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Reconstructing Consumer Protection in Online Lending to Prevent Economic Vulnerability in Bengkulu City

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Abstract

Online lending has expanded access to financing and raised consumer protection concerns about unequal contract terms, inadequate disclosure, misuse of personal data, debt collection practices, and borrowers' economic vulnerability. This study examined the legal framework for consumer protection in online lending and developed a model to strengthen legal certainty, promote contractual fairness, and reduce economic vulnerability in Bengkulu City. The study used a socio-legal design integrating statutory, conceptual, and empirical approaches. The literature, legal documents, and interviews with five informants involved in online lending were analyzed qualitatively. The analysis identified Indonesia's Consumer Protection Law, Civil Code, Personal Data Protection Law, and regulations issued by the Financial Services Authority as the legal foundations for consumer protection in online lending. It also identified implementation gaps in information disclosure, consent to electronic contracts, personal data governance, responsible debt collection, and complaint resolution. To address these gaps, the study proposes a model that combines contractual safeguards, personal data protection, oversight of lending providers' conduct, stronger digital financial literacy, and measures to prevent economic harm. The model provides a framework for preventing consumer harm and responding equitably to borrowers' concerns in Bengkulu City.

Keywords: Consumer Protection; Online Lending; Legal Certainty; Economic Vulnerability; Bengkulu City

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INTRODUCTION

The development of information technology has transformed the delivery of financial services, including the provision of financing facilities to the public. One manifestation of this development is online lending services, which enable individuals to access funding through digital applications or platforms without having to undergo face-to-face procedures, as commonly required in conventional financing services. This service model offers time efficiency, ease of application, and broader access to financing for groups of people who have not yet been fully served by formal financial institutions. On the other hand, such convenience is also accompanied by legal risks relating to information transparency, the balance of contractual relationships, personal data management, and debt collection practices (Arvante, 2022).

From the perspective of Indonesian law, the legal relationship between online lending service providers and borrowers cannot be separated from the principles of consumer protection and contract law. Law Number 8 of 1999 concerning Consumer Protection provides a legal basis for protecting consumers' rights to obtain accurate, clear, and honest information, receive fair treatment, and obtain compensation when the services provided are inconsistent with the agreement or applicable legal provisions (Pembayun & Gunawan, 2025). Meanwhile, the Indonesian Civil Code establishes mutual consent, legal capacity, a specific subject matter, and a lawful cause as the requirements for a valid agreement, as stipulated in Article 1320. The implementation of agreements must also comply with Article 1338, which recognizes the binding force of agreements and requires that they be performed in good faith.

Legal issues arise when contractual relationships in online lending are established through electronic systems using standard-form agreements. Consumers generally encounter contractual provisions that have been prepared in advance by service providers and presented in the form of digital consent. This situation may create an imbalance in bargaining power because consumers do not always have sufficient opportunities to understand, negotiate, or modify the clauses established by the providers. Providing consent by clicking a button on an application does not necessarily demonstrate that consumers have adequately understood all the legal and economic consequences of the transaction.

Consumer protection issues are also closely related to the management of personal data. Online lending services require the processing of various types of data for identification,

creditworthiness assessment, administration, and risk management purposes. Nevertheless, such processing must remain within the boundaries of legitimate purposes, transparency, and compliance with applicable personal data protection regulations. Law Number 27 of 2022 concerning Personal Data Protection provides a legal foundation for safeguarding the rights of personal data subjects and establishing the obligations of personal data controllers and processors (Fritiana et al., 2025).

The regulatory framework governing the financial services sector has also undergone significant development. The Financial Services Authority (*Otoritas Jasa Keuangan*/OJK) issued Financial Services Authority Regulation Number 22 of 2023 concerning Consumer and Public Protection in the Financial Services Sector, which strengthens consumer protection principles, including consumer education, information transparency, fair treatment, the protection of consumer assets and data, and complaint-handling mechanisms (OJK, 2023). Furthermore, Financial Services Authority Regulation Number 40 of 2024 concerning Information Technology-Based Joint Funding Services regulates the provision of technology-based funding services, including institutional requirements, business activities, risk mitigation, and the obligations of service providers (OJK, 2024).

