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Legal Protection for Investors in Peer-to-Peer Lending Financial Technology Following the UU P2SK

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ABSTRACT

The growth of peer-to-peer lending in the financial technology sector has been rapid, but it has been accompanied by various risks that threaten the interests of investors or fund providers known as lenders ranging from default risks and a lack of transparency in risk mitigation to the prevalence of illegal online lending practices. The enactment of Undang-Undang Nomor 4 Tahun 2023 tentang Pengembangan dan Penguatan Sektor Keuangan has brought fundamental changes to the legal framework for P2P lending fintech, including by affirming its status as part of the Financing Services Business, which is subject to direct regulation and supervision by the Otoritas Jasa Keuangan (OJK). This study aims to analyze the form of legal protection for P2P lending fintech investors following the enactment of the UU P2SK. This study employs a normative legal research method using a statutory and conceptual approach, supported by a literature review of laws and regulations, court decisions, and Scopus-indexed academic literature. The results show that the UU P2SK strengthens the legal foundation for P2P lending fintech through requirements for business licenses from the OJK, membership in directly supervised associations, a prohibition on operators acting as both lenders and borrowers, and the strengthening of enforcement measures against illegal online lending. Legal protections for investors still face challenges, particularly regarding the allocation of default risks which are largely borne by investors the lack of certainty in enforcing penalties against operators whose business licenses have been revoked, and the suboptimal integration between the UU P2SK and the Undang-Undang Perlindungan Data Pribadi. This study recommends strengthening further technical regulations, improving the transparency of risk management, and reinforcing dispute resolution mechanisms that favor investors, who are structurally in a weaker position than platform operators.

1. Introduction

Advances in information technology have given rise to various innovations in the financial services sector that have fundamentally transformed how the public accesses financing services. One of the most tangible manifestations of this transformation is the emergence of *Financial Technology* (*Fintech*).[1] One of the fastest-growing *fintech* business models in Indonesia is *Peer-to-Peer Lending* (*P2P Lending*), which is a service for lending and borrowing money in rupiah directly between lenders referred to as *lenders* or investors and *borrowers* through an information technology-based platform, without the intermediation of conventional banking institutions.[2] Conceptually, *P2P lending* eliminates the role of financial institutions as intermediaries and connects investors with borrowers directly through a mechanism similar to an online marketplace.

This business model offers benefits to both parties: investors have the potential to earn relatively higher returns compared to conventional savings instruments, while borrowers gain faster and simpler access to financing particularly for micro, small, and medium-sized enterprises (UMKM) that struggle to access bank financing. This convenience, however, carries significant risks, especially for investors who are placing their funds. These risks include *default risk* on the part of borrowers, the risk of misuse of personal data, and the risk posed by the proliferation of illegal online lending platforms that lack licenses and oversight from regulators.[3]

Prior to 2023, the regulation of *P2P lending fintech* in Indonesia was based solely on Peraturan Otoritas Jasa Keuangan (POJK), specifically POJK No. 77/POJK.01/2016, which was later replaced by POJK No. 10/POJK.05/2022 on Layanan Pendanaan Bersama Berbasis Teknologi Informasi (LPBBTI).[4] The absence of a legal foundation at the level of a law was viewed as a structural weakness, as POJK are hierarchically subordinate to laws and are vulnerable to legal uncertainty, including regarding the enforcement of criminal sanctions against illegal practices.[5]

The enactment of Undang-Undang Nomor 4 Tahun 2023 tentang Pengembangan dan Penguatan Sektor Keuangan atau UU

[1] Päivi Hutukka, "Fintech Law in the European Union , the United States and China : Regulation of Fi Nancial Technology in Comparative Context" 31, no. 5 (2024): 559–94, https://doi.org/10.1177/1023263X241298416.

[2] Dewan Komisioner and Otoritas Jasa, "Peraturan Otoritas Jasa Keuangan Nomor 10/POJK.05/2022 Tahun 2022 Tentang Layanan Pendanaan Bersama Berbasis Teknologi Informasi," no. 2 (2022).

[3] Hari Sutra Disemadi, "Pandecta Fenomena Predatory Lending : Suatu Kajian Penyelenggaraan Bisnis Fintech P2P Lending Selama Pandemi Covid-19 Di Indonesia" 16, no. 1 (2021): 55–67.

[4] Komisioner and Jasa, "Peraturan Otoritas Jasa Keuangan Nomor 10/POJK.05/2022 Tahun 2022 Tentang Layanan Pendanaan Bersama Berbasis Teknologi Informasi."

[5] David Tan, "Demystifying the Proliferation of Online Peer-to-Peer Lending in Indonesia: Decoding Fintech as a Regulatory Challenge," *Asian Journal of Law and Society* 10 (2023): 376–400, https://doi.org/10.1017/als.2022.21.

P2SK marked a significant turning point, as it was the first time that *P2P lending fintech* referred to in the UU P2SK as part of Layanan Pendanaan Bersama Berbasis Teknologi Informasi, was explicitly regulated under the Financing Services Business framework at the level of a law.[6] The UU P2SK mandates business licensing from the OJK, membership in a strictly supervised association, a prohibition on operators acting as both lenders and borrowers, and the strengthening of oversight and law enforcement instruments against illegal online lending.[7] As a follow-up to the UU P2SK, the OJK also issued Peraturan OJK Nomor 40 Tahun 2024 tentang LPBBTI as a revision to POJK Nomor 10/POJK.05/2022.[8]

Strengthening this legal framework does not automatically resolve all investor protection issues. Data shows that the OJK has still had to revoke the business licenses of a number of *fintech lending* operators due to defaults and administrative violations, including high-profile cases involving significant amounts of investor funds. This naturally raises fundamental questions about the extent to which the UU P2SK truly provides adequate legal protection for investors, who are structurally in a weaker position compared to platform operators.

