

## Legal Certainty in Judges' Decisions Regarding the Authority of the Batam City Consumer Dispute Settlement Agency

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Article Info	Abstract
<p>Received: 12-07-2024 Revised: 20-10-2024 Accepted: 23-10-2024 Published: 02-11-2024</p> <p><b>Keywords:</b> Consumer Dispute Settlement Agency; Authority; Legal Certainty; Consumer Protection.</p>	<p>This study examines issues related to the legal certainty analysis in judicial decisions regarding the authority of the Consumer Dispute Settlement Board (Badan Penyelesaian Sengketa Konsumen/BPSK) of Batam City, as observed in Batam District Court Decision Number 10/Pdt.Sus-BPSK/2021/PN Btm and Batam District Court Decision Number 25/Pdt.Sus-BPSK/2024/PN Btm. The core issue discussed in this research is the analysis of judicial considerations in ruling on matters related to the authority of BPSK Batam City and how these judicial decisions provide legal certainty in resolving disputes. The primary objective of this study is to analyze how judicial considerations influence legal certainty for parties involved in disputes concerning BPSK Batam City's authority. This research is normative in nature, employing a literature study approach. The data utilized comprises secondary data, including various laws and regulations, books, theses, and relevant journal articles. Data collection methods involve a literature study, and the analysis is conducted using qualitative methods to interpret and summarize the research findings. The results indicate that the authority of BPSK Batam City in handling consumer disputes is limited in accordance with Law Number 8 of 1999 on Consumer Protection, which allows consumers to choose dispute resolution through BPSK or the court based on the consumer's domicile. In the cases studied, BPSK Batam City frequently encounters challenges related to its competence in handling disputes that should be referred to the court, such as civil disputes or breaches of contract.</p>
Info Artikel	Abstrak
<p><b>Kata Kunci:</b> Badan Penyelesaian Sengketa Konsumen; Otoritas; Kepastian hukum; Perlindungan Konsumen.</p>	<p>Penelitian ini mengkaji permasalahan terkait analisis kepastian hukum dalam putusan hakim mengenai kewenangan Badan Penyelesaian Sengketa Konsumen (BPSK) Kota Batam, seperti yang ditemukan dalam Putusan Pengadilan Negeri Batam Nomor 10/Pdt.Sus-BPSK/2021/PN Btm dan Putusan Pengadilan Negeri Batam Nomor 25/Pdt.Sus-BPSK/2024/PN Btm. Permasalahan yang dibahas dalam penelitian ini adalah menganalisis pertimbangan hakim dalam memutuskan perkara terkait kewenangan Badan Penyelesaian Sengketa Konsumen Kota Batam dan bagaimana</p>

putusan hakim memberikan kepastian hukum dalam menyelesaikan putusan sengketa, tujuan utama penelitian ini adalah untuk menganalisis bagaimana pertimbangan hakim mempengaruhi kepastian hukum bagi pihak yang bersengketa terkait kewenangan BPSK Kota Batam. Penelitian ini bersifat normatif dengan menggunakan pendekatan studi kepustakaan. Data yang digunakan adalah data sekunder yang terdiri dari berbagai peraturan perundang-undangan, buku, skripsi, dan artikel jurnal yang relevan. Metode pengumpulan data dilakukan melalui studi kepustakaan dan dianalisis menggunakan metode kualitatif untuk menginterpretasikan dan merangkum hasil penelitian. Hasil penelitian menunjukkan bahwa kewenangan BPSK Kota Batam dalam menangani sengketa konsumen terbatas sesuai dengan Undang-Undang Nomor 8 Tahun 1999 tentang Perlindungan Konsumen, yang memperbolehkan konsumen untuk memilih penyelesaian sengketa melalui BPSK atau pengadilan sesuai tempat kedudukan konsumen. Dalam kasus-kasus yang diteliti, BPSK Kota Batam sering kali menghadapi tantangan terkait kompetensinya dalam menangani sengketa yang seharusnya diserahkan kepada pengadilan, seperti sengketa keperdataan atau perbuatan wanprestasi.