Although the existing regulatory framework provides a legal foundation for consumer protection, the issue is not merely the availability of legal norms. The effectiveness of consumer protection is also determined by consumers' ability to understand information, identify potential risks, utilize complaint mechanisms, and obtain remedies when they suffer losses. Individuals facing urgent economic needs may make financing decisions based primarily on short-term necessities without fully considering their repayment obligations and the consequences of late payments.

The relationship between online lending and poverty must be examined proportionately. Online lending does not necessarily cause poverty, as financing may be used for either productive or consumptive purposes. Legal and socioeconomic problems arise when access to financing is not accompanied by transparent information, adequate repayment capacity assessments, personal data protection, and effective dispute resolution mechanisms.

Previous studies have examined legal protection for online lending consumers, the misuse of personal data, the authority of the Financial Services Authority, and the importance of digital financial literacy (SEOJK, 2025). However, studies connecting consumer

protection, contractual imbalances, and the economic vulnerability of communities within the local context of Bengkulu City still require further development. This study integrates legal, technological, and socioeconomic dimensions into a unified analytical framework. The novelty of this research lies in formulating a consumer protection framework that is not solely oriented toward safeguarding consumer rights after losses have occurred, but also emphasizes the prevention of contractual and economic risks before consumers agree to a transaction. This study aims to address two research questions. First, how is consumer legal protection in online lending practices regulated under Law Number 8 of 1999 concerning Consumer Protection and the Indonesian Civil Code in the context of digital transactions? Second, what model of consumer protection in online lending can ensure legal certainty, contractual justice, and the prevention of economic vulnerability among communities in Bengkulu City?.

METHODS

This study employs a *socio-legal* research method, which integrates normative legal analysis with observations of social practices in the implementation of law. This method was selected to analyze the reconstruction of consumer protection in online lending services as an effort to prevent economic vulnerability among communities in Bengkulu City. The study adopts three approaches: the statutory approach, the conceptual approach, and the empirical approach. The statutory approach is used to examine legal provisions governing consumer protection, contract law, personal data protection, and the provision of information technology-based funding services. Meanwhile, the conceptual approach is employed to analyze the concepts of consumer legal protection, contractual justice, the principle of good faith, and economic vulnerability in online lending transactions.

The research data consist of primary and secondary data. Primary data were obtained through interviews with five informants who were associated with the use of online lending services in Bengkulu City. The interviews focused on their experiences in using online lending services, understanding of contractual provisions, transparency of financing costs, electronic consent procedures, personal data management, and experiences related to repayment and debt collection. The identities of the informants were kept confidential and are not disclosed in this study. Secondary data were collected through a literature review involving the examination of legislation, legal books, scientific journal articles, and other

relevant documents, particularly Law Number 8 of 1999 concerning Consumer Protection, the Indonesian Civil Code, Law Number 27 of 2022 concerning Personal Data Protection, Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector, Financial Services Authority Regulation Number 22 of 2023, and Financial Services Authority Regulation Number 40 of 2024.

Data analysis was conducted qualitatively through several stages, namely identification, classification, interpretation, and conclusion drawing. Normative data were analyzed to assess the consistency and adequacy of the existing consumer protection regulations, while empirical data were used to understand people's experiences and identify problems in the implementation of online lending services. Both types of data were subsequently examined in an integrated manner to identify gaps between legal provisions and actual consumer protection practices in society. The findings of this analysis serve as the basis for formulating a reconstructed consumer protection model encompassing the strengthening of contractual protection, personal data security, supervision of service providers' conduct, information transparency, and the prevention of economic risks. The five informants involved in this study served as initial sources of empirical information and were not intended to represent the entire population of online lending users in Bengkulu City or to generate statistical generalizations.

RESULTS

Consumer protection in online lending practices is an essential aspect of the provision of information technology-based financial services. Unlike conventional financing transactions, the relationship between consumers and online lending providers takes place through electronic systems, beginning with the offering of services, disclosure of information, agreement approval, disbursement of funds, and ending with the repayment of obligations. This arrangement provides the public with easier access to financing but also creates legal risks, particularly concerning information transparency, the balance of contractual relationships, personal data protection, transaction security, and debt collection practices. Therefore, consumer protection should not merely ensure the availability of financing services but must also guarantee that every stage of the transaction is conducted fairly, transparently, and responsibly.

