "Urgency of financial technology (Fintech) laws in Indonesia", *International Journal of Law and Management*, Vol. 63 No. 3, pp. 320-331, (2020). <https://doi.org/10.1108/IJLMA-08-2020-0233>

3 Jamal Wiwoho & Dona Budi Kharisma, "Isu-Isu Hukum di Sektor Fintech", (Malang: Setara Press, 2021), 5-6

4 Bank for International Settlements Basel Committee on Banking Supervision, "Implications of Fintech Developments for Banks and Bank Supervisors", Bank for International Settlements, 2018, 8. See also, Financial Stability Board, "FSB



Thus, fintech can be defined as the use of technology in financial service innovation through the internet network.

In Indonesia, the fintech industry continues to experience significant growth.⁵ This can be seen from the increasing number of transactions in the community and the increasingly diverse types of digital financial services offered by fintech provider.⁶

The high use of fintech can be seen from the total accumulation of fintech peer-to-peer (P2P) lending or online loans (pinjol) which reached IDR. 295.85 trillion until December 2021. Loan distribution through P2P Lending also increased when compared to December 2020 which reached IDR 155.9 trillion.⁷

Indications of increasing use of fintech can also be seen in Bank Indonesia's payment system statistics. Data from Bank Indonesia stated that the value or nominal value of fintech digital payments transactions for the December 2021 period reached IDR. 35.1 trillion with a volume of 602.2 million transactions (Bank Indonesia, 2022). This figure increased compared to December 2020 which reached 22.1 trillion with a transaction volume of 438 million transactions.⁸

However, the relationship between fintech providers and consumers is prone to disputes. In addition to differences in understanding between consumers and Fintech

Report Assesses FinTech Developments and Potential Financial Stability Implications", 2019, <https://www.fsb.org/2019/02/fsb-report-assesses-fintech-developments-and-potential-financial-stability-implications/> (accessed July 23, 2021).

5 Rohmatun Hanifah et al, "Tantangan Hukum Peer to Peer Lending dalam Mendorong Pertumbuhan Industri Financial Technology", Journal Pandecta, Vol 16, No 2 (2021). <https://doi.org/10.15294/pandecta.v16i2.25712>

6 Yudho Taruno Muryanto, et al, "Prospects and Challenges of Islamic Fintech In Indonesia: A Legal Viewpoint", International Journal Of Law And Management, 64(2), 239-252, (2021). <https://doi.org/10.1108/ijlma-07-2021-0162>

7 Otoritas Jasa Keuangan (OJK), "Statistik Fintech Lending 2021", <https://www.ojk.go.id/id/kanal/iknb/data-dan-statistik/fintech/Pages/Statistik-IKNB-Periode-Januari-2022.aspx>. (accessed March 21, 2022).

8 Bank Indonesia, "Statistik Sistem Pembayaran 2021", <https://www.bi.go.id/id/statistik/ekonomi-keuangan/ssp/uang-elektronik-transaksi.aspx>. (accessed March 21, 2022).

providers, disputes that occur can also be caused by the negligence of both parties in carrying out the obligations contained in the agreement regarding products or services.⁹

The number of public complaints related to fintech services is an indication of high disputes in the fintech industrial sector. Legal Aid Agency (LBH) Jakarta noted that until February 2019 it had received around 3,000 public complaints related to Fintech. In addition to LBH Jakarta, the Indonesian Joint Funding Fintech Association (AFPI) received 426 complaints against 510 Peer to Peer lending fintech platforms during the January - March 2019 period. The majority of reports that came in were regarding the lack of information provided by business actors related to the lending and borrowing process such as the amount interest, administration fee. Then related to the high interest and administrative costs, the billing process in which there are criminal acts of slander, fraud, threats and dissemination of personal data to the point of sexual harassment.¹⁰

The high potential for disputes that occur is an indication of the need for alternative dispute resolution in the fintech sector. The parties, both fintech providers and consumers, need a dispute resolution mechanism that is simpler, less costly and shorter in time, by way of dispute resolution that does not require the parties to go to the jurisdiction of another country or have to come where the dispute arises. In other words, an online dispute resolution mechanism is needed.