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## **INTRODUCTION**

Consumer protection aims to enhance the authority of consumers in choosing, determining, and demanding their rights (Afnesia & Ayunda, 2021; Disemadi & Regent, 2021). Law Number 8 of 1999 concerning Consumer Protection (hereinafter referred to as the Consumer Protection Law) establishes limitations and guarantees to elevate consumer dignity, including consumer awareness, knowledge, concern, and independence in protecting themselves. This law also seeks to develop the role of businesses to act professionally, respect their rights and obligations, and clarify the rights and obligations of both businesses and consumers to provide protection based on benefits, fairness, balance, safety, security, and legal certainty (Astuti, 2017; Irawati, & Hutagalung, 2023; Tan et al, 2024). Under Law Number 8 of 1999 concerning Consumer Protection, the Consumer Dispute Settlement Board (*Badan Penyelesaian Sengketa Konsumen/BPSK*), as described in Article 1 number 11, is defined as an agency responsible for handling and resolving disputes between businesses and consumers. This means that BPSK is an institution that consumers can use to uphold their rights. The establishment of BPSK aims to assist both consumers and businesses in resolving disputes in an easy and cost-effective manner. This institution ensures justice as stipulated in Article 4 paragraph (2) of Law Number 48 of 2009 concerning Judicial Power (hereinafter referred to as the Judicial Power Law). The

primary goal of its establishment is to facilitate consumers in resolving disputes they face easily and affordably (Sitepu & Muhamad, 2021).

The expectation is that the establishment of BPSK will effectively handle and resolve disputes between businesses and consumers. The Consumer Protection Law grants authority parallel to BPSK as well as other judicial institutions. However, in practice, decisions issued by BPSK are often overturned by the first-level courts of the Supreme Court (MA) on the grounds that they exceed the authority stipulated in the Consumer Protection Law. This has led to serious questions regarding the legal recognition of consumer protection in Indonesia. Based on case data published by the Supreme Court, 127 decisions from BPSK were annulled in the past five months. This situation highlights the need to enhance BPSK's capacity to handle disputes more efficiently and accurately. Furthermore, better coordination between BPSK and other judicial institutions is necessary to achieve optimal justice for both parties. A thorough evaluation of the implementation of the Consumer Protection Law is essential to improve the dispute resolution process and ensure that the decisions produced are in accordance with applicable legal provisions. All these efforts aim to strengthen legal protection for consumers and boost public confidence in the legal enforcement system in Indonesia (Sitepu & Muhamad, 2021).

Similar research was conducted by Billy Kalangi in 2017, titled "The Authority of the BPSK Based on Law No. 8 of 1999 on Consumer Protection." This study highlights aspects related to the authority of BPSK in handling disputes involving consumers and businesses (Kalangi, 2017). Another study by Rida Ista Sitepu and Hana Muhamad in 2021, titled "The Effectiveness of the BPSK as a Consumer Dispute Resolution Institution in Indonesia," focuses on the effectiveness of BPSK in mediating disputes between consumers and businesses (Sitepu & Muhamad, 2021). Mia Hadiati and Mariske Myeke Tampi, in their 2016 study titled "The Effectiveness of Mediation in Consumer Dispute Resolution by the BPSK in DKI Jakarta," evaluate the mediation process conducted by BPSK as an alternative mechanism for resolving consumer disputes at the local level (Hadiati & Tampi, 2020). Kurniawan's 2012 research, titled "Challenges in Consumer Dispute Resolution through the BPSK," identifies the obstacles faced by BPSK in their efforts to resolve disputes between consumers and businesses (Kurniawan, 2012). Halida Zia and Khaidir Saleh, in their 2022 study titled "The Existence of the BPSK in Resolving Consumer Disputes in Indonesia," evaluate the extent to which BPSK is present and

effective in fulfilling its role as a responsible institution for resolving disputes between consumers and businesses (Zia & Saleh, 2022).

