

Legal Perspective on Consumer Personal Data Protection in Fintech Services

Siti Nur Halizah, Rahayu Mardikaningsih

Sunan Giri University Surabaya, Indonesia

E-mail Koresponden: rahayumardikaningsih@com

Article History	Submitted: 25/01/24	Revised: 03/04/23	Accepted: 01/10/24
Keywords: Fintech, Legal Relations, Legal Protection, Consumer Personal Data	Abstract The development of science and technology has significantly affected the financial transaction system in Indonesia, especially with the emergence of the Fintech business model. The rapid growth of Fintech indicates the need for smart management in order to provide optimal benefits to society. However, the potential misuse of consumers' personal data poses a risk that needs to be considered. This research uses a normative juridical and analytical descriptive approach to understand the legal dynamics in the Fintech industry and legal measures aimed at Safeguarding user data security in Indonesia, in accordance with the provisions of Financial Services Authority Regulation Number 13/Pojk.02/2018. The results show that Fintech business organizers and users have a relationship that is regulated through an electronic agreement. The legal safeguarding of personal data for Fintech user is governed by Financial Services Authority Regulation Number 1/Pojk.07/2013 and other pertinent regulations, addressing aspects such as confidentiality, data security, and the governance and risk management of information technology.		
DOI	https://doi.org/10.37477/sev.v8i1		

A. INTRODUCTION

The pattern of life and behavior of society has undergone significant shifts and changes, influenced by various factors in the last two decades. Economic globalization, advances in communication and information technology have all contributed to the transformation. One of the drivers of change is economic globalization, where geographical boundaries are increasingly erased, leading to a freer flow of capital, goods and services around the world¹. This has had a significant impact on people's consumption patterns introducing new products and lifestyles, and creating accessibility to culture and information. Greater economic connectedness also creates more intense competition in the global market. The development of communication and information technologies, such as the internet and social media, also plays an important role in the shifting patterns of people's lives². Modern society can easily interact virtually, facilitating the exchange of ideas,

¹ Gore, A. (2013). *The Future: Six Drivers of Global Change*. Random House.

² Infante, A. & R. Mardikaningsih. (2022). The Potential of social media as a Means of Online Business Promotion. *Journal of Social Science Studies*, 2(2), 45-48.

information and culture. Digital communication also influences the way people obtain and consume news, entertainment, and products and services in addition, the evolving needs of the market are also an important factor in changing the pattern of people's lives. The demand for innovation, efficiency and ease of access leads to adjustments in lifestyle and user preferences.

Technological developments, especially in interconnection and networking (internet), have a major impact on various aspects of human life³. Today's modern life is highly dependent on advanced technological advances in the field of information and electronics realized through the internet. The internet has become the backbone for various daily activities, such as access to information, communication, entertainment, and financial transactions. Internet technology provides broad and easy access to financial services. "Access," as explained in Information and Electronic Transactions Law Article 1 point 15, includes any form of interaction with electronic systems, both stand-alone and networked.

Internet is a term derived from the abbreviation "interconnection networking," which can basically be interpreted as a global network of computer networks⁴. That is, the internet includes an electronic communication infrastructure that connects various computer networks and organized computer facilities around the world using transmission media, such as telephone or satellite⁵. The internet network consists of the interaction and exchange of information between users in different geographical locations instantaneously. In other words, the internet creates virtual "roads" that connect electronic devices around the world, facilitating communication, data exchange, and access to various services. These facilities may consist of websites, email, social media, and various other online applications and services. In addition, the internet consists of a large amount of network infrastructure working together, including fiber optic cables, routers, servers, and other network devices. Through the internet, information can be sent and received in the form of digital data, knowledge exchange, and access to resources and services around the world.

Through the internet, people can now quickly conduct various financial affairs, from fund transfers, bill payments, to investments⁶. Financial transactions can be done anytime and anywhere, providing unprecedented flexibility and convenience⁷. The ability to access capital services through the internet also helps expand financial inclusion, allowing more individuals use to capital services without being

³ Hariani, M. & M. Irfan. (2023). Study on Efforts to Increase Sales Through the Use of Social-Media and E-Commerce for MSMEs. *Journal of Marketing and Business Research*, 3(1), 49-60.

⁴ Djazilan, M. S. & D. Darmawan. (2021). The Effect of Religiosity and Technology Support on Trust in Sharia Banking in Surabaya. *Journal of Science, Technology and Society*, 2(2), 7-18.

⁵ Gungor, V. C. & F. C. Lambert. (2006). A Survey on Communication Networks for Electric System Automation. *Computer Networks*, 50(7), 877-897.