Gabrielle and Thomas Schultz in their article entitled "Online Dispute Resolution: Challenges for Contemporary Justice" state that Online Dispute Resolution (ODR), includes a number of processes that generally have two characteristics: "DR" (dispute resolution) and "O" (online).¹¹ In other words,

9 Dona Budi Kharisma, "Mengagas Pembentukan Lembaga Alternatif Penyelesaian Sengketa (LAPS) Di Sektor Industri Financial Technology (fintech)", Buletin Hukum Kebankesentralan. Volume 17, Nomor 2, Juli - Desember 2020, 158-159.

10 Hukum Online, "Perkembangan dan Permasalahan Hukum Fintech", <https://www.hukumonline.com/berita/baca/lt5c9b2221dcb1c/perkembangan-dan-permasalahan-hukum-fintech/>. (accessed June 16, 2022)..

11 Gabrielle Kaufmann-Kohler and Thomas Schultz,

ODR is an electronic dispute resolution. Online Dispute Resolution (ODR) is considered the most efficient mechanism in Alternative Dispute Resolution.

Based on this background, research is needed on the urgency of ODR as an alternative dispute resolution model that occurs in the fintech sector. In addition, identifying the challenges of ODR as an alternative dispute resolution model that occurs in the fintech sector is also important so that ODR can be effectively used as an alternative dispute resolution.

B. Metode

This research is a legal research that uses a statute approach. The statute approach is carried out by examining all laws and regulations relating to the legal issues being studied.

This study will examine various laws and regulations governing fintech, ODR, and information technology to obtain legal arguments against the problems studied.

The types of data used are legal materials consisting of primary legal materials and secondary legal materials. The main legal materials used are the Electronic Information and Transaction Act, the Job Creation Act, the Trade Act, Government Regulations on Trading Through Electronic Systems and several regulations governing fintech business activities in Indonesia. The secondary legal materials used are legal journals, research results, papers and books that discuss the legal aspects of fintech and alternative dispute resolution.

Data collection techniques were carried out by literature study and document observation. The analysis used is qualitative juridical analysis, namely analysis based on legal interpretation, legal reasoning, and legal argumentation.

C. Research and Discussion

1. Definition, Form, and Mechanism of ODR as an Alternative Dispute Resolu-

"Online Dispute Resolution: Challenges for Contemporary Justice", (Netherlands: Kluwer Law Internasional, 2004), 11.

tion Model.

ODR is an alternative to online or out-of-court dispute resolution through a digital platform, which helps consumers resolve disputes when problems occur. ODR is an arbitration dispute resolution carried out through the internet.

According to Alexandra, in terms of dispute resolution, technology has facilitated the globalization of ADR in two ways. First, technology has assisted in the rapid transfer of information and know-how between national and transnational actors and accelerated the dispute resolution export explosion. The second way in which technology has influenced the globalization of ADR is through the emergence of online dispute resolution (ODR).¹²

The use of information technology in an online dispute resolution system is very helpful for parties who are cross-country so that they can shorten distances, reduce costs, simplify processes and speed up settlements. In addition to providing benefits, on the other hand, the use of this can cause legal problems.

Gabrielle and Thomas Schultz state that ODR includes a number of processes that generally have two characteristics: "DR" (dispute resolution) and "O" (online). In other words, resolving disputes and done electronically.¹³ All forms of traditional Alternative Dispute Resolution (APS) are represented online. In addition, there is a new dispute resolution process: automated or blind-bidding negotiation, these are examples of mechanisms that only exist online.

Another picture is non-binding arbitration. While not entirely non-existent offline, it tends to represent the full potential of online and as one of the most prominent ODR mechanisms for certain types of disputes. The need for proper jurisdiction for electronic commerce disputes has led to an established mechanism for resolving disputes

12 Alexander, Nadja. "Mobile mediation: How technology is driving the globalization of ADR", *Hamline Journal of Public Law and Policy*. 27, (2), 243-262, (2006).