There are distinct focuses in the aforementioned studies. This research will specifically address legal certainty in judicial decisions related to the authority of the BPSK in resolving disputes between consumers and businesses in Batam City. This study aims to provide legal contributions not only to the community but also to academia by highlighting consumer protection issues and providing knowledge for future research. The limitation of this study is its focus solely on Batam City and the legal certainty in judicial decisions regarding the authority of the Consumer Dispute Settlement Agency.

## **RESEARCH METHOD**

This research prioritizes normative research. Normative research focuses on the analysis of legal rules or regulations and their relationship with legal certainty in judicial considerations and legal certainty for disputing parties in the judgments of the Batam District Court Number 10/Pdt.Sus-BPSK/2021/PN Btm and Number 25/Pdt.Sus-BPSK/2024/PN Btm concerning the authority of the Consumer Dispute Resolution Agency of Batam City. This study utilizes secondary data, derived from various literature sources, encompassing primary legal materials such as legislation and secondary legal materials providing information on primary sources and their application (Disemadi, 2022). The secondary legal materials used include books, theses, and journal articles. The methodology employed in this research for data collection is library research, involving the collection of data from written sources. Following data processing, qualitative data analysis is conducted, whereby the findings are presented in easily readable and comprehensible sentences, interpreted and summarized generally based on specific facts related to the researched topic, serving as the foundation for determining the main discussion points (Hernawati & Suroso, 2020). In this normative legal research, secondary data consisting of legal materials will be analyzed using a descriptive qualitative approach. This method aims to interpret and explain the data comprehensively. The analysis is conducted to draw accurate conclusions based on the legal materials examined.

## **RESULT AND DISCUSSIONS**

### **Judges' Consideration Analysis in Deciding Cases on the Authority of the Batam City Consumer Dispute Settlement Body**

#### **1) Judgment Number 10/Pdt.Sus-BPSK/2021/PN Btm**

The judge possesses the discretion to render decisions in every case brought before the District Court or High Court. It is incumbent upon the judge to diligently follow the course of proceedings and carefully explore the issues or arguments that arise during the trial process. This is in accordance with the provisions of Law No. 48 of 2009 concerning Judicial Power, Article 1, which states: "Judicial power is the independent state power to administer justice based on Pancasila, for the establishment of a constitutional state in the Republic of Indonesia (Hernawati & Suroso, 2020)." As legal enforcers, the primary duty of judges in the judiciary is to receive, examine, adjudicate, and resolve every case presented to them. With such responsibilities, judges are functionally the core implementers of Judicial Power. Judicial power resides within the judicial realm with freedoms regulated by law. However, this freedom does not imply unchecked authority. Judicial independence or freedom must be directed towards legal objectives, namely justice. The presence of civil judges is crucial in upholding the law and justice through the decisions they make. In decision-making, judges must exercise caution and thoroughness, as demonstrated by the judges at the Batam District Court in handling this breach of contract dispute. The judges first process and analyze the data obtained during the trial, from documentary evidence to witnesses, presumptions, admissions, and oaths revealed in court. Thus, the decisions rendered by judges can be founded upon a sense of responsibility, fairness, wisdom, professionalism, and objectivity (Ardila & Arief, 2015).

Based on the deliberations of the Batam District Court Panel of Judges regarding the breach of contract case examined before the Court, and after considering the arguments presented by the parties during the trial and the direct admissions made by the parties, the Panel of Judges of the Batam District Court has issued Decision Number 25/Pdt.Sus-BPSK/2024/PN Btm. Based on these considerations, the Panel of Judges has partially granted the Plaintiff's claim. After hearing statements from the parties during the trial, the Panel of Judges has decided to partially grant the claim. The Panel of Judges declares that the disputed land object rightfully belongs to the Plaintiff based on the evidence and testimony presented, as well as the admission made by the Defendant regarding ownership of the disputed land during the trial. With these admissions and considerations, the Panel

of Judges rules that the disputed land object belongs to the Plaintiff. It states that the actions of the Defendant concerning the disputed land constitute unlawful acts, as they have disrupted and harmed another party. Therefore, the panel of judges has decided to punish the Defendant by ordering compensation for the damages arising from this case.

