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Comparative Analysis of Civil Law Liability Towards Consumers in Business Disputes

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Abstract

This research aims to determine the relationship between violation of sales and purchase contracts and losses experienced by consumers and to analyze the comparison of civil legal liability towards consumers in business disputes using the ANOVA approach in cases of violations of sales and purchase contracts because violating sales and purchase contracts can cause losses to consumers. This research uses a quantitative research design. The population in this research are consumers who carry out buying and selling goods transactions in Indonesia. The sample was selected using purposive sampling and analyzed using simple linear regression analysis and coefficient of determination to determine the relationship between the variables studied. The research results show that there are significant differences between groups in sales and purchase contract violations which influence the losses experienced by consumers. The regression coefficient (β_1) of 0.75 indicates that every 1 unit increase in sales and purchase contract violations will increase the losses experienced by consumers by 0.75 units. This research implies that breaches of sales and purchase contracts can cause significant losses for consumers. Therefore, efforts need to be made to increase awareness and seriousness of business actors in protecting consumer rights.

Keywords

Business Disputes, Consumer Protection Law, Civil Legal Liability, Responsibilities

1. Introduction

The use of information and communication technology has changed the way consumers buy and use goods and services. E-commerce has become an integral part of everyday life, making it easier for customers to get the goods they want. However, this change also brings several challenges, such as protecting consumer rights and company liability for consumer losses. According to the World Bank, global e-commerce sales have reached \$3.9 trillion in 2020 and are expected to reach \$6.5 trillion in 2025 and \$8.1 trillion in 2030 (Bashir et al., 2023). Apart from that, protecting consumer rights is also a very relevant issue. A survey by PwC shows that 85% of consumers worldwide have experienced problems with products or services in 2020, and 75% of consumers worldwide have reported negative experiences with companies in 2020 (Panjaitan & Pramono, 2023; Bimantara & Pranoto, 2023). Thus, protecting consumer rights is very important to ensure security and balance in business transactions amidst rapid technological developments.

In recent years, issues related to the protection of consumer rights and corporate responsibility have become very relevant topics. Consumers who buy goods from shops or manufacturers usually use services for their use or other people but do not sell them. According to data, e-commerce sales in Indonesia have reached IDR 1.134 trillion in 2020 and are expected to reach IDR 2,500 trillion in 2025. This underlines the importance of consumer protection in business transactions (Faisal & Lamijan, 2023). Therefore, consumer protection is essential to ensure security and balance in business transactions. Legal framework and regulations, as outlined in various laws such as Law No. 8 of 1999, play an important role in protecting consumers involved in e-commerce transactions, thereby fostering trust in the online market (Budiono et al., 2023). This law establishes a dispute resolution mechanism, emphasizing the responsibility of businesses to compensate consumers for losses incurred due to faulty products or services (Wathan, 2023; Arief et al., 2023; Umar et al., 2023). By complying with these regulations, businesses can contribute to the development of a safe and balanced market, increase consumer confidence, and promote sustainable growth in the e-commerce sector. The problem is, that consumers often experience limited rights in demanding compensation or fighting for their rights when a sales and purchase contract is violated. They often do not understand their rights or do not have sufficient resources to assert their rights. There is still some uncertainty related to civil law in Indonesia which makes it difficult for consumers to know their rights and obligations in sales and purchase contracts. This can result in consumers not knowing how to fight for their rights or not having the confidence to demand compensation.

Research on civil legal liability towards consumers in business disputes has become a major concern in recent years. Some recent research that discusses consumer protection in Indonesia, namely according to Harry & Fajari (2022), the concept of absolute responsibility (strict liability) has an influence on consumer protection in Indonesia, which shows that this concept can increase consumer protection, but there are still several obstacles in its implementation. According to Rahma et al. (2022), public awareness regarding consumer rights is still very lacking. In addition, research on alternative dispute resolution mechanisms conducted by Anwar & Samsul (2023), emphasizes the importance of mediation and arbitration in resolving consumer disputes effectively, even though they face implementation obstacles. The results of his research show that mediation and arbitration can be effective alternatives for resolving consumer disputes, but there are still several obstacles to their implementation. Faisal & Lamijan (2023), also underline the need to increase awareness and enforcement of consumer rights in Indonesia to improve overall consumer protection measures.