13 Gabrielle Kaufmann-Kohler and Thomas Schultz, *Opcit.*

over the internet known as Online Dispute Resolution (ODR).

Currently there are three types of ODR systems developing in the world, namely:¹⁴

- a. Fully Automated Cyber Negotiation Online Dispute Resolution; ODR service providers with this system operate using software that can automatically match the complainant's request with the reported party to reach an agreement.
- b. Using Software and Facilitator; Mediation uses software and a third party as a facilitator. This ODR service uses two processes, where the parties appoint a third party to help each party to determine a suitable negotiation model and make requests that will be submitted in the ODR process, then the software system will automatically compare each disputing party's requests until reach an agreement.
- c. Using Online Technology.

Alternative dispute resolution using online technology. This ODR service uses e-mail, instant messaging, chat rooms and video conferencing as a liaison for the dispute resolution process. The settlement process is the same as the traditional dispute resolution process by selecting a third party as the dispute resolution body. In general, disputes that are resolved through ODR using this dispute resolution are in the form of: Negotiation, Mediation, Arbitration.

ODR Platform as a Trust Mark of consumers and manufacturers seeking to resolve online disputes regarding contractual obligations stemming from online sales and service contracts. The basic procedure of ODR is :¹⁵

- 1) Agreement to resolve disputes through ODR. The parties consider the procedure that has been chosen
- 2) Submit a complaint online.

Consumers or producers through

14 Joseph W. Goodman, "The Pros and Cons of Online Dispute Resolution: An Assessment of Cyber-Mediation Websites", *Duke Law and Technology Review*, 2003, 1-16.

15 Urša Jeretina, "Consumer Online Dispute Resolution (ODR) – A Mechanism for Innovative E-governance in EU", *Central European Public Administration Review*, 16(2), 2018, 45-67.

electronic complaints from within the desired language and method of communication.

- 3) Approved the ODR agency. Within 30 days, if the parties fail to agree on an APS, the complaint will not be taken further and the compliant party is notified of other available remedies.
- 4) Handling of complaints by the ODR agency. Both parties act as 'arbitrators' in resolving their disputes.
- 5) Results and closing of complaints. Within 90 days, all procedures in the ODR platform are carried out online, while also ensuring user privacy from the start.

Overall, the purpose of this ODR is to contribute to strengthening consumer confidence in fintech transactions.

2. The Urgency of ODR as an Alternative Dispute Resolution Model in the Fintech Sector.

a. Philosophical Foundation;

The urgency of ODR as an alternative mechanism for fintech dispute resolution has been mandated in the legal ideals, philosophy and way of life of the Indonesian people, namely Pancasila and the Preamble to the 1945 Constitution of the Republic of Indonesia.

Pancasila and the opening of the 1945 Constitution are the philosophical basis for the importance of ODR in the fintech sector. The philosophical basis is the Indonesian people's view of life in the nation and state, namely Pancasila. The basis of the state is Pancasila, while the four main ideas in the Preamble to the 1945 Constitution are basically to realize legal ideals (rechtsides) which control the basic laws of the state, both written and unwritten.

The Fifth Precept of Pancasila can be a philosophical foundation for the importance of ODR in the fintech sector. The Fifth Precept of Pancasila reads, "Social justice for all Indonesian people". This means that the existence of ODR as an alternative dispute resolution mechanism in the fintech sector aims to create social justice for all Indonesian

people without exception, as well as a form of fulfilling the Government's responsibilities which are realized through facilitating dispute resolution, to provide protection to consumers, and protect the public. in general.