⁶ Kemarauwana, M. & D. Darmawan. (2020). Perceived Ease of Use Contribution to Behavioral Intention in Digital Payment. *Journal of Science, Technology and Society*, 1(1), 1-4.

⁷ Putra, A.R., E. Retnowati, U. P. Lestari, J. Jahroni, D. Darmawan, Nurulhuda & B. Gardi. (2023). Analysis of The Influence of Privacy, Security and Ease of Use on Intention to Shopping through the Marketplace. *Journal of Marketing and Business Research*, 3(1), 35-48.

constrained by geographical location. However, along with its benefits, this development also brings challenges related to security and privacy⁸. For this reason, legal regulation and Safeguarding such as the Information and Electronic Transactions Law is essential to ensure that financial activities conducted over the internet are safe and accountable. Interconnection through the internet opens the door for convenience in financial matters that demand responsibility and careful security in its use.

Technological developments have changed the paradigm in the capital services industry, bringing more modern, efficient and affordable solutions to the community. This technology has become a driving force in changing the landscape of the capital services industry, especially with widespread internet access and the ease of accessing capital services through gadget devices⁹. These changes have a significant impact on user behavior and the public who now prefer options that provide convenience, speed and comfort in conducting financial transactions¹⁰. The ability of consumers to access capital services digitally has encouraged industry players to continue to innovate. Various fintech startups have emerged with solutions that change the traditional way of interacting with financial services. From digital payments, online loans, to online investments, these innovations provide easy access to capital services without having to attend a physical office. The role of technology in the capital services industry can be seen in efforts to improve financial inclusion. Digital capital services create greater accessibility for people, especially those in remote areas or who do not have easy access to conventional bank offices.

The introduction of technological advancements in the capital services sector, referred to as Digital Financial Innovation in the Financial Services Authority regulation, has a legal basis stipulated in Article 1 point (1) of Financial Services Authority Regulation Numeral 13/Pojk.02/2018¹¹. Digital Financial Innovation in the capital services sector looks further at the activity of updating business processes, and business models by involving digital ecosystems that aim to provide new added value within the industry. This creates added value that can improve the efficiency, accessibility, and ease of providing financial services. At the same time, the regulation emphasizes the importance of implementing Digital Financial Innovation responsibly. The regulation also mandates that providers of Digital Financial Innovation must adopt the structure of a limited liability company or cooperative, as stipulated in Article 5, paragraph (2) of Financial Services Authority

⁸ Darmawan, D., & A. R. Putra. (2022). Pengalaman Pengguna, Keamanan Transaksi, Kemudahan Penggunaan, Kenyamanan, dan Pengaruhnya terhadap Perilaku Pembelian Online Secara Implusif. *Relasi: Jurnal Ekonomi*, 18(1), 26-45.

⁹ Sinambela, E. A. & D. Darmawan. (2022). Advantages and Disadvantages of Using Electronic Money as a Substitute for Cash. *Journal of Social Science Studies*, 2(2), 56-61.

¹⁰ Mardikaningsih, R. & D. Darmawan. (2023). An Integrative Conceptualization for Copyright Management in a Business Context. *Legalis et Socialis Studiis*, 1(2), 14-24.

¹¹ Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 13 /Pojk.02/2018 Tentang Inovasi Keuangan Digital Di Sektor Jasa Keuangan.

Regulation Number 13/Pojk.02/2018¹². This step was taken to establish a transparent legal framework and ensure that participants in the industry adhere to set standards, allowing for regulated innovation. This suggests that the regulation on Digital Financial Innovation establishes a robust legal groundwork to promote innovation within the capital services sector by giving prominence to responsibility and elements associated with user Safeguarding¹³.

The legal foundation for Digital Financial Innovation or Fintech is set out in Bank Indonesia Regulation Numeral 19/12/2017 on the Implementation of Fintech¹⁴. As per Article 1, paragraph (1), Fintech is described as the application of technology within the financial system to generate new products, services, technology, and/or business models. The use of Fintech can impact monetary stability, the stability of the financial system, and the effectiveness, safety, and dependability of the payment system. In accordance with the provisions outlined in Article 2, paragraphs 1 and 2 of Financial Services Authority Regulation Number 13/2018, the responsibility for implementing Digital Financial Innovation is entrusted to the Organizer. The objective of regulating Digital Financial Innovation is to facilitate responsible development, oversee Digital Financial Innovation effectively, and foster collaboration within the digital ecosystem of financial services.