This research offers several significant novelties in the analysis of civil legal liability towards consumers in business disputes by using a more specific and accurate ANOVA approach in analyzing data, so that the research results can be more reliable and relevant so that they can focus on cases of violation of sales and purchase contracts for goods, which There are still several shortcomings in consumer protection in Indonesia. This research seeks to understand how civil procedural law is applied in resolving business disputes so that it can contribute to the development of a more effective and sustainable business dispute resolution system. This research aims to determine the relationship between breach of sales and purchase contracts and losses experienced by consumers and to analyze the comparison of civil legal liability towards consumers in business disputes related to breaches of sales and purchase contracts and determine significant differences in civil legal liability towards consumers in business disputes. The importance of this research is to contribute to the development of theory and practice in the fields of civil and business law so that it can help increase consumer awareness about their rights and obligations in sales and purchase contracts, as well as help increase the effectiveness of communication between the parties involved in sales and purchase contracts.

2. Literature Review

2.1. Breach of Sale and Purchase Contract

Violation of a sales and purchase contract is an act that violates consumer rights, such as not fulfilling obligations in the contract or committing an act that is contrary to one's legal obligations. In some cases, violations of sales and purchase contracts can occur, resulting in complex problems in resolving business disputes. Some categorizations of sales and purchase contract violations include performance violations, where the seller may be late in delivering goods, fail to deliver goods at all or deliver goods that do not conform to the promised specifications or quality (Reznikova & Chepelenko, 2023). There are also violations of other provisions, for example, failure to fulfill specific provisions stated in the contract or violation of the guarantee or guarantee provided. The impact of this violation can vary, ranging from negotiation and mediation between the parties involved, demands for compensation or damages, and cancellation of contracts, to law enforcement through the courts (Gargat, 2023). Determining the type of violation that occurred is very important to determine the next steps for handling and the legal options available (Ali, 2023).

2.2. Business Disputes

A business dispute is a conflict that arises in a business transaction, usually related to a violation of a sales and purchase contract. Business disputes cover various types, such as contractual disputes involving the implementation or interpretation of contracts, financial disputes related to payment or distribution of profits, ownership disputes regarding ownership rights to assets or shares, as well as employment disputes related to work contracts or working conditions (Crisyanti et al., 2023). Additionally, intellectual property rights disputes involve copyright, patent, or trademark infringement, while distribution and partnership disputes include distribution agreements and business partnership relationships. Regulatory and compliance disputes arise from alleged non-compliance with industry regulations. Business dispute resolution can be done through negotiation, mediation, arbitration, litigation, or conciliation, depending on the complexity and nature of the dispute that occurs (Sanusi & Rakhmatulla, 2022). By understanding the types and indicators of business disputes, the parties involved can more effectively identify the source of the conflict and choose the most appropriate resolution method (Maxatov et al., 2022). By understanding these differences, parties involved in business

transactions can navigate conflicts more efficiently and reach mutually beneficial resolutions.

2.3. Consumer Protection Law

Consumer protection is a legal effort that aims to provide security and protection to consumers in buying and selling transactions where this consumer protection includes the right to obtain security from products that are safe and meet safety standards, the right to obtain clear, accurate, and complete information regarding products, the right to choose from a wide selection of products and services that compete fairly, the right to be heard through an effective complaint mechanism and participation in the policy process and the right to obtain redress or compensation in the event of loss. Consumer protection law is a regulation that regulates the protection of consumer rights in transactions. In some countries, such as Indonesia, consumer protection law is regulated in Law Number 8 of 1999 concerning Consumer Protection in Indonesia, playing an important role in safeguarding consumer rights during transactions (Budiono et al., 2023). These laws aim to ensure product safety, provide access to clear and complete product information, promote choice among competitive products, enable effective complaint mechanisms, offer compensation for losses, provide consumer education, and support a healthy environment (Faisal & Lamijan, 2023). Enforcement of consumer protection laws involves government oversight, the creation of consumer protection agencies, educational campaigns, and the imposition of penalties on violators (Umar et al., 2023; Singh, 2023). By effectively enforcing these laws, consumers can engage in transactions with confidence, knowing that they have mechanisms in place to protect their rights when needed. In addition, with the existence of effective consumer protection laws, consumers are expected to be able to transact safely, and comfortably, and have a clear mechanism to assert their rights if violations occur.

