

# Consumer protection in online transportation electronic agreements

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## Abstract

The rapid development of digital technology, particularly in online transportation services, has brought significant changes in consumer interactions with service providers. However, legal issues have emerged regarding consumer protection in electronic agreements, particularly concerning regulatory gaps. The lack of clarity regarding the responsibilities of service providers is also a critical issue, as clauses often favor providers and disadvantage consumers. This study aims to analyze the regulatory gaps in consumer protection within electronic agreements for online transportation services and the impact of unclear provider responsibilities on consumers. The research adopts a normative legal method with statutory and conceptual approaches. The findings reveal that although regulations on consumer protection exist, they do not specifically address online transportation, thereby creating legal uncertainty. Furthermore, many clauses in such agreements exempt service providers from liability, making it difficult for consumers to obtain adequate protection or fair compensation. Therefore, more specific regulations concerning service provider responsibilities and enhanced transparency in electronic agreements are required to ensure better consumer protection.

## Keywords

Consumer Protection, Electronic Agreements, Online Transportation

## Introduction

The rapid development of digital technology has transformed many aspects of life, including transportation. One of the most notable innovations is the emergence of online transportation services, which allow users to order rides simply by using internet-based applications [1]. These services, involving electronic agreements between consumers and service providers, have brought convenience and efficiency to society. However, behind these advantages lie several legal issues, particularly those related to consumer protection.

An electronic agreement is a contract made between parties engaging in transactions through electronic means, such as online transportation applications. These

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agreements bind both consumers and service providers to fulfill their respective rights and obligations. In this context, consumers have the right to receive the services promised by the provider, while providers are obligated to deliver safe and adequate services. Yet, in many cases, consumer rights are not fully protected in such electronic agreements [2,3].

In Indonesia, consumer protection in electronic agreements is governed under Law No. 8 of 1999 on Consumer Protection. However, although regulations exist that stipulate consumer rights and obligations, many issues arise in practice, especially in the context of electronic agreements in online transportation services. One of the pressing legal issues is the ambiguity or absence of specific provisions in existing regulations, which creates legal uncertainty for both consumers and service providers.

One of the main problems in online transportation service agreements is the lack of clarity regarding the responsibility of providers when consumers experience harm or losses. For instance, what happens if an accident occurs, or if the service fails to meet the promised standard in the application? Can consumers obtain fair compensation? In many cases, the contractual clauses tend to favor service providers, limiting consumer rights to adequate protection.

The normative legal issue underpinning this study is the regulatory gap concerning the liability of online transportation service providers in cases of consumer loss. Current regulations remain too general and do not specify detailed mechanisms for consumer protection in electronic agreements within online transportation services. This regulatory gap causes legal uncertainty that disadvantages consumers facing issues such as accidents, delays, or other service failures.

For example, regulations governing public transportation in Indonesia, such as the Minister of Transportation Regulation No. 108 of 2017 concerning the Operation of Public Motor Vehicle Passenger Transport, do not specifically regulate online transportation. This creates a legal loophole that makes it difficult for consumers to enforce their rights. While general consumer protection laws exist, their application to online transportation remains inadequate.

Moreover, although consumers enter into agreements via applications, not all consumers fully understand the terms and conditions provided. Many of these terms are standardized and lack transparency, leaving consumers trapped in agreements they do not completely comprehend. This situation leads to unfairness, as consumers often feel their rights are insufficiently protected.

The regulatory gap becomes even more pronounced when disputes arise between consumers and providers. In many cases, consumers do not receive adequate solutions, as existing regulations fail to provide clear guidance on dispute resolution mechanisms for electronic agreements. Although institutions such as the Consumer Dispute Settlement Board (BPSK) exist, not all consumers know how to access them or even that they have the right to seek legal remedies.

It is important to note that this lack of clarity not only disadvantages consumers but can also negatively affect service providers. Without legal certainty regarding the rights and obligations of each party, providers risk facing legal claims that may damage their reputation. Therefore, both consumers and providers require clear and appropriate regulations governing electronic agreements.