In the next section, Article 2 paragraph 1 explains that "responsibly" relates to the new application or enhancement of existing financial products, services and processes. This is done to meet the changing needs of consumers, businesses and society. In fulfilling its responsibilities, Digital Financial Innovation is obliged to provide benefits to society at large, with a focus on prioritizing user Safeguarding and ensuring data confidentiality.

Fintech companies, which offer a range of capital services utilizing information technology, have become a common presence in today's society. They provide innovative and often more accessible financial solutions to individuals and businesses, utilizing technology to speed up processes and improve efficiency. These services come from financial institutions that are under the supervision of the Financial Services Authority, including banks, insurance companies, or other registered financial entities. In addition, services are also provided by startups that are not currently registered or supervised by the Financial Services Authority. Fintechs operating under the supervision of the Financial Services Authority typically provide capital services such as digital banking applications, investment platforms, and technology-based insurance services. They are obligated to adhere to financial regulations established by the Financial Services Authority to guarantee

¹² Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 13 /Pojk.02/2018 Tentang Inovasi Keuangan Digital Di Sektor Jasa Keuangan.

¹³ Negara, K. S., T. Rusli., & R. A. Hapsari. (2021). Perlindungan Data Konsumen Pengguna Fintech Terhadap Penyalahgunaan Data Baik Sengaja Maupun Tidak Sengaja Terhadap Serangan Hacker dan Malware (Studi Pada Lembaga Perlindungan Konsumen di Lampung). *Binamulia Hukum*, 10(1), 61-68.

¹⁴ Peraturan Bank Indonesia No. 19/12/2017 tentang Penyelenggaraan Teknologi Financial.

that their operations comply with safety and user safeguarding standards set by the authority¹⁵. Fintech start-ups that are not yet registered and supervised by Financial Services Authority also play a role in providing breakthroughs and easy access to financial services¹⁶. They can offer a variety of services such as online loans, digital payments, or peer-to-peer investments. Although not bound by the same regulations as financial institutions supervised by Financial Services Authority, they are still subject to responsible business principles and continue to evolve as the industry grows. The development of Fintech makes a positive contribution to financial inclusion by expanding access to those who were previously inaccessible to conventional financial services. However, along with this growth, it is important for relevant parties, including regulators such as Financial Services Authority, to continue to monitor and regulate the industry in order to provide innovative services without compromising user safety and welfare^{17,18}.

Fintech brings exciting and convenient financial service innovations, but it cannot be ignored that this business also brings potential risks that need to be considered. The Financial Services Authority identified two main potential risks in the Fintech industry, which could impact user data security and transaction errors. Storing user information in a Fintech company's database has potential risks associated with the confidentiality of user data and transaction data. The possibility of misuse by irresponsible parties can have a serious impact on user trust. For this reason, data safeguarding and the implementation of strict privacy policies are important for Fintech to mitigate this risk. Strict regulations related to data security and safeguarding need to be implemented and complied with to maintain integrity and customer trust¹⁹.

Furthermore, risks related to transaction errors consist of information technology infrastructure management factors that support Fintech digital payments. Digital transactions require a strong infrastructure system consisting of software management, network and connectivity, and system security. Errors or failures in the management of these systems can result in disruptions in the transaction process, such as delays or even loss of transaction data. Both of these risks, if not handled properly, can bring significant losses to all parties involved in the Fintech business. Therefore, it is imperative for Fintech companies to actively

¹⁵ Halizah, S. N., A. Infante, & D. Darmawan. (2022). Keterbentukan Kepercayaan Pelanggan Shopee Melalui Kualitas Hubungan, Reputasi dan Keamanan Marketplace. *Ekonomi, Keuangan, Investasi Dan Syariah (EKUITAS)*, 4(1), 256-261.

¹⁶ Suyatno, S. (2022). Analisa Perlindungan Data Pribadi Pengguna Fintech Berdasarkan Pendekatan Yuridis Normatif di Indonesia. *YUME: Journal of Management*, 5(3), 481-491.

¹⁷ Darmawan, D. & E. Retnowati. (2013). Peranan Kepercayaan dan Keamanan terhadap Minat Belanja di Tokopedia. *Jurnal Ekonomi dan Bisnis*, 3(1), 1-6.

¹⁸ Anita, I. P. & M. G. S. K. Resen. (2020). Legalitas Perusahaan Berbasis Financial Technology (Fintech) Dan Kaitannya Dengan Prinsip Perlindungan Konsumen Bank Indonesia. *Jurnal Kertha Negara*, 8(7), 59-68.