Then, the existence of ODR as a dispute resolution mechanism in the fintech sector is the Government's effort to support the creation of economic stability and support sustainable and inclusive digital economic growth.

b. Sociological Foundation;

ODR as an alternative mechanism for resolving disputes that occur in the fintech sector meets sociological aspects to be realized immediately. That is, the existence of ODR to facilitate disputes that occur between consumers and fintech providers is formed with the aim of meeting the needs of people's lives and the development of problems that exist in the community. Some of the sociological foundations for the importance of ODR in the fintech industrial sector include the following:

First, the development of information and communication technology has also had an influence on the development of non-litigation settlement or alternative dispute resolution which is felt to make it easier for both business actors and fintech consumers themselves. However, APS is considered to be less effective and efficient because it has to be face-to-face, while fintech can be done by anyone and anywhere using the internet and web-based in various ways. ODR is the implementation of APS using information and communication technology that is increasingly developing as the definition of ODR, the use of information and communication technology to help parties manage, change and resolve their conflicts.¹⁶

Second, ODR was born from the synergy between APS and information and communication technology as a means of resolving disputes that arise in the online process where traditional settlement is very ineffecti-

ve and impossible.¹⁷

This balance of progress demands a more firm and clear legal umbrella regarding fintech and dispute resolution. Article 31 paragraph 5 of the 1945 Constitution states that the Government contributes to advancing science and technology by supporting high religious values and national unity for the advancement of civilization and prosperity.

Third, ODR provides convenience in resolving disputes that occur, no longer being hindered by space, time limits, relatively low costs and fast resolution.

The national economy which is organized with the emergence of fintech based on economic democracy with the principles of efficiency, justice, independence and by maintaining a balance of progress, needs to be supported by economic institutions and regulations regarding the economy that are solid in the context of realizing people's welfare.

c. Juridical Foundation.

A report Price Waterhouse Coopers (PWC) in 2016 entitled Financial Service Technology 2020 and Beyond: Embracing Disruption, revealed that fintech will change the business format of the financial services industry in the future.¹⁸

Therefore, fintech must provide complete, up-to-date, and transparent information, handling complaints and resolving consumer disputes must at least be clearer and in accordance with existing developments, fraud prevention is also an important thing that must be considered along with the growing diversity. fintech service product offerings.

In addition to the protection of personal data, fintech service actors are required to maintain the security of consumer data, data access management, and fintech users have the right to request explanations from actors regarding the use of the information

16 Cortés, P. "What Should the Ideal ODR System for E-Commerce Consumers Look Like?" CSLS Oxford, 2011, 1.

17 M Ethan Katsh, J. R. "Online Dispute Resolution: Resolving Conflicts in Cyberspace". San Francisco: Jossey-Bass, 2001.

18 Price Waterhouse Coopers (PWC), "Financial Services Tehcnology 2020 and Beyond: Embracing Disruption", 2016.

and data that has been provided.

In Act Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, there is a gap to settle arbitration disputes online from the provisions of Article 4 paragraph (3). telegram, facsimile, e-mail or in other forms of means of communication, must be accompanied by a note of receipt by the parties.

In Act Number 11 of 2008 concerning Information and Electronic Transactions as last amended by Act Number 19 of 2016 (ITE Act) concerning Amendments to paragraphs 1, 2 and 3 of article 41 and article 39 paragraph 2 supporting the settlement disputes using the use of information technology.

The presence of ODR brings significant convenience, seen from the parties that there is no need to travel to meet each other, there is no need to be there at the same time if they are on different continents with different timescales, only briefly submit documents.

ODR is an attractive option in dispute resolution in the fintech sector, where the dispute has the characteristics of a small nominal value but requires fast settlement and low cost.

3. Prospects and Challenges of ODR as an Alternative for Dispute Resolution in the Fintech Sector.

To optimize the role of fintech in society, one of the important things to pay attention to is consumer protection. Consumers of fintech must obtain adequate protection and efficient dispute resolution.

This aims to strike a balance between the convenience and flexibility of services that have been offered by fintech. Efforts that can be made to improve fintech consumer protection, namely:

- a. supervision and regulation and focus on emerging and used fintechs ;
- b. Improved coordination with relevant regulators;
- c. Introduction for preparation of fintech and its dispute resolution mechanism; and
- d. Increasing the legitimacy of fintech and its dispute resolution mechanism.

This is expected to be done by the relevant regulators to increase public and consumer confidence about fintech *products/services* in order to mitigate the potential risks that exist.