BPSK of Batam City lacks jurisdiction to adjudicate the aforementioned dispute under Article 23 of Law Number 8 of 1999 concerning Consumer Protection, which grants consumers the option to file lawsuits either with the BPSK or the court at their domicile. Furthermore, Article 45 stipulates that consumer dispute resolution, whether through judicial or extrajudicial means, must be based on the voluntary choice of the parties. The agreement between the parties in Purchase Order Unit Number 301/APP-SPU.KPR/DP/III/2023 dated March 3, 2023, specifically stipulates that disputes are to be settled in the Batam District Court. This contractual agreement, binding upon the parties, overrides general provisions under the principle of *Lex specialis derogat legi generali*. Moreover, the dispute pertains to the purchase of land and buildings, falling under civil disputes rather than consumer disputes, which fall within the jurisdiction of BPSK. According to Article 1, paragraph 4 of Minister of Trade Regulation Number 72 of 2020, consumer disputes involve claims for damages or losses arising from the consumption of goods or services, whereas this dispute concerns a property purchase agreement. Pursuant to Article 50 of Law Number 2 of 1986 concerning General Courts, the District Court has the authority to settle civil cases, a jurisdiction that BPSK does not encompass for civil disputes or breach of contract. Consequently, Decision Number 033/PK-ARB/BPSK/XI/2023 of the BPSK Batam City must be annulled because BPSK lacks the authority to examine, adjudicate, and decide on this matter.

BPSK Batam City lacks jurisdiction to investigate and adjudicate consumer dispute cases until the issuance of Decision No: 033/PK-ARB/BPSK/XI/2023 dated December 21, 2023, due to defects in the legal basis used, such as Ministerial Decree No. 350/MPP/Kep/I/2001 which has been repealed by Ministerial Regulation No. 17/M-DAG/PER/4/2007. The Arbitration Panel of BPSK Batam City was not fully present from the first hearing to the reading of the verdict, rendering the decision invalid. During the session on December 6, 2023, only one arbitrator was present, thereby invalidating the examination of witnesses. BPSK Batam City failed to attempt reconciliation between the disputing parties, despite this being its obligation. The decision was also postponed without valid reason and official notification, making the WhatsApp notification deemed invalid.



Consequently, Decision No: 033/PK-ARB/BPSK/XI/2023 is legally flawed and must be annulled or at least declared devoid of legal force. All these points demonstrate that BPSK Batam City lacks authority over the case and that the dispute should be settled in the Batam District Court according to prevailing laws and regulations.

On page 19 of Decision No: 033/PK-ARB/BPSK/XI/2023 dated December 21, 2023, it is stated that the Plaintiff had provided evidence of a Rp 2,000,000 hold unit payment for BI Checking. However, the documentary evidence submitted by the Applicant/Defendant during the hearings on November 30 and December 6, 2023, comprising 48 pages, was disregarded in the decision. These documents should have been considered under Article 10 letter (a) of Ministerial Decree No. 350/MPP/KEP/12/2001, requiring BPSK to examine the evidence submitted by both parties. This indicates bias and lack of neutrality on the part of the BPSK Arbitration Panel in issuing the decision, thereby providing legal grounds for the Chief Judge of the Batam District Court to annul the decision. Additionally, on page 28 of the Decision of BPSK Batam City, inconsistencies are found in the use of legal grounds questioning the Unit Ordering Letter equated with PPJB.

In the matter of property purchase cancellations, adherence should follow Article 22 of Government Regulation Number 12 of 2021, stipulating that developers must not withdraw more than 80% of funds from buyers before fulfilling the PPJB requirements. However, in the ruling of the Batam City BPSK, the evidence of the Applicant's/Defendant's objection letter was completely disregarded, despite its rebuttal of the Plaintiff's arguments. Furthermore, the citation of 40% in the ruling lacks clear legal basis. Therefore, Batam City BPSK Decision Number: 033/PK-ARB/BPSK/XI/2023 is legally unfounded and must be annulled. The Applicant/Defendant requests the Chairman of the Batam District Court to annul the BPSK decision and declare that the Batam City BPSK lacks jurisdiction to adjudicate, examine, and decide on this matter, further demanding that the Plaintiff cover all incurred legal costs.