¹⁹ Mardikaningsih, R., E.A. Sinambela, D. Darmawan & D. Nurmalasari. (2020). Perilaku Konsumtif dan Minat Hubungan Mahasiswa Menggunakan Jasa Pinjaman Online. *Jurnal Simki Pedagogia*, 3(6), 98-110.

implement data security best practices and maintain a reliable information technology infrastructure, along with working closely with regulators and other stakeholders to create a safe and reliable Fintech ecosystem.

The importance of legal safeguarding of user is a major aspect of this, where the state makes regulations to safeguarding user from potentially harmful behavior from Fintech business actors. One essential form of user safeguarding is the guarantee of confidentiality of consumers' personal data. This regulation creates a legal foundation that mandates the safeguarding of consumers' personal data so that it cannot be misused or traded by other parties for promotional or other purposes. This research will concentrate on the risks associated with user data security in the Fintech industry in Indonesia. Given this, the aim of this study is to scrutinize the legal safeguards for the security of user data in the Fintech sector in Indonesia.

B. RESEARCH METHOD

This research employs a normative juridical approach, concentrating on the analysis of legal norms and legal provisions that regulate specific aspects of a legal phenomenon. This approach is used to evaluate legal relationships in the Fintech business, taking into account legal provisions interconnected to Fintech in Indonesia and legal safeguarding of user data security. The analysis involved a study of Fintech-related laws and regulations in Indonesia, including user data safeguarding regulations. Using this method, the research identifies relevant legal provisions, analyzes their substance, and assesses the execution of legal safeguards for the security of user data in the Fintech sector in Indonesia.

C. RESULT AND DISCUSSION

1. Regulation and Monitoring of fintech Business Operations

1.1. Implementation and Supervision of Fintech Business Activities in accordance with the Financial Services Authority Regulation Numeral 77/POJK.01/2016 concerning Information Technology Based Money Lending

The Financial Services Authority regulates the Fintech sector in alignment with the Republic of Indonesia Law Numeral 21 of 2011 regarding the Financial Services Authority²⁰. Article 5 of this legislation outlines the responsibility of the Financial Services Authority in creating comprehensive regulations and overseeing the financial services sector, which includes the Fintech industry. Fintech, as a technology-based financial innovation that offers fast and convenient financial solutions, is closely monitored by the Financial Services Authority to guarantee the safety of operations, protect user, and maintain the integrity of the financial market.

Following Article 6 of the same legislation, the Financial Services Authority oversees the Fintech industry because it functions as an electronic financial service provider. In its capacity to supervise and regulate financial services, in 2016, the Financial Services Authority released Regulation Number 77/POJK.01/2016

²⁰ Undang-Undang Nomor 21 Tahun 2011 tentang Otoritas Jasa Keuangan.

concerning Information Technology-Based Money Lending Services. This regulation includes provisions regarding legal entity structure, ownership, and capital requirements for organizers, as well as describing permitted business activities.

Article 2, paragraph 2 of the Financial Services Authority Regulation specifies that organizations providing Information Technology-Based Money Lending and Borrowing Services have the option to adopt a legal entity structure as either a Limited Liability Company or Cooperative. Article 3 regulates ownership, allowing the involvement of domestic and foreign stakeholders. Article 5 defines the organizers' business activities, stating their role in organizing, supervising, and running the Information Technology-Based Money Lending and Borrowing Service funded by the lender.

These regulations, especially in the context of Fintech Peer-to-Peer Lending, allow direct engagement between lenders and borrowers facilitated through electronic systems and the internet. Financial Services Authority plays a key role in supervision and regulation, ensuring compliance with operational standards and mitigation of financial risks. These regulations form the basis for the healthy growth of Fintech in Indonesia, safeguarding sound financial principles.

1.2. Management and Supervision of Fintech Business Activities by Bank Indonesia in accordance with Bank Indonesia Regulation Numeral 19/12/PBI/2017 on the Implementation of Fintech

In line with the evolution of time and the progress of innovation in the digital capital services sector, the development of Fintech business types has increased significantly. In 2016, the Financial Services Authority exclusively governed a single category of Fintech business, specifically, services related to information technology-based money lending and borrowing. Nonetheless, in 2017, Bank Indonesia addressed the evolution of the Fintech sector by releasing Bank Indonesia Regulation Number 19/12/PBI/2017 regarding the Implementation of Fintech. This regulation was established with the objective of overseeing implementing Fintech to encourage innovation within the financial sector. One of the main focuses of this regulation is the implementation of user safeguarding, risk management, and prudential principles. As such, this regulation aims to create an environment that supports promoting innovation within the financial sector, while simultaneously upholding the principles of good governance and ensuring the security of the financial system.