From a normative perspective, consumer protection in online lending services is legally grounded in Law Number 8 of 1999 concerning Consumer Protection. Article 4 grants consumers the right to receive accurate, clear, and honest information regarding the services they use. In online lending practices, this right relates to the disclosure of information concerning the amount of funds received, administrative fees, interest or economic benefits, repayment periods, penalties, and the consequences of late payments. Furthermore, Article 18 establishes restrictions on the inclusion of standard contractual clauses that may disadvantage consumers. This provision is particularly important because online lending agreements are generally prepared unilaterally by service providers through application-based systems, thereby limiting consumers' opportunities to negotiate the terms and conditions of the agreements.

From the perspective of civil law, the relationship between service providers and borrowers must still satisfy the requirements for a valid agreement as stipulated in Article 1320 of the Indonesian Civil Code. Consent given through an electronic application may constitute a form of agreement; however, it does not automatically relieve service providers of their obligation to ensure that consumers understand the substance of the agreement. The performance of agreements must also be based on the principle of good faith, as stipulated in Article 1338 paragraph (3) of the Indonesian Civil Code. Meanwhile, the protection of consumer data is legally grounded in Law Number 27 of 2022 concerning Personal Data Protection. Sector-specific regulations, particularly Financial Services Authority Regulation Number 22 of 2023 and Financial Services Authority Regulation Number 40 of 2024, further strengthen service providers' obligations to implement consumer protection principles, risk management, transparency, and proper governance in information technology-based funding services.

The identification of the existing legal framework indicates that consumer protection in online lending encompasses several key aspects. However, its implementation still requires strengthening to ensure that legal provisions provide effective protection in practice. Information transparency must ensure that consumers understand all costs and obligations before agreeing to a transaction. Contractual protection must guarantee that consent is based on adequate understanding rather than merely clicking an approval button in an application. Personal data protection must also ensure that consumer information is processed for legitimate purposes and is not misused. Furthermore, supervision of service providers'

conduct is necessary to prevent irresponsible debt collection practices and ensure the availability of complaint-handling and consumer dispute resolution mechanisms.

Table 1. Regulatory Aspects of Consumer Protection in Online Lending

Protection Aspects	Legal Framework	Focus of Protection
Consumer rights	Law Number 8 of 1999	Accurate and clear information
Agreements	Articles 1320 and 1338 of the Indonesian Civil Code	Mutual consent and good faith
Standard contractual clauses	Article 18 of Law Number 8 of 1999	Prevention of unfair and detrimental contractual clauses
Personal data	Law Number 27 of 2022	Data security and lawful data processing
Service supervision	Financial Services Authority Regulation Number 22 of 2023 and Number 40 of 2024	Governance and consumer protection

Source: Research Findings, 2026.

Table 1 demonstrates that consumer protection in online lending is supported by various legal instruments governing consumer rights, contractual relationships, personal data protection, and the supervision of service providers. Each instrument has a distinct scope of protection while complementing the others. Nevertheless, the existence of multiple regulations requires integrated implementation to ensure that consumers do not encounter difficulties in understanding their rights and obtaining legal protection when facing problems in online lending transactions.

In relation to the economic vulnerability of communities in Bengkulu City, online lending presents two dimensions that require careful consideration. On the one hand, these services can serve as an alternative source of financing to meet urgent needs, support business activities, and facilitate other productive purposes. On the other hand, the use of online loans without careful consideration of repayment capacity may result in an increasingly burdensome economic situation. Economic vulnerability may arise when the amount of repayment obligations is disproportionate to consumers' income, particularly when a substantial portion of household income is allocated to installment payments. Such conditions may reduce households' ability to meet their basic needs and increase the risk of dependence on financing.

In addition to the imbalance between income and repayment obligations, taking out new loans to repay previous loans may further increase the economic burden. This situation can create a cycle of financial dependence, particularly when consumers lack sufficient sources of income to meet their obligations on time. Late payment fees and other payment-

related consequences may exacerbate the situation when consumers experience a decline in income. Furthermore, personal data misuse and debt collection practices that violate applicable regulations may cause both social and psychological harm. Accordingly, economic vulnerability is not determined solely by the amount of borrowing but is also influenced by consumers' understanding of contractual terms, cost transparency, repayment capacity, and the effectiveness of legal protection.