Furthermore, the rapid technological development of online transportation services has also created new challenges in consumer protection. One crucial issue concerns the protection of personal data. Online transportation services collect consumer data such as names, addresses, phone numbers, and payment information. The protection of this data must be ensured to prevent misuse. Current regulations, such as the Personal Data Protection Law, still need to be updated to align with technological developments and consumer protection needs in the digital era [4].

Although efforts have been made to improve this situation such as developing more detailed regulatory systems and strengthening dispute settlement institutions problems concerning consumer protection in online transportation electronic agreements remain highly relevant. This is because existing regulations still fail to fully address the need for optimal consumer protection.

Considering this regulatory gap, this study aims to examine the role of existing regulations and assess whether consumer protection in online transportation electronic agreements is adequate or requires further adjustments and improvements. The study will also analyze how service providers and consumers can engage in constructive dialogue to establish fairer regulations that align with technological developments and societal needs. Based on these issues, this study seeks to answer two main research questions: (1) How do regulatory gaps affect consumer protection in online transportation electronic agreements? (2) What is the impact of unclear service provider responsibilities on consumers?

## Method

This study employs normative legal research, which focuses on analyzing laws, regulations, and legal doctrines relevant to consumer protection in online transportation electronic agreements. The statutory approach is used to examine existing legislation, such as Law No. 8 of 1999 on Consumer Protection, Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law), and the Minister of Transportation Regulation No. 108 of 2017 on the Operation of Public Motor Vehicle Passenger Transport. Meanwhile, the conceptual approach is applied to analyze legal principles and contractual theories, particularly those relating to the responsibilities of service providers and the rights of consumers in electronic agreements.

Through a qualitative analysis, this study seeks to identify the extent of regulatory gaps and legal ambiguities, as well as their implications for consumer protection. The research method is designed not only to evaluate existing laws but also to highlight the

need for legal reform that is responsive to technological developments in online transportation services. By combining statutory and conceptual approaches, the study provides a comprehensive understanding of how legal frameworks address or fail to address the challenges of consumer protection in digital contractual relationships.

## Results and Discussion

### *Consumer Protection in Online Transportation Electronic Agreements*

The rapid development of digital technology, particularly in online transportation, has significantly changed the way consumers interact with service providers. One form of transaction in this service is the electronic agreement between consumers and providers. In this context, the regulatory gap has become a crucial legal issue, particularly in relation to consumer protection. According to contract law theory, contracts regulated by law must have clear normative foundations concerning the rights and obligations of each party. If existing regulations fail to provide adequate provisions, legal loopholes arise that disadvantage one party, namely the consumer.

In electronic agreements, consumers are faced with standardized and non-transparent terms and conditions. Clauses in these contracts often benefit the provider and fail to offer sufficient protection for consumers. This problem is compounded by the fact that consumers do not always fully understand their rights under such agreements. Consequently, when problems occur in transactions or services, consumers often struggle to obtain compensation or resolve disputes fairly [5].

One relevant legal theory in analyzing this problem is the theory of contract law developed by legal scholars such as Samuel Pufendorf and John Locke, which emphasizes that contracts must be based on principles of freedom, fairness, and mutual consent. In the context of electronic agreements, these principles must be applied fairly, ensuring that consumers are protected against potential abuse or unfairness in contractual clauses. However, current Indonesian regulations, such as the Consumer Protection Law and regulations relating to online transportation, do not provide clear norms to address these issues.

This regulatory gap is a major problem in laws governing online transportation. Although Law No. 8 of 1999 on Consumer Protection exists, it does not provide specific provisions regarding electronic agreements in online transportation services. As a result, there is legal uncertainty regarding the rights and obligations of providers when consumers suffer losses or disputes arise. In practice, many consumers struggle to obtain justice or compensation when they experience harm from services that fail to meet promised standards.

Similarly, Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law) does not adequately protect consumers in this context. While the law regulates electronic contracts, it primarily focuses on the legality of electronic transactions and provides insufficient protection for consumer rights in digital platform transactions, such as

online transportation apps. This highlights the regulatory gap that must be urgently addressed through more specific and detailed regulations.

Furthermore, one recurring legal loophole relates to the liability of service providers for consumer losses. Online transportation applications often include terms stating that they are not responsible for certain damages. Such clauses raise serious concerns about fairness and consumer protection. These so-called exoneration clauses often restrict consumers' rights to fair compensation or dispute resolution [6].