## **2) Judgment Number 10/Pdt.Sus-BPSK/2021/PN Btm**

On December 16, 2020, the Applicant received a copy of the Decision from BPSK Number: 035/PK/BPSK/X/2020. Subsequently, on January 7, 2021, the Applicant filed an Objection Petition at the Batam District Court. This petition was submitted within the 14 working days following receipt of notification of the Arbitration Decision from BPSK Batam City, in accordance with applicable laws. Thus, the submission of this Objection

Petition is compliant with legal regulations, namely Article 56 paragraph 2 of Law No. 8 of 1999 concerning Consumer Protection, Article 5 paragraph (1) of Supreme Court Regulation No. 1 of 2006 concerning Procedures for Filing Objections to BPSK Decisions, and Article 41 paragraph (3) of the Minister of Industry and Trade Regulation No. 350/MPP/Kep/12/2001 concerning the Implementation of Duties and Authority of BPSK. Therefore, formally, this Objection Petition is admissible.

The Applicant filed the objection based on reasons stipulated in Article 6 paragraph (5) of Supreme Court Regulation No. 1 of 2006 concerning Procedures for Filing Objections to BPSK Decisions. This article states that if objections are filed based on grounds other than those specified in paragraph (3), the Panel of Judges may independently adjudicate on the consumer dispute. Pursuant to Article 3 paragraph (1) of Supreme Court Regulation No. 1 of 2006 concerning Procedures for Filing Objections to BPSK Decisions, objections to BPSK Decisions may be filed by Business Actors and/or Consumers to the District Court at the consumer's legal domicile. In this case, the Objection Respondent is domiciled at Kampung Bukit RT.02/RW.06, Tanjung Village, Sekupang District, Batam City, thus the authority to examine, decide, and adjudicate this objection petition lies with the Batam District Court.

The Applicant objects to the decision of BPSK Batam City Number 025/PK-ARB/BPSK/X/2020 dated December 7, 2020, which partially granted the Plaintiff's claim and ordered the Defendant to refund an advance payment of IDR 32,700,000, after deducting 10% from the sale price of the land and building. The Applicant disagrees with this decision, arguing that BPSK Batam City lacks absolute jurisdiction to examine, adjudicate, and decide cases of breach of contract in the sale of land and building units that, by agreement, should be settled in the District Court. The Applicant, a housing developer of Glory Tanjung Riau in Sekupang, Batam, sold houses to consumers, including the house ordered by the Objection Respondent. The Objection Respondent brought the Applicant to BPSK Batam City due to delays in building handover and rejection of home ownership credit application by a Bank. Based on trial facts and evidence, the Applicant can prove that it is the Objection Respondent who breached the contract by not settling the sale price of the house as per agreement. Therefore, this dispute should be settled in the Batam District Court, not in BPSK Batam City. This aligns with the Supreme Court of Indonesia's Jurisprudence, which states that disputes based on agreements involving breach of contract fall under the jurisdiction of the District Court. Based on this Jurisprudence, it is clear that



BPSK Batam City lacks jurisdiction to adjudicate the present case, and its decision must be annulled.

According to the Regulation of the Minister of Trade of the Republic of Indonesia, a consumer dispute entails claims for compensation due to damage, pollution, or losses arising from the consumption of goods or utilization of services, rather than mere refund of down payments. In this case, the Respondent has yet to complete the purchase of the parcel and building, hence cannot suffer losses from consumption of such goods or services. Therefore, this matter does not qualify as a consumer dispute under the jurisdiction of BPSK, but rather pertains to the execution of an agreement falling under the absolute jurisdiction of the Batam District Court. In its final ruling, the Batam City BPSK directly sanctioned the Applicant without prior determination of any wrongdoing or violation of the law.