In Indonesia, OJK and BI regulations governing fintech still use traditional settlements, namely litigation or court proceedings. The litigation path or the court route has its drawbacks, namely the submission process to the court takes a long time with unstable results, in a long time it also requires no small amount of money, it is required to meet both parties, judges who do not necessarily have experience with disputes, and with the results of a win-lose solution.

This encourages the public to have judicial administration and law enforcement that meet the principles of fast, simple, following the developments of an increasingly advanced era and low cost to become a reality in legal life.¹⁹

In Indonesia, there are many known alternative dispute resolution methods such as mediation, adjudication, and arbitration. This is as the growing industry in the fintech sector challenges the development of a more efficient APS in accordance with what has been provided by fintech. Because these transactions often cross national borders, to facilitate these activities, a dispute resolution that is fast, inexpensive and not limited by anything, is ODR.

The growth of ODR is slowly driving new tools that provide efficiency and convenience with rapidly evolving technologies.

Court mechanisms and APS use processes and approaches that are shaped by physical, conceptual, psychological and professional boundaries. These limits are challenged by the progress of information and communication technology that occurs. As technology develops which can play an important role in adapting the dispute resolution process to the needs and interests of the parties, ODR represents a change in traditional dispute resolution to bring about justice

¹⁹ Saragi, M. "Litigasi dan Non Litigasi Untuk Penyelesaian Sengketa Bisnis Dalam Rangka Pengembangan Investasi Di Indonesia", E-Journal Graduate Unpar, 1(2), 1 (2014).

as well as technological advances, offering an efficient process for the fintech era.

However, there are several challenges in using ODR as an alternative dispute resolution in the fintech sector. Some of these challenges include the following:

a. *ODR is not yet regulated as APS in Indonesia;*

In the legal system in Indonesia, ODR or online dispute resolution has not been regulated clearly and unequivocally, even though it has become an attractive option in resolving disputes in the fintech sector.

In the absence of rules regarding ODR, the independence of the parties must always be considered because it is the basis for developing a fast and efficient dispute resolution. Efforts to enforce and apply the law, especially in Indonesia, are often faced with obstacles related to the development of society and is a logical consequence of the development of civilization in the world community.

In this case the development of society which is faster than the development of laws and regulations is a problem related to matters that have not been or are not regulated in laws and regulations, because based on this statement a conclusion can be drawn that it is impossible for a statutory regulation to regulate all human life completely so as to allow the occurrence of a situation where the existing rules in a country are considered incomplete and do not guarantee legal certainty for its citizens which results in a legal vacuum (*rechtsvacuum*) in society. This is the cause of confusion (chaos) in society regarding what rules should be used or applied, so that in society there is no certainty of rules that are applied to regulate things or circumstances that occur. For this reason, it is very necessary to have a law that is stable and flexible and able to follow these developments without losing the noble values of the nation that are in accordance with the ideals of the founding fathers of the nation.²⁰

Online dispute resolution are needed because ODR has advantages, namely:

1) Fast, because the time used to resolve

20 Mitendra, H. M. "Fenomena Kekosongan Hukum", *Jurnal RechtsVinding BPHN*, 2018, 2-3

disputes is relatively shorter because they can interact via the internet, do not have to meet face to face, usually to go to the place where the dispute is.

- 2) A relatively simple mechanism but with a *win-win solution* that does not harm any party.
- 3) The relationship between the disputing parties is also maintained because the settlement of disputes as far as possible can be resolved in ways that are more protective of each other.
- 4) Upholding justice, because the settlement of this dispute is impartial.²¹

The absence of a clear and strong legal umbrella regarding online dispute resolution also makes the public raise concerns from fintech consumers whether the institution that provides this ODR service is trusted or not, and the safety of the fintech consumer data provided for dispute resolution.