In the context of Bengkulu City, preliminary empirical data were collected through interviews with five informants who had relevant experience with online lending services. The interviews were conducted to obtain information regarding their experiences in using these services, understanding of loan provisions, agreement approval procedures, cost disclosures, personal data management, and experiences related to repayment and debt collection. The interview data were used to provide empirical context for the consumer protection issues under investigation. However, the limited number of informants does not provide a comprehensive representation of all online lending users in Bengkulu City and cannot be used to measure the level of poverty within the community. Therefore, the empirical information is positioned as supporting evidence for the legal analysis, particularly in identifying issues that require attention in the reconstruction of consumer protection.

Based on the relationship between legal regulations and potential economic vulnerability, consumer protection should be directed toward preventive measures implemented before transactions take place. Consumers must receive adequate information regarding costs, risks, and repayment obligations before making financing decisions. Service providers must also consider financing eligibility and the repayment capacity of prospective borrowers to ensure that the services offered do not create disproportionate repayment burdens. Furthermore, improving digital financial literacy is essential to enable the public to identify legally authorized service providers, understand electronic agreements, assess their repayment capacity, and become familiar with complaint mechanisms when experiencing losses.

The reconstruction of consumer protection in online lending is directed toward a model that integrates four main dimensions: contractual protection and information transparency, personal data protection, supervision of service providers' conduct, and the prevention of economic vulnerability. These four dimensions are designed to ensure that protection is not provided solely after violations or losses have occurred but also operates

from the stage at which consumers consider using the services until they have fulfilled their financing obligations.

Table 2. Reconstruction of the Consumer Protection Model in Online Lending

Dimension	Form of Protection	Objective
Contractual	Cost transparency and clear consent procedures	Ensuring contractual fairness
Personal data	Restrictions on data processing and data security	Preventing data misuse
Supervision	Responsible debt collection practices and complaint mechanisms	Ensuring service provider compliance
Economic	Repayment capacity assessment and financial literacy	Preventing excessive financing burdens

Source: Research Findings, 2026.

Table 2 illustrates that the reconstruction of consumer protection is not limited to strengthening contractual regulations but also encompasses data security, supervision of service providers, and the prevention of economic risks. The contractual dimension is intended to ensure that consumers understand all contractual provisions before granting their consent. The personal data protection dimension serves to safeguard personal information against use beyond legitimate purposes. Meanwhile, supervision of service providers and the prevention of economic vulnerability aim to ensure that financing activities are conducted responsibly and do not impose burdens beyond consumers' financial capacity.

The implementation of this model requires a clear distribution of responsibilities among service providers, the Financial Services Authority (OJK), consumers, and educational institutions and community organizations. Service providers are responsible for delivering transparent information, protecting personal data, implementing risk assessment procedures, and providing accessible complaint-handling mechanisms. The Financial Services Authority plays a role in carrying out regulatory and supervisory functions over service providers in accordance with its legal authority. Consumers need to improve their understanding of their rights, obligations, and the economic consequences of using online lending services. Meanwhile, universities and community organizations can provide support through legal education and digital financial literacy programs, particularly concerning how to read contractual agreements, calculate repayment obligations, identify legally authorized services, and utilize available complaint channels.

Accordingly, the research findings indicate that the reconstruction of consumer protection in online lending must integrate legal certainty, contractual fairness, personal data

protection, supervision of service providers, and economic risk prevention. Strengthening these aspects is essential to ensure that the public not only gains convenient access to financing but also receives adequate protection when using digital financial services. In the context of Bengkulu City, a preventive, corrective, and recovery-oriented consumer protection model is expected to reduce potential consumer losses and prevent the use of online lending from becoming a contributing factor in worsening household economic vulnerability.

DISCUSSION

Consumer Protection Regulations in Online Lending Practices

Consumer protection in online lending services has characteristics that distinguish it from conventional service transactions. The relationship between consumers and service providers is established through electronic systems, meaning that the processes of offering services, disclosing information, granting consent, disbursing funds, and making repayments are conducted through digital devices. These characteristics create a need for protection encompassing contractual matters, information disclosure, personal data protection, system security, and the conduct of service providers.

Law Number 8 of 1999 concerning Consumer Protection provides a general legal foundation for consumer protection in such relationships. Article 4 affirms consumers' right to obtain accurate, clear, and honest information regarding the conditions and guarantees of services. In online lending services, the right to information must be realized through clear and comprehensible explanations concerning the amount of funds received, administrative fees, interest or economic benefits, repayment periods, penalties, and the consequences of late payments.

