

CONSUMER PROTECTION ON SHARIA FINTECH LENDING IN INDONESIA

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Abstract - Sharia fin-tech lending is part of sharia economic activities based on the use of information technology. Sharia fin-tech lending has high risks such as the risk of default, the risk of misuse of funds, the potential risk of shadow banking, the risk of sharia compliance, and the fulfillment of consumer protection and dispute resolution. This study aims to determine and analyze the protection of sharia fin-tech lending consumers in Indonesia as stated in the legislation. This research is normative juridical research using a law approach. Based on in-depth research and studies, it was found that sharia fin-tech lending consumers have not received adequate protection because their existence is not regulated in the fin-tech lending regulations or other relevant laws and regulations. Normatively, sharia fin-tech lending consumers have the right to obtain their rights as consumers as regulated in Law number 8 of 1999 concerning consumer protection and are entitled to protection for carrying out economic activities based on sharia principles guaranteed by the 1945 Constitution.

Keywords; Consumer protection, sharia fin-tech lending, Islamic law

1. INTRODUCTION

Sharia financial technology (fin-tech) lending is a form of fin-tech lending, which in its implementation is based on sharia principles or Islamic legal principles. Sharia principles are principles of Islamic law in economic activities that do not contain *maysir* (gambling), *gharar* (fraud), usury, *zulm* (persecution), bribes, illicit

goods, and immorality (1). In an Islamic perspective, every economic activity must always uphold justice, benefit by paying attention to togetherness, brotherhood, and paying attention to ethical behavior that comes from absolute religious teachings and must be carried out by every Muslim consistently as stated in the holy book AL-Qur'an and Hadith.

The demand to carry out economic activities based on sharia principles in running a fin-tech lending business besides being a religious obligation is also a market demand, research conducted by Ellipses with the theme Islamic Fin-tech conducted in December 2019 concluded that 76% of Islamic fin-tech companies want sharia certification. The results of Ellipses' research also recommend that fin-tech companies to be successful in carrying out their business activities must adapt to the broad financial market such as green finance, finance that upholds ethics, and conducts business following sharia principles (2).

Sharia fin-tech lending is developing well in Indonesia, based on data from the Financial Services Authority of the Republic of Indonesia in June 2021, 5 sharia fin-tech lending platforms have been operated, and 5 sharia fin-tech lending platforms have registered status so that in total there are 10 sharia fin-tech lending service providers in Indonesia (3). This data increased by 400% compared to 2018 which only amounted to 2 companies. In terms of disbursement of loan funds, at the end of 2020, it reached IDR 1.7 trillion, an increase of 70% compared to the previous year period (4). While on the asset side, in April 2021 total assets reached IDR. 109.4 billion or has a market share of 2.57% of the total assets of the fin-tech lending industry which reached IDR. 4.23 trillion with outstanding financing recorded at IDR. 20.61 trillion (5). The data only comes from sharia fin-tech lending platforms that have registered or licensed status because several sharia fin-tech lending platforms are illegal because they are not registered or obtained permission from the Financial Services Authority.

The growth of sharia fin-tech lending is supported by an increase in the standard of living of the Muslim population in Indonesia which reaches 87% of the total population of 270.20 million people, the development of a national strategy that is dedicated to halal products, and an increase in Islamic ethics and values. Increased awareness of the importance of Islamic ethics and values encourages a Muslim to comply with the provisions of Islamic law in carrying out economic activities, including lending and borrowing money based on the use of information technology.

The use of internet information technology that does not meet in person and does not even know the party providing the loan makes sharia fin-tech lending have legal loopholes that can harm the parties involved in it. The sharia fin-tech lending mechanism involves three parties (platforms, lenders, and borrowers) and the high risks that may occur in sharia fin-tech lending activities such as the risk of default, the risk of misuse of funds, the risk of potential shadow banking, the risk of sharia compliance, and risks in terms of consumer protection and dispute resolution are the driving force behind the need for sharia fin-tech lending consumer protection. The emergence of illegal sharia fin-tech lending platforms that have the potential to

violate the rights of borrowers as consumers such as sexual intimidation and harassment, the high interest charged by the platform to borrowers, and misuse of customer personal data which is always requested when applying for a loan are things that have the potential to cause problems. violating the law or violating the individual rights of consumers (6).