Moreover, Sale and Purchase Agreement (*Persetujuan Jual-Beli/SPJB*) and Sale and Purchase Binding Agreement (*Perjanjian Pengikatan Jual Beli/PPJB*) and Purchase remain valid to date, unrevoked by the Applicant. During the BPSK hearing, it was evidenced that the Respondent defaulted by only making an initial payment without fulfilling the full payment for the parcel and building as ordered. The Respondent contested the Applicant due to delayed delivery of the building and inability to secure a mortgage loan, citing lack of cooperation from banks with the Applicant. However, the Respondent failed to substantiate these claims with original evidence. The Applicant, Glory Tanjung Riau housing developer, sold the house, including the one ordered by the Respondent.

The Applicant rejects the Arbitration Panel's legal considerations stating that the Applicant failed to complete construction according to schedule, arguing that the photographic evidence submitted by the Respondent could not be authenticated. Furthermore, the Panel noted discrepancies regarding changes in land area and pricing not stipulated in the SPJB and PPJB, despite specific provisions in the agreement. The Applicant contends that the Panel's characterization of their actions as arbitrary is unfounded, asserting instead that the Panel overlooked crucial evidence. With the evidence presented, the Applicant contends that they did not violate statutory provisions. The Panel also failed to consider the building rights certificate indicating that the price adjustment due to excess land area adhered to the agreement. Moreover, the Respondent did not formally request the cancellation of the land and building purchase, thereby absolving the Applicant from any breach of consumer refund laws. The Sale and Purchase Agreement between the

Applicant and Respondent remains in force. In this matter, the court rules in favor of the Applicant's objection; declaring that the Batam City Consumer Dispute Settlement Agency lacks jurisdiction to adjudicate Case Number 025/PK-ARB/BPSK/X/2020 dated December 7, 2020; overturning the Batam City Consumer Dispute Settlement Agency's decision in that case; and ordering the Respondent to pay court costs amounting to Rp530,000.

### **Analysis of Legal Certainty for Disputing Parties in the Judge's Decision Regarding the Authority of the Consumer Dispute Settlement Body in Batam City**

Indonesia prioritizes the principle of a constitutional state, as stipulated in Article 1 paragraph (3) of the 1945 Constitution. A fundamental element of a constitutional state is the existence of an independent judiciary. This is governed by Article 24 paragraph (1), affirming that judicial power is independent to administer justice and uphold the rule of law. Article 24 paragraph (2) elaborates that judicial authority is vested in the Supreme Court and its subordinate courts, encompassing general, religious, military, administrative, and constitutional jurisdictions. In the context of consumer finance disputes, the judiciary possesses the authority to adjudicate and decide such cases. The competent judiciary, governed by general law applicable to all, unless specified otherwise, includes the General Court system regulated under Law No. 2 of 1986 concerning General Courts (Wibowo, Sukarmi & Hamidah, 2019). Additionally, judges dismiss claims unsupported by established facts or beyond the scope of trial determinations. Non-legal considerations by judges are segmented into three categories: a. Principle of Judicial Certainty applies in this case because the law must be enforced properly and accurately to provide certainty and assurance. The judge's decision is based on existing legislation governing how judges should resolve cases; b. Principle of Justice The judge also applies the Principle of Justice, encompassing aspects of welfare, equality, and legal pluralism. Its aim is to ensure fairness for plaintiffs, defendants, and other relevant parties, preventing future disparities; c. Principle of Utility Furthermore, judges consider the Principle of Utility in conjunction with the Principles of Certainty and Justice. This decision is made by evaluating the benefits that will arise after the case is definitively decided.

Consumer dispute handling and resolution under Law Number 8 of 1999 concerning Consumer Protection is conducted through the Consumer Dispute Resolution Board (BPSK), as defined in Article 1 number 11 which states that “the Consumer Dispute