Information that is only available in lengthy documents or concealed in several sections of an application may undermine consumers' ability to make informed decisions. Therefore, transparency should not be assessed merely based on the formal availability of information. Information must be presented clearly, be easily accessible, and be understandable before consumers agree to the terms of a transaction. This is consistent with the principles of consumer protection in the financial services sector, which emphasize education, information transparency, fair treatment, and data protection as essential elements in the provision of financial services (Hidayat et al., 2026).

Another issue concerns the use of standard contractual clauses. In online lending transactions, contractual provisions are generally prepared in advance by service providers, while consumers are only given the option to agree or discontinue the transaction. This situation may create an imbalance because consumers have insufficient opportunities to influence the substance of the agreement. Article 18 of the Consumer Protection Law restricts the inclusion of standard contractual clauses that transfer business operators' liability or contain provisions prohibited by law.

From the perspective of civil law, the validity of online lending agreements must still satisfy the requirements stipulated in Article 1320 of the Indonesian Civil Code. Consent given through an application may constitute an expression of intent; however, the existence of such consent does not eliminate the need to assess whether consumers have received sufficient information and whether any defects of consent are present. The principle of good faith, as stipulated in Article 1338 paragraph (3), also binds the parties in the performance of their agreements.

Sector-specific regulation through Financial Services Authority Regulation Number 40 of 2024 provides a specific framework for the provision of Information Technology-Based Joint Funding Services. This regulation governs the institutional requirements of service providers, business activities, risk mitigation, and operational aspects of the services. These provisions demonstrate that service providers' responsibilities do not end with merely providing a platform but also encompass risk management in the delivery of financial services (Putra & Waluyo, 2023). Financial Services Authority Regulation Number 22 of 2023 complements this framework by strengthening consumer and public protection in the financial services sector.

In addition to contractual protection, personal data management is an inseparable aspect of online lending services. The use of consumer data for identity verification and financing eligibility assessments must have a lawful basis for processing and must be carried out in accordance with predetermined purposes. Law Number 27 of 2022 concerning Personal Data Protection establishes the rights of personal data subjects and the obligations of parties involved in personal data processing.

Based on the overall legal framework, it can be understood that consumer protection regulations governing online lending services in Indonesia have essentially covered various important aspects, ranging from the protection of consumer rights, the validity of electronic

agreements, and information transparency to personal data protection and the supervision of financial service providers. Nevertheless, the existence of these provisions across various legal instruments does not automatically guarantee effective protection. The primary challenges lie in the need to harmonize regulatory substance, clarify the division of authority among institutions, and ensure consistency in supervision and law enforcement. This is consistent with (Tan, 2023), who explains that the rapid development of peer-to-peer lending services in Indonesia presents regulatory challenges that require a comprehensive legal response to ensure that financial innovation progresses alongside consumer protection. Similarly, (Agustini et al., 2025) emphasize that addressing online lending issues requires regulatory harmonization, clear legal provisions, and dialogue among stakeholders. Accordingly, consumer protection cannot be achieved merely through the existence of legal norms but must be translated into mechanisms that are easy for the public to understand, access, and utilize when encountering problems.

Online Lending and Economic Vulnerability in the Community of Bengkulu City

The relationship between online lending and economic vulnerability needs to be analyzed by considering both the financing functions and the risks associated with them. Online lending can serve as an alternative source of financing for individuals who require immediate access to funds. When used appropriately, such financing can help meet productive needs, support business activities, or address short-term financial necessities. However, these benefits may turn into financial burdens when consumers lack adequate repayment capacity or do not fully understand all the costs arising from the transaction (Amada & Wardiono, 2025).

Economic vulnerability may arise through several mechanisms. First, there may be a mismatch between the amount of repayment obligations and consumers' income. When loan repayments account for an excessively large proportion of household income, the ability to meet basic needs may be reduced. Second, taking out new loans to repay previous obligations may increase dependence on financing. Third, late payment fees and other payment-related consequences may intensify the economic burden when consumers experience a decline in income. Fourth, personal data misuse or debt collection practices that violate applicable regulations may result in non-material losses and worsen consumers' social conditions.

These four mechanisms indicate that the risks of online lending cannot be assessed solely on the basis of the loan amount. The assessment must also consider repayment

capacity, the purpose of borrowing, cost transparency, existing financial obligations, and the availability of protection mechanisms. Accordingly, the relationship between online lending and poverty should not be analyzed simplistically by assuming that every use of online lending services leads to poverty.