A consumer is any person or legal entity that obtains or uses goods or services obtained from business actors and is not traded (7). Meanwhile, in Law No. 8 of 1999 concerning Consumer Protection, it is stated that a consumer is anyone who uses goods and or services available in public life for the benefit of himself, his family, other people, or for the benefit of living things that are not for trade. Based on these two understandings, consumers are people or legal entities that use goods or services for their use or other people, including other living things. In the Islamic perspective, the notion of consumers is also not limited to individuals but also includes legal entities such as foundations and companies (8). In Islam, Muslim consumers are defined as any person or entity that uses goods or services by adhering to the applicable provisions under Islamic law (9). Based on this consumer understanding, in the context of sharia fin-tech lending, consumers are people or entities that use sharia fin-tech lending services or information technology-based lending and borrowing services whose operations are based on sharia principles.

Constitutionally, consumer protection is a manifestation of the State's goal to create a just and prosperous society as mandated by the Preamble to the 1945 Constitution which states that "The State protects the entire Indonesian nation and the entire homeland of Indonesia, and to promote the general welfare, educate the nation's life." Consumer protection is also part of human rights as regulated in Article 28D paragraph 1 that "Everyone has the right to recognition, guarantee, protection, and fair legal certainty and equal treatment before the law" and Article 28G paragraph 1 that "Everyone has the right to for personal protection, family, honor, dignity, and property under their control, and the right to a sense of security and protection from the threat of fear to do or not do something which is a human right. Consumer protection in Islamic fin-tech lending is important and must be pursued as a way to provide welfare for the people and protection of human rights. In addition, from an economic perspective, without protection for sharia fin-tech lending consumers, it can disrupt national economic stability because, in a worse scenario, fin-tech has the potential to disrupt financial stability due to users failing to reduce the risks involved in their business and potentially having a negative impact severe for the economy (10). Therefore, the protection of sharia fin-tech lending consumers must be pursued and realized so that the people get guaranteed protection for themselves and encourage the realization of prosperity.

2. RESEARCH METHOD

This type of research is normative juridical research that conceptualizes law as a binding rule by examining the principles, legal norms contained in legislation, systematic, and legal synchronization. The approach used is the statute approach by

examining the laws and regulations related to sharia fin-tech lending and consumer protection. The type of data in the form of secondary data obtained from studies or research on the literature (library research) which contains laws and regulations and literature related to the protection of consumer sharia fin-tech lending. Secondary data in legal research is classified into three types. First, the primary legal materials contained in the 1945 Constitution and the laws and regulations. second, secondary legal materials consisting of books, articles/papers contained in journals, and other scientific works. Third, tertiary legal materials as supporting materials that explain primary legal materials and secondary legal materials such as dictionaries and encyclopedias. Data analysis was carried out by organizing the data and sorting out the relevant data, finding patterns, and synthesizing the data that had been obtained using qualitative analysis with analytical descriptive methods.

3. RESULTS AND DISCUSSION

Sharia fin-tech lending is growing and developing rapidly in Indonesia along with the development of disruptive information technology. Information technology has replaced face-to-face personal relationships with relationships facilitated by real-time technology. In the economic field, e-commerce and financial technology (fin-tech) emerged. Fin-tech can be described as the use of technology to provide financial services and products to consumers, this can be in the fields of insurance, banking, investing anything related to finance (11). Fin-tech can also be defined as production and services that combine financial services and technology or in other words computer or other technology used to provide and activate financial services (12).

Two main factors drive the evolution of financial technology innovation based on “economic laws”, namely the power demand side and the supply side. From the demand side influenced by (13);

1. Shifting consumer preferences influenced by consumer demand for innovation. Easy internet access and the ability of internet network users to make real-time transactions have driven high expectations, especially regarding convenience, speed, lower costs, and ease of use of financial services. Changes in consumer preferences are also influenced by demographic conditions of society, especially in groups that grow in tandem with digital technology as experienced by millennial;
2. Technological evolution. Technological innovation in financial services that uses new ways and takes advantage of different business models, such as the use of business models that rely on big data technology, artificial intelligence (AI), machine learning, cloud computing, and biometric.