Resolution Board is an institution tasked with handling and resolving disputes between business operators and consumers.” Thus, BPSK serves as an institution through which consumers can assert their rights. BPSK is entrusted with a mandate under the Consumer Protection Law, making optimal performance pivotal in executing its duties and authorities. Furthermore, Article 49 of the Consumer Protection Law stipulates that the government establishes BPSK at the regional level II for resolving consumer disputes outside of court. BPSK's primary authority under Article 49 of the Consumer Protection Law is twofold: resolving consumer disputes and overseeing standard contract clauses. Regarding BPSK's jurisdiction, Article 23 of the Consumer Protection Law specifies that if a business operator refuses, fails to respond to, or does not fulfill a consumer's compensation claim, the consumer has the right to sue the business operator and resolve the dispute through BPSK by filing a lawsuit with the court at the consumer's domicile. Fundamentally, court dispute resolution adheres to the principles of simplicity, expediency, and cost-effectiveness, as outlined in Article 2 paragraph (4) and Article 4 paragraph (2) of Law Number 48 of 2009 concerning the Judiciary. Article 2 paragraph (4) states that “Judicial proceedings shall be conducted simply, expeditiously, and with minimal costs.” Meanwhile, Article 4 paragraph (2) asserts that “The courts assist seekers of justice and endeavor to overcome all obstacles and hindrances to achieve judicial proceedings that are simple, expeditious, and cost-effective (Nurhayati, 2020).”

In two rulings by the BPSK Batam City concerning disputes involving consumers and entrepreneurs, with Case Numbers: 033/PK-ARB/BPSK/XI/2023 dated December 21, 2023, and Case Number 025/PK-ARB/BPSK/X/2020 dated December 7, 2020, the District Court of Batam has rendered a decision asserting that the Consumer Dispute Settlement Agency of Batam City lacks jurisdiction to examine and adjudicate these cases. Consequently, it annuls the decisions of the BPSK of Batam City with Case Numbers: 025/PK-ARB/BPSK/X/2020 dated December 7, 2020, and 033/PK-ARB/BPSK/XI/2023 dated December 21, 2023. This objection is formally admissible in accordance with prevailing regulations. Article 56 paragraph 2 of Law Number 8 of 1999 concerning Consumer Protection provides the legal basis for consumers to lodge objections against decisions of the BPSK. Furthermore, Article 5 paragraph (1) of Supreme Court Regulation Number 1 of 2006 on Procedures for Filing Objections Against Decisions of the Consumer Dispute Settlement Agency clarifies the procedures that consumers must follow in submitting such objections. Additionally, Article 41 paragraph

(3) of Minister of Industry and Trade Regulation Number 350/MPP/Kep/12/2001 regarding the Implementation of Duties and Authorities of BPSK stipulates that BPSK must ensure that every objection filed by consumers is processed in accordance with applicable legal provisions. Therefore, based on these rules, the consumer's objection meets formal requirements and is eligible for further processing.

The Applicant of Objection submits this Objection Application on grounds aligned with the provisions stipulated in Article 6 paragraph (5) of the Supreme Court Regulation Number 1 Year 2006 concerning Procedures for Submitting Objections to Consumer Dispute Resolution Decisions. This article states that in situations where objections are raised based on reasons not covered in the provisions of paragraph (3), the Panel of Judges is authorized to directly adjudicate the relevant consumer dispute. Therefore, the Applicant believes that the grounds for this objection application comply with the applicable legal provisions, which enable the Panel of Judges to review and adjudicate consumer disputes directly when necessary. Based on Article 3 paragraph (1) of the Supreme Court Regulation Number 1 Year 2006 concerning Procedures for Submitting Objections to Consumer Dispute Resolution Decisions, it is stated that "Objections to BPSK Decisions may be filed by Business Actors and/or Consumers with the District Court at the consumer's legal domicile." Thus, in the event of a dispute arising from the sale and purchase of Real Estate and Building units between the Applicant of Objection and the Respondent of Objection, such dispute constitutes a breach of contract (breach of promise) based on an agreement. Therefore, the dispute must be resolved in the general court, namely at the Batam District Court, and not at the BPSK of Batam.