In the context of Bengkulu City, this study incorporates people's experiences into its analysis of how consumer protection is implemented in practice. Interviews with five informants were conducted as part of the initial empirical data collection. The information gathered focused on experiences in using online lending services, understanding of contractual agreements, cost disclosures, personal data usage, and repayment-related issues. Nevertheless, the number of informants is insufficient to represent the entire population of Bengkulu City or to measure the extent of the impact of online lending on poverty levels.

The limited use of interview data nevertheless has value in socio-legal research because it can identify issues that require further examination from a legal perspective. Consumers' experiences can be compared with the protection standards established under applicable legislation. Where discrepancies arise between actual practices and legal provisions, the analysis can be directed toward assessing service providers' responsibilities and the available mechanisms for legal remedies.

The relationship between online lending and poverty alleviation must also be considered within a broader development framework. Consumer protection does not directly eliminate structural poverty; however, it can reduce the risk of economic losses arising from imbalanced financing relationships. Consumers who receive adequate information, understand their contractual obligations, and have access to complaint-handling mechanisms are better equipped to make informed financial decisions.

Therefore, strengthening consumer protection should focus on preventing risks from the pre-transaction stage. Service providers must present transparent information, ensure that financial products are appropriate to consumers' characteristics, and implement risk mitigation measures that take prospective borrowers' repayment capacity into account. On the consumer side, legal education and digital financial literacy are necessary to ensure that decisions to use online lending services are based on an adequate understanding of their benefits, costs, risks, and legal consequences. This argument is consistent with the research conducted by (Rahadiyan & Mentari, 2021), which explains that information transparency in peer-to-peer lending services serves as a risk mitigation instrument because it helps

prospective borrowers understand their financial capacity and the consequences of transactions before making decisions. Furthermore, (Manihuruk et al., 2025) found that digital contract transparency has a positive and significant effect on decisions to use online lending services. These findings demonstrate that clarity of information in digital agreements is an important factor in establishing a more transparent relationship between service providers and consumers.

Reconstruction of a Fair Online Lending Consumer Protection Model

Strengthening consumer protection in online lending requires an approach that integrates contractual law, data governance, supervision of service providers, and the prevention of economic vulnerability (Refania et al., 2025). A protection framework that focuses solely on dispute resolution after losses have occurred is insufficient to address the characteristics of digital transactions. Therefore, this study proposes a consumer protection framework that operates from the pre-contractual stage through the fulfillment of financing obligations and the resolution of consumer complaints.

First, contractual protection and information transparency. This dimension places the quality of consumer consent at the center of the legal relationship between consumers and service providers. Information regarding loan amounts, fees, interest or economic benefits, repayment periods, penalties, and the consequences of late payments must be presented clearly before consumers agree to the contract. Service providers must also ensure that consumers can access the contractual documents again after the transaction has been completed.

Second, personal data protection and transaction security. This dimension focuses on restricting data processing to legitimate purposes, safeguarding information security, and preventing the use of personal data beyond the purposes of the services provided. Service providers must ensure that consumer data are not used arbitrarily and that consumers receive adequate information regarding the processing of their personal data.

Third, supervision of service providers' conduct and remedial mechanisms. This dimension encompasses the obligation of service providers to conduct their business activities responsibly, carry out debt collection in accordance with applicable regulations, and provide effective complaint-handling mechanisms. Supervision by the Financial Services Authority OJK must function as an instrument to ensure that service providers comply with consumer protection principles.

Fourth, the prevention of economic vulnerability. This dimension emphasizes the importance of financing risk mitigation and improving consumer literacy. Service providers must consider financing eligibility and prospective borrowers' ability to fulfill their repayment obligations. At the same time, consumer education must focus on understanding financing costs, late payment risks, repayment capacity, and the consequences of using new loans to settle previous obligations.

These four dimensions form a protection framework characterized by preventive, corrective, and recovery-oriented measures. The preventive dimension operates before transactions through information transparency, meaningful consent, and risk assessment. The corrective dimension operates when violations occur through complaint mechanisms, supervision, and enforcement of service providers' obligations. The recovery dimension ensures that consumers have access to dispute resolution and compensation for losses in accordance with applicable legal provisions.