From the supply side, changes in financial regulations and market structure caused by the global financial crisis have led to various regulations aimed at reducing the risk of future crises. Higher capital requirements and lower leverage in the banking sector to deal with the risks posed by shadow banking activities and entities, evaluation of the robustness of the resolution regime are examples of risk reduction related to balance sheet provisions. As a result, traditional financial companies,

including banks, are urged to reduce costs and use capital more efficiently, thereby reducing the activities of these financial companies(14).

The evolution in financial technology innovation based on the strength of the demand (demand side) and the strength of supply (supply side) has encouraged the emergence of the fin-tech lending industry, including Islamic fin-tech lending, which has many advantages such as being flexible, effective, efficient, affordable and transparent (15). The existence of sharia fin-tech lending as a form of sharia economic activity based on sharia principles requires sharia fin-tech lending to uphold the principles of public benefit and the principle of justice. The parties involved in sharia fin-tech lending activities must uphold ethics and norms in economic activities. There are three basic characteristics as a form of implementing sharia principles, namely the principle of justice, avoiding prohibited activities, and paying attention to aspects of benefit (16). These three principles are oriented towards the creation of a balanced economic activity and the fulfillment of sharia principles.

3. 1. PHILOSOPHICAL BASIS OF SHARIA FINTECH LENDING IN INDONESIA

Sharia fin-tech lending as part of sharia economic activities is based on 3 principles of legal philosophy that apply in sharia economics (17);

1. Allah is the absolute owner; Everything that exists on earth, heaven, and the universe, including the wealth owned by humans, essentially belongs to Allah SWT as the One who created the world and everything in it. All of Allah's creations must be subject to the will and provisions (rules) that He has set in the Sharia which was revealed to all mankind through the Prophet Muhammad SAW as His messenger. Humans are allowed to use the universe and everything in it to ensure their survival;
2. Humans as the caliph of Allah SWT on earth; Allah provides opportunities for humans to prosper Allah's earth with perfect equipment so that they can carry out their rights and obligations. All flora and fauna that exist on earth can be used to support his position as the caliph who must be subject to the laws set by Allah ;
3. Faith in the last day; belief in the coming of the Day of Judgment in sharia economic activities makes humans able to control their behavior because on the last day all their actions including in economic activities and their assets will be held accountable by Allah.

In economic activities, Islamic law stipulates that several things can and cannot be done. In terms of profit gain, for example, Islamic law stipulates that profit may be used as a reason for Islamic economic law but is limited by moral and social conditions to be able to balance individual interests and the interests of society. In Islamic law, the expropriation of property belonging to another person must not be carried out in unjustified ways such as the prohibition against taking other people's

property in vanity (Al-Baqarah 188) and every transaction must be carried out voluntarily (an-Nisa verse 29).

The philosophical basis of sharia economics as mentioned above must be used as a guide for sharia fin-tech lending players. Prohibitions in sharia economic activities such as *tadlis* (lie/fraud), *taghrir* (uncertain transactions), usury, and unfair competition also applies to Islamic fin-tech lending. Thus, it is hoped that consumer rights will be protected. In Islamic law, six consumer rights must be considered by business actors, namely the right to obtain correct and honest information, fair and avoid counterfeiting, product and service security, obtain a healthy environment, obtain defense and dispute resolution, protection from abuse of circumstances, the right to obtain compensation from a product consumed and the right to choose and obtain a fair exchange rate (18).

Ideologically national, the implementation of sharia principles in sharia fin-tech lending in Indonesia is a manifestation of the implementation of the practice of religious teachings guaranteed by Article 29 of the 1945 Constitution. Although juridically normative in the state constitution, it is not stated that Indonesia is an Islamic state based on law. -Sharia law but Indonesia is a Muslim country, namely a country where the majority of the population is Muslim (19). So that the need to apply the principles of sharia or religious laws in economic activities that are the wishes of the population of citizens of the State must be facilitated by the State. Moreover, if it is associated with the existence of Islamic law as a source of national law that can be used as material for the formation of legal regulations. Textually, Islam is not included in the state constitution, but Islam has a great influence on the social life of the Indonesian nation. Islam has become one of the sources of the formation of values, norms, and behavior of society. The proof is that Islam became a symbol of resistance to the actions of Dutch colonialism and was able to maintain, defend and become a characteristic of the nation's identity.