2.4. Civil Law Liability

Civil legal liability is a legal concept that regulates the obligations of parties who commit unlawful acts to provide compensation or liability for losses experienced by other parties (Bonab, 2023). Civil legal liability can be based on fault (liability based on fault) or risk (liability without based on fault). In Indonesia, civil procedural law is used as a basis for resolving business disputes, both through litigation and alternative channels such as mediation and arbitration (Borisyonok, 2023). Civil law liability includes contractual liability, where the party who violates the terms of the contract must bear the resulting losses, and liability outside the contract, which includes negligence, intentional acts, and liability without fault, such as in the case of defective products (Husna & Taupiqqurrahman, 2023). Product liability involves the liability of the manufacturer, distributor, or seller for losses resulting from defective products or failure to provide warnings (Karkhalev, 2023). Handling civil legal liability can be done through claims and lawsuits in court, negotiation and mediation, arbitration, and implementation of court decisions.

2.5. Responsibilities of Business Actors Towards Consumers

The responsibility of business actors towards consumers is an obligation that business actors must fulfil to ensure that the goods or services they offer are safe, by promised standards, and do not harm consumers. In this context, business actors are obliged to protect consumers in buying and selling transactions (Abbas et al., 2023; Anwar & Samsul, 2023). Business actors must ensure that the products they sell meet the promised quality standards, are safe to use, and are equipped with clear information. In terms of service, business actors must provide adequate service,

including after-sales support such as warranties and customer service. Business ethics is also an important part, where business actors must protect consumers' data and ensure that no information is misused (Ohene-Darko, 2023). In addition, business actors are obliged to comply with all applicable regulations, and in the event of loss or defects in products or services, they must provide appropriate replacement or compensation. Social responsibility is also important, where business actors are expected to implement fair business practices and contribute positively to society. By upholding these responsibilities, businesses can foster trust, foster long-term relationships with consumers, and ensure sustainable operations.

3. Methods

This research employs a quantitative research design with case studies in Indonesia. The population consists of consumers who engage in buying and selling transactions in Indonesia. The sample selection uses purposive sampling, where the researcher deliberately chooses subjects that meet the relevant criteria for the research objectives, namely having a history of buying and selling transactions in Indonesia. The sample size was determined using a specific formula, resulting in a total of 52 respondents. The data used includes both primary and secondary data. Primary data is gathered through interviews with consumers involved in business disputes related to breaches of sales and purchase contracts, as well as document analysis of cases related to such breaches. Secondary data consists of legal and business data relevant to consumer protection and business disputes. Data collection techniques involve interviews and document analysis. The study aims to analyze the comparison of civil legal liability toward consumers in business disputes, focusing on cases involving breaches of sales and purchase contracts. A regression analysis was conducted by calculating the regression coefficients, constants, the coefficient of determination (R^2), and significance tests. The results indicate an R^2 of 0.56, showing that 56% of the variation in consumer losses can be explained by breaches of sales and purchase contracts. To achieve the first objective, an ANOVA analysis was performed to assess differences between groups. A correlation analysis was also conducted, yielding a correlation coefficient (r) of 0.75, indicating a strong relationship between the independent and dependent variables. The final results show that breaches of sales and purchase contracts significantly impact the losses experienced by consumers.

4. Results

Based on the regression results, there is a significant relationship between sales and purchase contract violations and losses experienced by consumers. In Table 1 you can see the regression results which show that there is a significant relationship between sales and purchase contract violations and losses experienced by consumers. The Regression Coefficient (β_1) of 0.75 indicates that every 1 unit increase in sales and purchase contract violations will increase the losses experienced by consumers by 0.75 units. The constant (β_0) of 2.25 indicates that if the violation of the sales and purchase contract is equal to 0, then the loss experienced by the consumer is 2.25 units. The coefficient of determination (R^2) of 0.65 indicates that 65% of the variation in losses experienced by consumers can be explained by sales and purchase contract violations (Table 1). This shows that breach of contract has a significant influence on the losses experienced by consumers.

Table 1. Regression Analysis Results

Variable	Regression Coefficients	Constant	R ²	F Count	F Table
PKJB	0.75	2.25	0.65	6.61	3.30

The results of the ANOVA test, it is known that there are significant differences between groups in sales and purchase contract violations which influence the losses experienced by consumers. The calculated F value of 6.61 is greater than the F table of 3.30 shows that there are significant differences between groups in sales and purchase contract violations which influence the losses experienced by consumers. With a significance of 0.05, it can be seen that differences between groups in sales and purchase contract violations significantly influence the level of losses experienced by consumers (Table 2).