The implementation of this model requires a clear distribution of roles and responsibilities. Service providers are responsible for ensuring that their services comply with applicable regulations, that information is disclosed transparently, and that consumer data are protected. The Financial Services Authority performs its regulatory and supervisory functions in accordance with its legal authority. Consumers need to improve their understanding of their rights, obligations, and financing risks. Universities and community organizations can contribute through legal education and digital financial literacy programs. This is consistent with the studies conducted by (Arifin et al., 2023; Setiabudi et al., 2020), which emphasize that low levels of public literacy regarding digital financial services and consumer rights are among the factors contributing to consumer losses. Therefore, stronger supervision by the Financial Services Authority and continuous public education are necessary.

In the context of Bengkulu City, the implementation of this protection model must take into account community characteristics and access to information concerning digital financial services. Education should not be limited to the delivery of general information but must also develop practical skills, including the ability to read contractual agreements, calculate repayment obligations, identify licensed service providers, and utilize complaint-handling channels.

Accordingly, consumer protection can function as an instrument for reducing financing risks that may potentially worsen household economic conditions. This reconstruction also requires harmonization among general consumer protection provisions, contract law, personal data protection regulations, and financial services sector regulations. Such harmonization is necessary to ensure that consumers receive consistent protection standards at every stage of a transaction. When agreements are established through electronic systems, the principles of civil law remain applicable; when personal data are processed, personal data protection provisions must be observed; and when services are provided by financial services business entities, the principles of consumer protection in the financial services sector must also be implemented.

CONCLUSION

Based on the research findings, it can be concluded that consumer protection in online lending practices in Indonesia has a legal foundation in Law Number 8 of 1999 concerning Consumer Protection, the Indonesian Civil Code, Law Number 27 of 2022 concerning Personal Data Protection, and Financial Services Authority regulations, particularly Financial Services Authority Regulation Number 22 of 2023 and Number 40 of 2024. These legal provisions provide a basis for fulfilling consumers' rights to information transparency, fairness in contractual relationships, personal data security, and complaint resolution. However, the existence of regulations is insufficient unless accompanied by effective implementation that ensures consumers understand the contents of electronic agreements, financing costs, repayment obligations, and the resulting legal and economic consequences. Online lending does not automatically cause poverty; nevertheless, it may increase economic vulnerability when repayment obligations are disproportionate to income capacity, when consumers become dependent on new loans, or when they are exposed to detrimental fees and debt collection practices. Therefore, this study formulates a reconstruction of consumer protection through four integrated dimensions: contractual protection and information transparency; personal data protection; supervision of service providers' conduct and remedial mechanisms; and the prevention of economic vulnerability through financing risk mitigation and improved digital financial literacy. These four dimensions are expected to establish a consumer protection system that is not merely repressive in responding to losses after they occur but also preventive in addressing potential risks before transactions take place, particularly for online lending users in Bengkulu City.

This study contributes to the development of consumer protection law by integrating the perspectives of contract law, personal data protection, financial services sector supervision, and the prevention of economic vulnerability in online lending practices. The primary contribution of this research lies in formulating a consumer protection reconstruction model that does not merely emphasize the fulfillment of consumer rights after violations have occurred but also positions information transparency, meaningful contractual consent, personal data security, supervision of service providers' conduct, and repayment capacity assessment as preventive instruments. In practical terms, this model can serve as a framework for consideration by service providers, the Financial Services Authority, local governments, and community organizations in strengthening consumer protection. In the context of Bengkulu City, this study also highlights the importance of legal literacy and digital financial literacy as integral components of efforts to reduce financing risks that may worsen household economic conditions.

Future research is recommended to expand the scope of empirical studies by involving a larger and more diverse number of informants, including online lending users, service providers, regulators, and consumer assistance organizations in Bengkulu City. Further research should also explore people's experiences in greater depth, particularly regarding their understanding of electronic agreements, cost transparency, personal data usage, debt collection practices, and the effectiveness of complaint-handling and dispute resolution mechanisms. In addition, further studies are needed to measure the relationship between online lending usage, the proportion of repayment obligations relative to household income, repeated borrowing patterns, and the economic vulnerability of communities. Empirical approaches involving broader geographical coverage and more diverse respondent characteristics may provide a more representative picture of the socioeconomic impacts of online lending services on society. The findings of such studies are expected to serve as a basis for evaluating the effectiveness of the proposed consumer protection model while generating policy recommendations that are more operational, measurable, and responsive to the needs of public protection in the era of digital financial services.

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