The principle of safeguarding user rights is highly emphasized in this regulation, which emphasizes the importance of involving consumers in the digital financial ecosystem in a safe and transparent manner. Moreover, risk management and prudential measures are implemented to sustain monetary stability, stability in the financial system, and to guarantee the efficiency, seamless operation, security, and dependability of the payment system. Therefore, this regulation introduces innovations that create a safe and well-regulated framework for the advancement of Fintech.

Article 3 paragraph 2 of Bank Indonesia Regulation Numeral 19/12/PBI/2017 on the enactment of the Fintech regulation provides explicit guidance on the criteria for Fintech. According to this regulation, Fintech is expected to be innovative, capable of impacting existing financial products, services, technologies, and/or business models, as well as providing benefits to the community at large. In addition, there are other criteria that can be set by Bank Indonesia to ensure that Fintech operates with sound financial principles. With this provision, there is an expansion of the types of Fintech business from previously only one type in 2016 to five types in 2017, as regulated by Bank Indonesia. There are five categories of Fintech, namely Payment Systems, Market Support, Investment Management and Risk Management, Lending, Financing, and Capital Provision, and Other Financial Services.

Bank Indonesia Regulation Numeral 19/12/PBI/2017 on the Implementation of Fintech marks Bank Indonesia's commitment to regulate and supervise the implementation of Fintech in Indonesia. This regulation provides a legal basis for various types of Fintech businesses consisting of Payment Systems (Digital Payment), Support for the market, management of investments and risks, lending, financing, capital provision, and various financial services. Fintechs in the Investment Management and Risk Management category are responsible for developing solutions for investment portfolio management and financial risk mitigation, including the use of smart algorithms for investment analysis. In the area of Loans, Financing, and Capital Provision, Fintech acts as an intermediary that connects borrowers and lenders through digital platforms. These regulations prove Bank Indonesia's important role in creating a clear and controlled framework for the Fintech industry in Indonesia. By regulating and supervising various types of Fintech, Bank Indonesia strives to ensure the healthy development of innovations in the capital services sector and in accordance with sound financial principles.

1.3. Preparation and Monitoring of Fintech Business Operations by the Financial Services Authority in accordance with Regulation Numeral 13/POJK.02/2018 regarding Digital Financial Innovation in the Financial Services Sector

In 2018, the Financial Services Authority, responsible for overseeing and regulating capital services in Indonesia, released Regulation Numeral Regulation No. 13/POJK.02/2018 regarding Digital Financial Innovation in the Financial Services Sector²¹. The primary purpose of this regulation is to responsibly oversee the implementation of Digital Financial Innovation. It encompasses various sectors that delineate the role of Digital Financial Innovation in advancing the capital services sector.

In Article 2 paragraphs 1 and 2, the regulation details the objectives of Digital Financial Innovation, which involve supporting the development of financial

²¹ Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 13 /Pojk.02/2018 Tentang Inovasi Keuangan Digital di Sektor Jasa Keuangan.

innovation responsibly. This entails executing principles of good governance and risk management, along with alignment with the business strategy. This support is geared towards Digital Financial Innovation providing significant benefits to society, while safeguarding consumers and maintaining data confidentiality.

Article 4 of the Regulation of the Financial Services Authority of the Republic of Indonesia Numeral 13/POJK.02/2018 provides an overview of the criteria that must be met by Fintech²². These criteria ensure that the delivery of digital capital services takes place with principles that support the development of the capital services sector. Fintech must be innovative and forward-looking. This provides encouragement to continuously apply new ideas and the latest technology in providing financial services. The primary criterion underscores the significance of technology as the principal facilitator in digital financial services, emphasizing the utilization of information and communication technology (ICT) as the primary method for providing services to consumers in the capital services sector. This means that Fintech provides services to consumers who are already familiar with financial products and seeks to open access to capital services to those who were previously hard to reach. The fourth criterion emphasizes that Fintech services should be useful and widely usable, signifying the need for a significant positive impact on society. Aspects of user safeguarding and data safeguarding are an important focus. Fintechs must pay attention to and implement safeguarding mechanisms to safeguard the rights and interests of consumers, as well as maintain the security and confidentiality of the data they manage.

2. Legal Relationship of Parties in Fintech Business

The legal relationship in the Fintech business is a dynamic between two groups, namely Fintech business organizers and Fintech users. In accordance with Bank Indonesia Regulation Number 19/12/PBI/2017 regarding the Implementation of Fintech, Fintech business organizer is any entity that organizes Fintech activities or electronic financial services. Fintech users include individuals or entities involved in capital services based on information technology or electronic means. In the realm of services related to Information Technology-Based Money Lending and Borrowing, Fintech users are divided into two categories: Lenders and Recipients, as stipulated by the Financial Services Authority. It can be explained that the legal relationship formed creates a link between Fintech providers and both groups of users. The rights and obligations of each party in this ecosystem are regulated and safeguarding by applicable regulations, such as Financial Services Authority Regulations and Bank Indonesia Regulations. The existence of these regulations is the basis for maintaining fairness in the interaction between Fintech providers and users in the Fintech business²³.

²² Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 13 /Pojk.02/2018 Tentang Inovasi Keuangan Digital di Sektor Jasa Keuangan.

²³ Nugroho, H. (2020). Perlindungan Hukum bagi Para Pihak dalam Transaksi Pinjaman Online. *Jurnal Hukum Positum*, 5(1), 32-41.

In the realm of Fintech business, the legal relationship between the parties grows through electronic agreements. Fintech business operations that utilize electronic media make the agreement formed into an electronic agreement. Regulations pertaining to electronic agreements in Indonesia are addressed in Law Number 19 of 2016, which amends Law Number 11 of 2008 regarding Electronic Information and Transactions. An electronic contract, also known as an electronic contract (e-contract) or online contract in English, is an agreement between parties that is generated through an electronic system. In the management of Fintech business in Indonesia, the applicable law cannot be separated from the online transaction system or electronic transaction. Therefore, Fintech is also governed by the Information and Electronic Transactions Law, which oversees electronic transactions and contracts. This law serves as a legal foundation because Fintech business operations require electronic transactions, and the legal relationship between the parties involved is created through electronic contracts.

3. Legal Relationships Between Parties in the Fintech Business, in accordance with the Provisions contained in the Financial Services Authority Regulation Numeral 13/POJK.02/2018

The legal relationship in the Fintech business occurs through an electronic agreement between the organizer (producer) and the user (user). The provisions of this agreement are regulated in the Civil Code Article 1320 and Government Regulation Numeral 82/2012, Article 47 paragraph 2²⁴. The agreement delineates rights and obligations, with organizers obligated to uphold the confidentiality of users' personal, transactional, and financial data.

The organizer's rights include receiving accurate information from consumers, while the consumer's obligation is to provide correct personal data. The legal safeguarding of user personal data in the Fintech sector is delineated in Regulation Number 1/Pojk.07/2013 of the Financial Services Authority and SOJK Number 14/SEOJK.07/2014^{25,26}. Data that must be safeguarding includes individual and corporate information. In addition, Circular Letter Number 18/Seojk.02/2017 from the Financial Services Authority also stipulates the safeguarding of personal data, both individuals and corporations. This includes information such as name, address, identity card, phone numeral, and financial transaction data. Ensuring the safeguarding of personal data is a compulsory obligation within the Fintech sector as specified by relevant regulations.

4. Legal Protection of Consumer Data Security in the Realm of Fintech

²⁴ Peraturan Pemerintah Nomor 82 Tahun 2012 tentang Penyelenggaraan Sistem dan Transaksi Elektronik.

²⁵ Peraturan Otoritas Jasa Keuangan Nomor: 1/POJK.07/2013 Tentang Perlindungan Konsumen Sektor Jasa Keuangan.

²⁶ Surat Edaran Otoritas Jasa Keuangan Nomor 14/SEOJK.07/2014 Tentang Kerahasiaan Dan Keamanan Data Dan/Atau Informasi Pribadi Konsumen.

Consumers are often the object of businesses' business activities, where advertising, promotions, sales methods, and the application of standard agreements can be factors that can potentially harm them. Legal safeguarding is crucial to guarantee that the interests of both businesses and consumers are safeguarded and regulated by established laws. In essence, the government has a role in carrying out the function of safeguarding the interests of businesses and consumers within the framework of trade. In line with this approach, in Fintech, the Government must participate in safeguarding the interests of businesses and consumers in the Fintech ecosystem²⁷. Consumers or the public, apart from being the executors of development, are also an important source of capital for growth. For this reason, consumer safeguarding in the Fintech business is an urgent need to ensure the continuity and balance of national development. Thus, the role of the government in supervising and regulating the Fintech business is very important to ensure fair and balanced safeguarding for all parties involved.

Personal data safeguarding regulations, as explained in the Academic Paper of the Personal Data Safeguarding Bill, set out the main objectives of safeguarding user interests and providing economic benefits to Indonesia. This indicates that legal safeguarding of Fintech user data security aims to maintain individual privacy, which has a broader impact in making a positive contribution to the economy. In carrying out their economic activities, Fintech companies have a responsibility to the community who also act as their consumers. One form of this responsibility is manifested in the safeguarding of consumers' personal data. By safeguarding consumers' personal data, Fintech companies can meet information security standards and respect consumers' privacy rights as an important part of the society that is the user base of Fintech services. Thus, the safeguarding of personal data in Fintech becomes a business ethics necessity that is the company's contribution to the sustainability and well-being of society.