Table 2. Results of ANOVA Analysis

Sources of Variation	Sum of Squares	df	F Count	F Table	Sig.
Between Group	1616	58	6.61	3.30	0,05
In Group	36.47	52			
Total	1652.47	60			

Civil legal liability towards consumers in business disputes, especially in cases of breach of sales and purchase contracts for goods, is a very important issue in consumer protection law. This responsibility is regulated in the Consumer Protection Law which gives consumers the right to receive compensation (both material and non-material losses) and/or services if a transaction defaults. In this context, a breach of contract can occur in various forms such as delivery of goods that do not comply with specifications, late delivery, or even failure to deliver goods at all. Based on the results of data analysis, it is known that there is a significant relationship between sales and purchase contract violations and losses experienced by consumers. Regression analysis confirms that every increase in sales and purchase contract violations will increase consumer losses, as shown by the regression coefficient (β_1) of 0.75. This indicates that breach of contract has a fairly large impact on losses experienced by consumers, which is supported by a coefficient of determination (R^2) of 0.65 where as much as 65% of the variation in consumer losses can be explained by breach of sales and purchase contracts.

This emphasizes the importance of paying attention to contractual obligations to protect consumer interests. In addition, the results of the ANOVA analysis confirm that there are significant differences between groups in sales and purchase contract violations which influence the losses experienced by consumers. The calculated F value is significant (6.61), it is known that there are significant differences between groups in sales and purchase contract violations which have an impact on consumer losses. This emphasizes that strict law enforcement against contract violations is important to minimize consumer losses. This is in line with the opinion of Reznikova & Chepelenko (2023), who emphasize the importance of strengthening consumer rights protection to reduce these losses. In the context of civil legal liability towards consumers in business disputes, these findings provide a strong basis for strengthening consumer protection (Mastur et al., 2024). Business actors must take their contractual obligations more seriously. By paying attention to contractual obligations, strict legal enforcement against contract violations can help minimize losses experienced by consumers (Sukma & Purwaningsih, 2023). This provides a strong basis for consumer protection policies and emphasizes the need for an effective legal system in dealing with contract-related business disputes.

In addition, in business disputes involving violations of sales and purchase contracts for goods, civil legal liability towards consumers is often the main focus in resolving legal issues. In a goods sale and purchase contract, the seller must provide

goods that comply with the specifications agreed in the contract to the consumer. Breach of contract can occur if the seller fails to fulfill this obligation, for example by sending defective goods, that do not match the description, or even not sending goods at all. One important aspect of civil legal liability is the compensation or compensation that must be paid to consumers who experience losses due to breach of contract. This compensation may include a refund of the purchase price, costs of repairing or replacing the goods, as well as other losses arising from breach of contract. In business disputes involving violations of contracts for the sale and purchase of goods, dispute resolution can be carried out through various means, including negotiation between the parties involved, mediation, arbitration, or the judicial process if no resolution can be reached amicably (Reyes-Monjaras et al., 2020). These considerations include the interests of consumer protection and fairness in resolving business disputes (Ningsih et al., 2024). Civil legal liability towards consumers in business disputes also reflects the principles of consumer protection that are enforced in the legal system. This means that in assessing business disputes, courts or dispute resolution institutions will consider the interests and rights of consumers to obtain fair treatment and appropriate compensation in the event of a breach of contract (Inawati et al., 2024).

6. Conclusion

Civil legal liability towards consumers in business disputes, especially in the context of breaches of sales and purchase contracts for goods, is very important in consumer protection efforts. The results of this research indicate that there is a significant relationship between breach of sales and purchase contracts and losses experienced by consumers. The Regression Coefficient (β_1) of 0.75 indicates that every 1 unit increase in sales and purchase contract violations will increase the losses experienced by consumers by 0.75 units. The constant (β_0) of 2.25 indicates that if the violation of the sales and purchase contract is equal to 0, then the loss experienced by the consumer is 2.25 units. The coefficient of determination (R^2) of 0.65 indicates that 65% of the variation in losses experienced by consumers can be explained by violations of sales and purchase contracts. The calculated F of 6.61 shows that there are significant differences between groups in sales and purchase contract violations which influence the losses experienced by consumers. Thus, the results of this research indicate that there is a significant relationship between breach of sales and purchase contracts and losses experienced by consumers. Violation of sales and purchase contracts can cause significant losses for consumers, so the results of this research underline the importance of strengthening the protection of consumer rights to reduce losses that may arise as a result of contract violations. Business actors must understand and comply with their contractual obligations seriously to avoid disputes and losses for consumers.

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