In this case, Hazairin thinks that state administrators are obliged to facilitate religious adherents to implement the religious law they adhere to as a form of implementation of the 1945 Constitution, especially Article 29 paragraph 2 (20). The State of Indonesia is a religious state or a legal state that believes in God Almighty. Therefore, the State guarantees the freedom of religion which has a positive connotation. In the state of Pancasila law, there is no separation between the state and religion (21). In line with this opinion, Abdul Ghani Abdullah stated that the enactment of Islamic law in Indonesia has received a constitutional place based on three reasons, namely: First, philosophical reasons, Islamic teachings are a way of life, moral ideals and legal ideals of the majority of Muslims in Indonesia, and have a role in important for the creation of the fundamental norms of the state Pancasila; Second, sociological reasons. The historical development of Indonesian Islamic society shows that legal ideals and legal awareness based on Islamic teachings have a continuous level of actuality; and Third, the juridical reasons contained in Articles 24, 25, and 29 of the 1945 Constitution provide a place for the formal juridical application of Islamic law (22). Departing from these opinions the implementation of sharia principles in sharia

fin-tech lending which is applied to avoid economic practices that contain elements of usury which is prohibited in Islamic law is an act that is inspired by the philosophical values contained in Pancasila and the Law 1945 Constitution.

3. 2. PROTECTION OF SHARIA FINTECH LENDING CONSUMERS IN FINTECH LENDING REGULATIONS

In terms of protection, it is reflected that there are parties who protect and those who are protected. This means that the statement of consumer protection implies that consumers get protection from parties who can provide maximum protection in this case the power holder. Consumers are legal subjects (persons/legal entities) who obtain or use goods/services provided by business actors and are not traded (23). Thus, consumers are all persons or legal entities that consume a product produced by a producer/business actor.

In an Islamic perspective, the notion of consumers is also not limited to individuals but also includes legal entities such as foundations and companies (24). In Islam, Muslim consumers are defined as any person or entity that uses goods or services by adhering to the applicable provisions under Islamic law (25). Based on this consumer understanding, in the context of sharia fin-tech lending, consumers are people or entities that use shariah fin-tech lending services or information technology-based lending and borrowing services whose operations are subject to sharia principles or Islamic legal principles.

In a legal state that adheres to a civil law legal system, protection will be effective if it is stated in norms that bind the community and is enforced by the authorities accompanied by threats and punishments for those who violate it. In Article 1 (1) of Law Number 8 of 1999 concerning Consumer Protection, it is stated that consumer protection is all efforts made to ensure legal certainty that can protect consumers. Thus, consumer protection requires law as a device capable of providing legal certainty.

To guarantee protection for consumers, Article 4 of the Consumer Protection Law stipulates that consumers have the right to obtain the right to comfort, security, and safety in consuming goods and/or services, the right to choose and obtain goods and/or services by their value. exchange and promised conditions and guarantees, obtaining correct, clear, and honest information about the conditions and guarantees for goods and/or services, the right to obtain protection advocacy and being served correctly and honestly and the right to obtain compensation, compensation, and/or replacement, if the goods and/or services received are not following the agreement or not as they should be.

Consumer protection in business activities or economic activities must be prioritized and realized. There are four reasons for the need for legal protection of consumers in business or economic activities (26);

- a. Protection of consumers is the same as protecting citizens as mandated by the preamble of the 1945 Constitution;
- b. Consumer protection is needed to prevent consumers from the negative impact of using technology;
- c. Protecting consumers is needed as an effort to protect the physical and spiritual development actors in the context of maintaining the continuity of development;
- d. Consumer protection needs to be carried out to ensure the sustainability of sources of development funds originating from consumers.