Existing regulations are also inadequate in providing solutions for consumers facing disputes. In electronic agreements, consumers are usually given only the option to accept or reject the terms, without room for negotiation or modification that might benefit them. Additionally, many consumers remain unaware of their right to bring disputes before institutions such as the Consumer Dispute Settlement Board (BPSK). This reflects the regulatory ambiguity that ultimately harms consumers.

One regulation connected to this normative gap is Article 18 of Law No. 8 of 1999 on Consumer Protection, which stipulates the responsibility of business actors. Although this article requires businesses to provide safe, proper, and contractually compliant goods or services, in practice, it does not provide sufficient consumer protection in the context of electronic agreements. It also fails to specifically regulate the liability of businesses operating on digital platforms, rendering it ineffective in addressing new issues arising from technological advancements.

Likewise, the Minister of Transportation Regulation No. 108 of 2017 concerning the Operation of Public Motor Vehicle Passenger Transport does not include provisions that specifically regulate online transportation. This demonstrates the need for a more comprehensive and detailed regulatory framework. The absence of such regulation creates legal uncertainty for consumers using online transportation services, as they do not know whether their rights are adequately protected.

Nevertheless, some measures have been taken to fill this gap. For example, several online transportation companies have implemented internal policies aimed at enhancing consumer protection, such as offering passenger insurance and providing compensation for delays or service disruptions. However, these policies are not legally binding and apply only to certain companies, meaning they cannot serve as general standards for all providers.

Stricter regulation of consumer rights and provider obligations in electronic agreements could help improve this situation. One solution would be to introduce rules requiring providers to present terms and conditions in a clearer, more transparent, and consumer-friendly manner. Providers should also be required to explain consumer rights in simple language and allow consumers to request modifications to unfair terms.

Thus, despite efforts by some providers to enhance consumer protection, existing regulations remain insufficient to guarantee adequate consumer safeguards. This



regulatory gap must be addressed through more specific and clearer regulations that comprehensively set out the rights and obligations of both parties in online transportation electronic agreements. Article 18 of the Consumer Protection Law needs to be reinforced in its application to electronic agreements, and the Minister of Transportation Regulation No. 108 of 2017 must also be amended to include more comprehensive provisions regarding online transportation.

### *Impact of Unclear Service Provider Responsibilities on Consumers in Electronic Agreements*

In online transportation transactions involving electronic agreements between consumers and service providers, numerous legal issues arise due to the ambiguity of service providers' responsibilities when consumers suffer losses. This problem stems from the vague provisions in electronic agreements, which often fail to clearly regulate the obligations of providers in addressing issues that occur during service delivery. Such uncertainty creates legal unpredictability, ultimately harming consumers. Therefore, it is essential to analyze this problem using the Theory of Contractual Obligations, which states that in every agreement, both parties must fulfill the obligations they have agreed upon [7].

In electronic agreements, the liability of service providers towards consumers is often unclear, particularly concerning incidents beyond their control, such as accidents, damaged goods, or delays. Providers frequently include clauses in their terms and conditions that exempt them from liability when services fail to meet promised standards. These so-called exoneration clauses are often used to limit or even eliminate provider responsibility for certain events.

However, according to the Theory of Contractual Obligations, parties to a contract must be held accountable for fulfilling the duties they agreed upon. In this context, online transportation service providers are obligated to deliver services as promised, including punctuality, safety, and consumer comfort. When these obligations are breached, consumers should be entitled to compensation or fair remedies. Yet in practice, many consumers struggle to obtain justice because the agreements regulating provider responsibilities are insufficiently clear.

This regulatory ambiguity poses a serious challenge, as no explicit provisions exist regarding what providers must do when consumers suffer losses. For example, in cases of accidents involving online transportation vehicles, questions arise as to who is responsible: the application provider, the driver, or both? Many consumers find themselves trapped in confusion due to the absence of adequate legal guidance.