In line with the jurisprudence of the Supreme Court of the Republic of Indonesia, which holds permanent legal force and consistency as the legal reference, several key jurisprudences support this stance. Firstly, Supreme Court Decision No. 796 K/Pdt.Sus-BPSK/2018 dated August 27, 2018, asserts that non-compliance with the terms of an agreement leading to default falls under the jurisdiction of the District Court of Bekasi, not the BPSK Kota Bekasi. Secondly, Supreme Court Decision No. 757 K/Pdt.Sus-BPSK/2016 dated October 19, 2016, validates that cassation grounds may be justified as the BPSK lacks authority to adjudicate matters arising from agreements rooted in defaults, thus affirming the jurisdiction of the District Court. Lastly, Supreme Court Decision No. 706 K/Pdt.Sus-BPSK/2015 dated June 14, 2016, states that cases involving apartment unit

purchases via Mortgage Credit (KPA) and subsequent default are within the purview of general jurisdiction for adjudication.

Based on the established jurisprudence, it is abundantly clear that the issue stemming from an agreement is a breach of contract, falling under the jurisdiction of the general courts, specifically the Batam District Court, rather than the BPSK of Batam. The resolution of consumer disputes is explicitly governed by the Regulation of the Minister of Trade of the Republic of Indonesia Number 06/M-DAG/PER/2/2017 concerning the Consumer Dispute Settlement Board, particularly Article 1(4). This article stipulates that "Consumer Dispute is a dispute between Business Actors and Consumers demanding compensation for damages, pollution, and/or suffering losses due to consuming goods and/or utilizing services produced or traded." Article 1(4) contains several crucial elements: a. A consumer dispute involves Business Actors and Consumers; b. The consumer's claim is for compensation; c. This compensation pertains to damages, pollution, and/or losses; d. The consumer's losses are caused by the consumption of goods or utilization of services produced or traded.

From the elements outlined in Article 1(4), it is evident that the consumer's claim in this dispute is for compensation, not for the return of a down payment. The compensation sought by the consumer is for damages, pollution, or losses suffered due to the consumption of goods or utilization of services produced or traded by the business actor. Therefore, if a consumer demands compensation for losses incurred from the consumption of goods or utilization of services, the dispute falls within the definition of a consumer dispute as stipulated in the Regulation of the Minister of Trade of the Republic of Indonesia Number 06/M-DAG/PER/2/2017. This confirms that the BPSK has the authority to handle and resolve disputes that meet these criteria.

## **CONCLUSION**

The judge possesses the liberty to render decisions in accordance with Law No. 48 of 2009 concerning Judicial Power, which stipulates that judicial power is the independent authority of the state to uphold law and justice. It mandates judges to diligently follow the proceedings, meticulously examine issues and arguments arising therein. In the exercise of their judicial duties, judges must proceed with caution and precision, as exemplified by the judges at the Batam District Court in handling breach of contract cases. Decisions made by judges are grounded in the evidence presented during proceedings, including documents,

witnesses, allegations, confessions, and oaths. Such meticulous decisions reflect judicial responsibility, fairness, wisdom, professionalism, and objectivity. In a land dispute involving the BPSK of Batam, the Panel of Judges ruled that BPSK lacked jurisdiction to adjudicate the case, considering its civil nature more appropriate for resolution in the District Court. This decision underscores the importance of understanding institutional jurisdiction in dispute resolution. Moreover, judicial rulings underscore that legal actions must align with applicable regulations and laws, while respecting agreements made by parties involved. This aims to ensure equitable and consistent justice within the judicial system, thereby enhancing public trust in law enforcement in Indonesia. Indonesia prioritizes the principle of a constitutional state as per Article 1 paragraph (3) of the 1945 Constitution. The existence of independent judicial bodies, governed by Article 24 paragraphs (1) and (2), is crucial in upholding law and justice. Judicial bodies authorized to settle consumer disputes include general courts and the BPSK, under Law No. 8 of 1999 concerning Consumer Protection. BPSK is tasked with resolving disputes outside of formal courts and overseeing standard contract clauses. However, the Batam District Court has annulled several BPSK decisions for lack of jurisdiction. According to Indonesian Supreme Court jurisprudence, disputes rooted in agreements such as breach of contract should be adjudicated in general courts. BPSK handles disputes involving damage, pollution, or losses due to consumer goods or services, aligning with Ministry of Trade Regulation No. 06/M-DAG/PER/2/2017. Therefore, BPSK's jurisdiction in consumer disputes is determined by the type of consumer harm incurred.

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