Based on this concept, the State must regulate the protection of fin-tech lending consumers in the form of regulations or legislation. At this time, both conventional fin-tech lending that is not subject to Islamic law and sharia fin-tech lending which is operated based on sharia principles, the arrangements are outlined in the Financial Services Authority Regulation (FSAR) Number 77/POJK.01/2016 Regulation on Information Technology-Based Lending and Borrowing Services. In FSAR Number 77/2016, it is stated that information technology-based lending and borrowing services are the provision of financial services to bring together lenders and loan recipients to enter into lending and borrowing agreements in rupiah currency directly through an electronic system using the internet network. This definition explicitly refers to the existence of a fin-tech lending platform as a service provider of lending and borrowing money through internet media or electronic systems, both conventional fin-tech lending platforms and sharia fin-tech lending platforms. In the FSAR, there is not a single article that regulates the existence of Islamic fin-tech lending or matters related to it.

Besides FSAR number 77/2016, normatively there are several laws and regulations related to consumer protection for sharia fin-tech lending, including;

1. Law number 8 of 1999 concerning Consumer Protection;
2. Law number 11 of 2008 which was last amended by Law number. 19 of 2016 concerning Information and Electronic Transactions;
- 3.Regulation of the Financial Services Authority of the Republic of Indonesia Number. 31/POJK.07/2020 concerning the Implementation of Consumer and Community Services in the Financial Services Sector by the Financial Services Authority
- 4.Regulation of the Financial Services Authority of the Republic of Indonesia Number 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector
5. RI Financial Services Authority Circular Number 14/SEOJK.07/2014 concerning Confidentiality and Security of Consumer Data and/or Personal Information
6. Circular Letter of the Financial Services Authority of the Republic of Indonesia Number 13/SEOJK.07/2014 concerning Standard Agreement

7. Circular Letter of the Financial Services Authority of the Republic of Indonesia Number 2/SEOJK.07/2014 concerning Services and Settlement of Consumer Complaints to Financial Services Businesses.

However, the legislation has not been able to protect sharia fin-tech lending consumers because it does not regulate the sharia fin-tech lending platform and does not place the sharia fin-tech lending platform as business actors who can be held accountable because their position is only as a service provider who has not bound agreement with the borrower (Article 18 FSAR number 77/2016). In addition to the absence of inadequate legal regulations for the existence of sharia fin-tech lending platforms, the absence of protection for shariah lending fin-tech lending consumers is also due to weak law enforcement. The Financial Services Authority feels that it does not have the authority to take action on illegal sharia lending fin-tech platforms because FSAR number 77/2016 only regulates and is binding on fin-tech lending platforms that are licensed or registered issued by the Financial Services Authority.

In general, the causes of sharia fin-tech lending consumers have not received fair and adequate legal protection can be described in the following table:

Table

Consumer Protection Problems of sharia fintech lending

	Substance	Structure	Cultural
Sharia fintech lending platform status	Unclear (Financial Services Authority Regulation number 77/2016 categorizes it as another financial service institution and not a business actor)	Financial Services Authority	People call it a Star-up with a Limited Liability Company or Cooperative legal entity
Illegal sharia lending fin-tech platform	1.FSAR number 77/2016 only regulates registered and/or licensed sharia fin-tech lending operations 2.FSAR do not regulate illegal sharia fin-tech lending	1.Financial Services Authority 2. The Investment Alert Task Force (Financial Services Authority, Ministry of Trade, Ministry of Small and Medium Enterprises Cooperatives, Ministry of Communications	People are not well literate in using online financial platforms

		and Information Technology, Police and Attorney General's Office) conducts Cyberpatrol. The Investment Alert Task Force carried out a shutdown against illegal sharia fin-tech lending	
Amount of Fee	Unregulated Submitted to the Indonesian Joint Funding Fin-tech Association and only binds registered or licensed Islamic fin-tech lending	The Financial Services Authority and Bank Indonesia feel they have no authority	Low literacy and education
Fund Security	There is no guarantee institution/credit insurance	Financial Services Authority	Debt Collector
Intimidating Action	There is no specific regulation yet (Personal data protection Law). ITE Law and Criminal Code	Police and Prosecutors	People do not have the awareness to defend their rights

Based on the table, it appears that there are several weaknesses related to the existence of the shariah lending fin-tech platform, both in terms of substance, structure, and culture. Based on these facts, sharia fin-tech lending consumers have not received maximum protection. Therefore, there is a need for improvement, harmonization and regulation, improvement of supporting facilities and infrastructure, professionalism of the apparatus, community legal culture, and political will of policyholders to consistently and simultaneously pay attention to the protection of sharia fin-tech lending consumers.