Actually, for the problem of electronic documents, Indonesia can be guided by the UNCITRAL (*United Nations Commissions on International Trade Law*) *Model Law on Electronic Commerce* which has provided a benchmark that electronic data must be accepted as valid and cannot be rejected solely on the basis of the consideration that the data was created. and transmitted electronically.

b. *Internet Disruption;*

ODR certainly uses internet facilities in other words, technology can solve problems created by technology itself.²² This is usually what creates obstacles for its users. The geographical condition of Indonesia, where the complainant's domicile is often far from the city center and has limited access and information. In addition, it takes a long time to process, it has the potential to hinder the smooth settlement of disputes. So that the factors of speed of response as well as the efficiency and effectiveness of service handling

21 Paustinus Siburian, "Arbitrase Online: Alternatif Penyelesaian Sengketa Secara Elektronik", (Jakarta: Djambatan, 2009).

22 Muh. Ali Masnun, et al, "Politik Hukum Penguasaan Teknologi di Indonesia", *Journal Pandecta*, Vol 16, No 2 (2021). <https://doi.org/10.15294/pandecta.v16i2.31458>.

are things that must be considered.

Not all consumers have fast access, a basic understanding of the internet and other things, because no one can guarantee internet access around the world, and there is no guarantee of even distribution of internet access speed, and the understanding of people in Indonesia about the *internet*. Multiple internet access can cause problems for some parties to the dispute, the difficulty of accessing ODR facilities using a facility system from the *internet* can make people who are less familiar with technology feel difficult. Usually with *fraud* or fraud regarding *illegal* fintech, this can be handled if the Indonesian government applies *gerechtigheit* to the community to provide assistance and easy access for Indonesian citizens to understand internet understanding and also use these technological facilities.

c. *Consumer personal data security.*

Fintech consumer protection is very important in a process of advancing technology in the financial services industry.²³

The existence of consumers who use products in the financial services sector is a driving force for the business processes of the financial services industry. Fintech consumer convenience here must be the main axis of fintech organizers by maintaining the security of the data of its consumers so that there is no distrust in using it. Because it is a dispute resolution carried out through the internet which is very easy for anyone to access in a *borderless area*, it is the security of the system itself that must be more tightly guarded, because everything can be done via the *internet*.

Currently, there are three types of ODR systems developed in the world, namely²⁴:

1) Fully Automated Cyber Negotiation Online Dispute Resolution;

ODR service providers with this system operate using software that can automatically

23 Hari Sutra Disemadi, "Fenomena Predatory Lending: Suatu Kajian Penyelenggaraan Bisnis Fintech P2P Lending selama Pandemi COVID-19 di Indonesia", Journal Pandecta, Vol 16, No 1 (2021). <https://doi.org/10.15294/pandecta.v16i1.26860>

24 Paustinus Siburian, Opcit.

match the complainant's request with the reported party to reach an agreement.

2) Using Software and Facilitator; and

In this model, mediation uses software and a third party as a facilitator. This ODR service uses two processes, where the parties appoint a third party to help each party to determine a suitable negotiation model and make a request that will be submitted in the ODR process, then the software system will automatically compare each disputing party's request until reach an agreement.

3) Using Online Technology.

In this model, alternative dispute resolution is done using online technology. This ODR service uses e-mail, instant messaging, chat rooms and video conferencing as a liaison for the dispute resolution process.

The settlement process is the same as the traditional dispute resolution process by selecting a third party as the dispute resolution body. In general, disputes that are resolved through ODR using this dispute resolution are in the form of: Negotiation, Mediation, Arbitration.

This is what creates a shortage or obstacle in the development of information and communication technology, everything can be stored in electronic form, hold meetings by video conference which can be done at any time, but if it is not assisted by strong security guards it will cause serious problems.

D. Conclusion

The development of the fintech industry must be accompanied by an adequate dispute resolution mechanism. ODR has prospects as an alternative dispute resolution mechanism in the fintech sector that is easy, fast, low cost and guarantees access for fintech consumers to justice and legal certainty. The existence of ODR as an alternative dispute resolution can indirectly encourage the growth of Indonesia's digital business and strengthen consumer confidence in using financial services in the fintech sector.

However, ODR has several challenges, namely: first, there is still a legal vacuum (*rechtsvacuum*) regarding the ODR mechanism as an alternative dispute resolu-

tion in the fintech sector. Second, Internet Disruption and third, the issue of the weak protection and security of fintech consumer personal data.

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