In financial services, especially in digital financial innovation, personal data safeguarding is regulated by Financial Services Authority Regulation Numeral 13/POJK.02/2018²⁸. Article 31 paragraph d of the regulation mandates organizers to comply with the basic principles of user safeguarding, which include ensuring the confidentiality and security of user data and information. This principle signifies the importance of maintaining the confidentiality and security of consumers' personal data in every transaction and interaction with digital financial services. This means that this regulation guarantees the business continuity of digital financial providers and provides confidence to consumers regarding the management and safeguarding of their personal data.

Article 29 letter d of Regulation Number 77/POJK.01/2016 from the Financial Services Authority, which pertains to Information Technology-Based Money Lending

²⁷ Atikah, I. (2020). Consumer Protection and Fintech Companies in Indonesia: Innovations and Challenges of the Financial Services Authority. *Jurnal Hukum dan Peradilan*, 9(1), 132-153.

²⁸ Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 13 /Pojk.02/2018 Tentang Inovasi Keuangan Digital di Sektor Jasa Keuangan.

and Borrowing Services, underscores a comparable focus on the safeguarding of personal data²⁹. This indicates the confidentiality of information and data security of users in the ecosystem of lending and borrowing services. By applying this principle, the organizer seeks to provide a sense of security to users regarding the use and storage of their personal data in the process of lending and borrowing transactions using information technology. This means that this regulation regulates fintech business operations that provide an ethical foundation and trust to users regarding the safeguarding of their personal data.

D. CONCLUSION

Legal associations in the Fintech industry include Fintech organizers or providers and Fintech consumers who make electronic agreements in accordance with the regulations contained in the Law of the Republic of Indonesia Numeral 19 of 2016 concerning Electronic Information and Transactions. In this case, the Fintech organizer is responsible for maintaining the confidentiality of consumer data, and consumers provide correct personal data. Electronic contracts regulate rights and obligations, including consumers' rights to services and legal safeguarding of their personal data. The legal safeguarding of personal data of Fintech consumers is regulated in various regulations, such as Financial Services Authority Regulation Numeral 1/Pojk.07/2013 and SOJK Numeral 14/Seojk.07/2014 which involve the safeguarding of individual and corporate data, as well as material non-public data and related financial transactions. For this reason, efforts to protect the personal data of Fintech consumers are important and are realized in accordance with applicable regulations.

The author provides recommendations related to user data security in the Fintech sector to the Financial Services Authority, digital financial service providers, and users of these services. One recommendation is to amend the Financial Services Authority Regulation on Consumer Safeguarding in the Financial Services Sector by broadening the definition of business actors to encompass Fintech providers. The second suggestion is to revise the Financial Services Authority Regulation on Consumer Complaint Services in the Financial Services Sector to cover Fintech business types. Digital financial service providers are expected to comply with government regulations and apply user safeguarding principles. Service users are asked to ensure the registered status of Fintech organizers at Financial Services Authority before providing personal data and accurately read each agreement before agreeing to it. The purpose of this study is to provide insight into the importance of legal safeguarding for the security of personal data of Fintech consumers in Indonesia.

BIBLIOGRAPHY

Journal

²⁹ POJK No. 77/POJK.01/2016 tentang Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi.