Existing laws, such as Law No. 8 of 1999 on Consumer Protection, provide consumers with the right to protection from business actors. However, this law is general in nature and does not detail provider responsibilities in electronic agreements. For instance, Article 7 of the Consumer Protection Law stipulates that businesses must provide accurate, clear, and honest information about goods and services, yet it does not

explicitly regulate provider liability when losses or service failures occur in digital platforms.

Another manifestation of this ambiguity is that online transportation providers often use clauses that exempt them from any liability if losses are caused by factors beyond their control, such as driver negligence. While such clauses may be acceptable in certain circumstances, the Theory of Contractual Obligations emphasizes that contractual duties cannot simply be waived by including exoneration clauses. This is because the duty to provide safe and reliable services constitutes a fundamental responsibility that cannot be ignored.

Similarly, Article 19 of Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law), which regulates electronic transactions, does not explicitly specify how online transportation providers should be held accountable to consumers—whether in terms of transactions or damages caused by inadequate services. Instead, this article focuses primarily on the legality of electronic contracts, neglecting mechanisms for dispute resolution in the context of online transportation.

Although some providers have introduced measures to mitigate this uncertainty, such as offering insurance or compensation for consumer losses, these initiatives remain limited and do not cover all users. Consequently, many consumers feel disadvantaged because they are unaware of their rights under electronic agreements. As the Theory of Contractual Obligations underscores, service provider duties must be explicit and cannot be shifted to third parties or eliminated through contractual clauses.

Another overlooked aspect is the obligation to safeguard consumer personal data in electronic agreements. Online transportation providers also have a duty to protect the confidentiality and security of consumer data they collect. However, this obligation often remains vague within current regulations, adding to legal uncertainty for consumers. In many cases, personal data has been misused or leaked, leaving consumers unable to obtain sufficient protection or compensation for resulting losses.

Moreover, existing regulations regarding dispute resolution mechanisms are inadequate. Many consumers encounter difficulties accessing bodies such as the Consumer Dispute Settlement Board (BPSK) due to lack of information or complicated procedures. Although dispute resolution institutions exist, regulations do not provide clear steps for consumers to take when disputes arise with providers.

Consumers also frequently remain unaware of their rights under electronic agreements, as contractual clauses are not always clear or presented in easily understandable ways. Thus, it is vital to ensure that information about consumer rights and obligations in electronic agreements is conveyed transparently, enabling consumers to make informed decisions.

The Theory of Contractual Obligations, which emphasizes that parties must perform their duties in good faith, should serve as a benchmark in assessing provider liability for consumer harm. Online transportation service providers must be held accountable for negligence or breaches in delivering services, including accidents, delays, or other losses suffered by consumers.

Nevertheless, as previously explained, online transportation providers often evade responsibility by relying on exoneration clauses that limit their obligations. This becomes problematic because consumers are not always aware that they have the right to claim compensation or remedies for their losses. Furthermore, although some companies have begun offering insurance or compensation, these measures remain limited and do not cover all consumers.

In conclusion, although existing regulations provide a legal foundation for consumer protection, significant ambiguities remain that require resolution. One of the most pressing concerns is the uncertainty surrounding provider liability in online transportation electronic agreements. Addressing this issue requires more detailed and explicit regulations to ensure that consumers are adequately protected in every transaction they undertake.

## Conclusion

The absence of clear regulations specifically addressing consumer protection in online transportation electronic agreements has created legal uncertainty, leaving consumers vulnerable to losses without adequate remedies. Although existing laws such as the Consumer Protection Law and the Electronic Information and Transactions Law provide a general legal framework, they fail to regulate provider liability in detail, particularly in cases involving accidents, damages, or service failures. This ambiguity is exacerbated by the widespread use of exoneration clauses that unfairly exempt providers from responsibility. To ensure fairness and consumer safety, it is crucial to establish more comprehensive and detailed regulations that clarify provider obligations, restrict the use of unfair contractual clauses, and strengthen accessible dispute resolution mechanisms. At the same time, online transportation service providers should increase transparency in drafting terms and conditions, simplify the communication of consumer rights, and guarantee the protection of personal data and privacy. Such measures, supported by consumer education initiatives, will foster a more balanced, fair, and secure contractual relationship between consumers and service providers in the digital era.

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