Besides these problems, the FSAR number 77/2016 also does not regulate the agreement between the sharia lending fin-tech platform and the loan recipient.

Based on this, the legal relationship that exists between the parties only occurs between the sharia fin-tech lending platform and the lender and between the lender and the loan recipient. The relationship between the loan recipient and the sharia fin-tech lending platform is not a lending and borrowing relationship as regulated in Article 1754 of the Civil Code. The relationship between the two is only limited to the use of the sharia lending fin-tech platform and not the relationship between consumers and business actors. Based on this position, the sharia lending fin-tech platform is not responsible for the possibility of violations of consumer rights by the principle of privity of contract that business actors can only be held legally responsible as long as there is a contractual relationship between themselves and consumers. Such an arrangement has the potential to harm consumer rights because it places the sharia fin-tech lending platform in the position of not being a business actor, even though it is clear that in Article 2 and Article 3 of FSAR number 77/2016 the operator is categorized as a legal entity in the form of a limited liability company or cooperative. Limited liability companies and cooperatives are business entities that carry out business under the provisions that govern them. In addition, Article 2 paragraph (1) of FSAR number 77/2016 also states that the operator is included in the category of other financial institutions which are equated with pawnshops and pension institutions.

Besides the unclear status of the sharia fin-tech lending platform, the FSAR number 77/2016 also does not regulate the settlement method that must be carried out by the sharia fin-tech lending platform whose registration status has been canceled by the Financial Services Authority. FSAR only requires sharia fin-tech lending platforms whose registration status has been canceled by the Financial Services Authority to complete their obligations to users (consumers) by a statement made by the sharia fin-tech lending platform. The FSAR does not regulate the imposition of sanctions on fin-tech lending whose registration status is canceled and does not fulfill its obligations to service users (consumers). FSAR ignores the rights of service users as consumers on fin-tech lending platforms whose registration or license has been canceled by the Financial Services Authority. Thus, the rights of service users or consumers of the sharia fin-tech lending platform whose registration/license is revoked are not protected by the FSAR. Whereas users are consumers in economic activities whose rights must be prioritized and protected because they have a strategic position in economic activities

The regulation of sharia fin-tech lending in regulation is one of the efforts to realize consumer protection because from an Islamic economic perspective, institutions or companies that apply sharia principles must pay attention to two things (27);

1. Guarantee of sharia compliance; Contracts made must be following sharia principles, comply with the obligation to pay zakat, every transaction carried out is reported following applicable sharia accounting standards, Islamic work environment and culture, financed businesses do not conflict with sharia, all sourced from something that is legal and lawful based on sharia principles and there is a sharia supervisory board that supervises the operationalization of sharia principles;

2. Protection for service users; In the perspective of Islamic law, economic activities are not only carried out to pursue profit or economic gain but also to seek *ukhrawi* profits in the form of expecting rewards because seeking halal sustenance is a religious command. For this reason, sharia compliance is an important thing that must be fulfilled and makes it a differentiating element from conventional fin-tech lending.

Sharia fin-tech lending faces risks that are not faced by conventional financial institutions, namely sharia compliance risk (28). Therefore, sharia supervision as a form of guarantee of sharia compliance and protection of consumers to obtain sharia-compliant services is a must in the shariah lending fin-tech business. To ensure compliance with these sharia principles, a sharia supervisor is needed who acts as a sharia Supervisory Board (DPS) with the main task of ensuring that all products, services, and activities are carried out by sharia fin-tech lending have complied with sharia principles. According to Didin Hafiduddin and Henri Tanjung, there are two kinds of supervision from an Islamic perspective (29):

- a. Self-monitoring or control that comes from faith or belief and monotheism in Allah. A person who has strong faith and monotheism will feel that Allah is always watching him so that he will always act or act carefully because all his actions will be held accountable;
- b. Supervision originating from outside, this supervision can take the form of supervision from the leadership or authorized institution accompanied by its completion and planning.