- Anita, I. P. & M. G. S. K. Resen. (2020). Legalitas Perusahaan Berbasis Financial Technology (Fintech) Dan Kaitannya Dengan Prinsip Perlindungan Konsumen Bank Indonesia. *Jurnal Kertha Negara*, 8(7), 59-68.
- Atikah, I. (2020). Consumer Protection and Fintech Companies in Indonesia: Innovations and Challenges of the Financial Services Authority. *Jurnal Hukum dan Peradilan*, 9(1), 132-153.
- Darmawan, D. & E. Retnowati. (2013). Peranan Kepercayaan dan Keamanan terhadap Minat Belanja di Tokopedia. *Jurnal Ekonomi dan Bisnis*, 3(1), 1-6.
- Darmawan, D., & A. R. Putra. (2022). Pengalaman Pengguna, Keamanan Transaksi, Kemudahan Penggunaan, Kenyamanan, dan Pengaruhnya terhadap Perilaku Pembelian Online Secara Implusif. *Relasi: Jurnal Ekonomi*, 18(1), 26-45.
- Djazilan, M. S. & D. Darmawan. (2021). The Effect of Religiosity and Technology Support on Trust in Sharia Banking in Surabaya. *Journal of Science, Technology and Society*, 2(2), 7-18.
- Gungor, V. C. & F. C. Lambert. (2006). A Survey on Communication Networks for Electric System Automation. *Computer Networks*, 50(7), 877-897.
- Halizah, S. N., A. Infante, & D. Darmawan. (2022). Keterbentukan Kepercayaan Pelanggan Shopee Melalui Kualitas Hubungan, Reputasi dan Keamanan Marketplace. *Ekonomi, Keuangan, Investasi Dan Syariah (EKUITAS)*, 4(1), 256-261.
- Hariani, M. & M. Irfan. (2023). Study on Efforts to Increase Sales Through the Use of Social-Media and E-Commerce for MSMEs. *Journal of Marketing and Business Research*, 3(1), 49-60.
- Infante, A. & R. Mardikaningsih. (2022). The Potential of social media as a Means of Online Business Promotion. *Journal of Social Science Studies*, 2(2), 45-48.
- Kemarauwana, M. & D. Darmawan. (2020). Perceived Ease of Use Contribution to Behavioral Intention in Digital Payment. *Journal of Science, Technology and Society*, 1(1), 1-4.
- Mardikaningsih, R., E.A. Sinambela, D. Darmawan & D. Nurmalasari. (2020). Perilaku Konsumtif dan Minat Hubungan Mahasiswa Menggunakan Jasa Pinjaman Online. *Jurnal Simki Pedagogia*, 3(6), 98-110.
- Mardikaningsih, R. & D. Darmawan. (2023). An Integrative Conceptualization for Copyright Management in a Business Context. *Legalis et Socialis Studiis*, 1(2), 14-24.
- Negara, K. S., T. Rusli., & R. A. Hapsari. (2021). Perlindungan Data Konsumen Pengguna Fintech Terhadap Penyalahgunaan Data Baik Sengaja Maupun Tidak Sengaja Terhadap Serangan Hacker dan Malware (Studi Pada Lembaga Perlindungan Konsumen di Lampung). *Binamulia Hukum*, 10(1), 61-68.
- Nugroho, H. (2020). Perlindungan Hukum bagi Para Pihak dalam Transaksi Pinjaman Online. *Jurnal Hukum Positum*, 5(1), 32-41.
- Pranita, N. K. P. & I. W. Suardana. (2019). Perlindungan Hukum Terhadap Nasabah Pengguna Layanan Fintech (Financial Technology). *Kertha Semaya: Journal Ilmu Hukum*, 7(2), 1-16.

- Putra, A.R., E. Retnowati, U. P. Lestari, J. Jahroni, D. Darmawan, Nurulhuda & B. Gardi. (2023). Analysis of The Influence of Privacy, Security and Ease of Use on Intention to Shopping through the Marketplace, *Journal of Marketing and Business Research*, 3(1), 35-48.
- Rahmayani, N. (2018). Tinjauan Hukum Perlindungan Konsumen Terkait Pengawasan Perusahaan Berbasis Financial Technology di Indonesia. *Pagaruyuang Law Journal*, 2(1), 24-41.
- Sinambela, E. A. & D. Darmawan. (2022). Advantages and Disadvantages of Using Electronic Money as a Substitute for Cash, *Journal of Social Science Studies*, 2(2), 56-61.
- Suyatno, S. (2022). Analisa Perlindungan Data Pribadi Pengguna Fintech Berdasarkan Pendekatan Yuridis Normatif di Indonesia. *YUME: Journal of Management*, 5(3), 481-491.

Book

- Gore, A. (2013). *The Future: Six Drivers of Global Change*. Random House.

Laws and Regulations

- Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 13/Pojk.02/2018 Tentang Inovasi Keuangan Digital Di Sektor Jasa Keuangan.
- Peraturan Pemerintah Nomor 82 Tahun 2012 tentang Penyelenggaraan Sistem dan Transaksi Elektronik.
- Undang-Undang Nomor 21 Tahun 2011 tentang Otoritas Jasa Keuangan.
- Peraturan Otoritas Jasa Keuangan Nomor: 1/POJK.07/2013 Tentang Perlindungan Konsumen Sektor Jasa Keuangan.
- Surat Edaran Otoritas Jasa Keuangan Nomor 14/SEOJK.07/2014 Tentang Kerahasiaan Dan Keamanan Data Dan/Atau Informasi Pribadi Konsumen.
- POJK Nomor 77/POJK.01/2016 tentang Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi.
- Peraturan Bank Indonesia Nomor 19/12/2017 tentang Penyelenggaraan Teknologi Financial.