Based on this opinion, supervision can be carried out personally or supervised through a leader. Supervision from a leader can be carried out directly through community participation and indirect supervision as outlined in the form of legislation. Indirect supervision contained in the form of legislation will be more effective than direct supervision through the role of the community because in the legislation or regulations written actions or behaviors are expected to be planned and have binding power and have legal certainty.

Efforts that can be made to increase the effectiveness of sharia supervision in sharia fin-tech lending must be carried out through regulation to ensure the realization of legal certainty and increase public confidence in the products and services provided by sharia fin-tech lending. Regulations governing sharia supervision on shariah fin-tech lending are a necessity, given the existence of Indonesia as a state of law (Article 3 of the 1945 Constitution). The idea of a rule of law must be built by developing legal instruments as a functional and just system by arranging an orderly and orderly superstructure and institutional, political, social, and economic structure. Therefore, the legal system needs to be developed (law-making) and needs to be enforced (law enforcing) (30).

Sharia supervision in Islamic fin-tech lending has a strong foundation, both from sharia and legislation. In the Qur'an, among others, mentioned in the Al-Qur'an letter Ali Imron; 104 it is stated "And let there be among you a group of people who call to

righteousness, enjoy the right and forbid what is evil; they are the lucky ones." Al-Qur'an letter Fushilat; 33 also mentions "Who is better in speech than one who calls to Allah, does righteous deeds, and says: "Surely I am of those who surrender?"..

These two verses are the sharia foundation of the importance of sharia supervision in sharia fin-tech lending through evaluation and reminding each other in terms of goodness. While the juridical basis that comes from the legislation is contained in Article 5 of the Law Number 21/2011 concerning the Financial Services Authority states that the Financial Services Authority is an institution that functions to organize an integrated regulatory and supervisory system in all activities in the financial sector. These two foundations are the philosophical basis and the juridical basis for the importance of sharia supervision in sharia fin-tech lending. While the sociological basis depends on the real need from the community and sharia fin-tech lending business players for the importance of guaranteeing compliance with sharia principles in running a business through sharia supervision as a form of protection of consumer rights.

In the regulation of the financial services authority Number 77/2016, the existence of sharia fin-tech lending is not specifically regulated. This means that the rights of lenders and borrowers in sharia fin-tech lending do not obtain strong legal guarantees. Legal protection for sharia fin-tech lending consumers in Indonesia is a form of recognition and protection of human dignity which has an ideological basis in Pancasila and the implementation of the principles of the rule of law as stated in Article 3 of the 1945 Constitution. The idealism of the rule of law lies in the ability of the law to realize justice for all citizens through the principle of the rule of law, equality before the law, and protection of the rights of citizens. The spirit of state protection for citizens is stated in Article 34 paragraph 1 of the 1945 Constitution which states that the poor and neglected children are the responsibility of the state. This shows the existence of an obligation for the State to protect citizens and create welfare for all its citizens by making various efforts so that all citizens feel a just and prosperous life.

4. CONCLUSION

The protection of sharia fin-tech lending consumers needs to be realized through the regulation of sharia fin-tech lending in-laws and regulations as a means to create legal certainty, justice, and benefit. Sharia finch lending has a different philosophical basis from conventional fin-tech lending, therefore sharia fin-tech lending requires special regulations, especially in Financial Services Authority Regulation 77/2016 or other regulations that do not regulate sharia fin-tech lending at all. Sharia fin-tech lending consumers have the same rights as consumers of other financial institutions that are protected by law and are part of human rights. In addition, sharia fin-tech lending consumers also have the right to carry out economic activities according to sharia and therefore sharia fin-tech lending consumers have the right to obtain guarantees that the economic activities carried out in sharia fin-tech lending are following sharia principles or principles of Islamic law. To ensure this protection,

there must be a sharia supervisory board in every sharia fin-tech lending platforms that ensures the implementation of sharia economic principles is protected from doing things that are prohibited in economic activities. Sharia fin-tech lending consumers are entitled to protection as regulated in the law number 8 of 1999 concerning consumer protection and has the right to obtain the protection that the implementation of sharia fin-tech lending is by sharia principles of Islamic law.

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