This study aims to conduct an in-depth examination of the forms of legal protection for *P2P fintech lending* investors following the enactment of the UU P2SK, both from the perspective of preventive regulations (licensing, supervision, risk management) and repressive measures including administrative and criminal sanctions while also identifying legal loopholes that still require attention from policymakers.[9]

2. Results and Discussion

What Is *Financial Technology Peer-to-Peer Lending* and Its Legal Characteristics

Financial technology peer-to-peer lending, also known as fintech P2P lending, is an innovation in the financial services sector that utilizes information technology to directly connect parties with excess funds lenders or investors with those in need of funds *borrowers* without the intermediation of conventional banking institutions.[10] The development of the legal terminology *for fintech P2P lending* in Indonesia can be

[6] Undang-undang Dasar and Republik Indonesia Tahun, "Undang-Undang Nomor 4 Tahun 2023 Tentang Pengembangan Dan Penguatan Sektor Keuangan (UU P2SK)" 1, no. 163979 (2023).

[7] OJK Institute, "Peluang Dan Tantangan Fintech P2P Lending Di Era UU P2SK," 2023, https://www.ojk.go.id/ojk-institute/id/capacitybuilding/upcoming/3824/peluang-dan-tantangan-fintech-p2p-lending-di-era-uu-p2sk.

[8] Dewan Komisioner and Otoritas Jasa, "POJK 40 Tahun 2024 Layanan Pendanaan Bersama Berbasis Teknologi Informasi," 2024.

[9] Ryan Randy, Indra Budi, and Betty Purwandari, "Detection of Fintech P2P Lending Issues in Indonesia," *HLY* 7, no. 4 (2021): e06782, https://doi.org/10.1016/j.heliyon.2021.e06782.

[10] I Made Wirya Darma, Putu Gede, and Andre Putra, "Legal Protection of Parties in Online Credit Agreement (Peer to Peer Lending) A Case Study of PT Vcard Technology Indonesia," no. 164 (2019): 511–32.

mapped out across 3 (three) regulatory phases. The first phase was marked by Peraturan Otoritas Jasa Keuangan Nomor 77/POJK.01/2016, which introduced the term Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi commonly referred to as LPMUBTI. The second phase was marked by Peraturan Otoritas Jasa Keuangan Nomor 10/POJK.05/2022, which replaced that term with Layanan Pendanaan Bersama Berbasis Teknologi Informasi known as LPBBTI, a shift in terminology that is not merely editorial in nature but reflects a paradigm shift from ordinary civil lending and borrowing transactions to crowdfunding activities that are closer in nature to collective investment activities.[11] The third phase is the formal recognition of LPBBTI as Financing Service Businesses at the statutory level through the UU P2SK, which for the first time provides a primary legal framework for this industry beyond the scope of POJK regulations alone.

The shift in terminology from "lending and borrowing money" to "collaborative financing" is also relevant in relation to the concept of non-bank financial institutions that perform functions similar to those of banks, given that *P2P lending fintech platforms* essentially perform some of the same financial intermediation functions as banks but operate outside the stricter banking regulatory regime, including not being subject to minimum capital requirements and deposit insurance mechanisms as applicable to commercial banks.[12]

From a civil law perspective, *fintech P2P lending* creates a tripartite legal relationship namely, between investors or fund providers, borrowers or fund recipients, and the platform operator as the provider of the electronic system.[13] The characteristic that fundamentally distinguishes *fintech P2P lending* from conventional financial institutions lies in the platform operator's status: it is legally prohibited from acting as either a fund provider or a fund recipient in the transactions it facilitates. This prohibition serves as a legal mechanism to prevent conflicts of interest that could harm investors for example, through the practice of channeling funds to affiliated parties without an independent and objective credit assessment process.

From a contract law perspective, agreements within the *P2P lending fintech* ecosystem actually consist of 2 (two) layers of agreements with different legal subjects: a service agreement between the user and the *platform* operator, and a lending agreement

[11] Neni Sri Imaniyati & Panji Adam Agus Putra, *Hukum Fintech Dan Inovasi Jasa Keuangan Digital* (Bandung: PT Refika Aditama, 2021).
[12] Urgensi Pembentukan and Regulasi Shadow, "Urgency of Shadow Banking Regulation for Financial Technology Loan Loan Service Based in Indonesia" 8, no. 30 (2020).
[13] Darma, Gede, and Putra, "Legal Protection of Parties in Online Credit Agreement (Peer to Peer Lending) A Case Study of PT Vcard Technology Indonesia."

that directly binds the investor and the borrower.[14] This separation of the 2 (two) layers of agreements has significant legal consequences: the *platform* operator is not, in essence, a party to the lending agreement itself, so its legal liability for a borrower's default is limited, unless there is a breach of contract, an unlawful act, or a tort committed by the operator in performing its facilitation functions such as negligence in the verification process or risk mitigation.

Traditional legal analysis of investments distinguishes between direct investments and portfolio investments, both of which require capital investment with the expectation of future profits accompanied by inherent risks.[15] Although *P2P lending fintech* is formally classified as a Financing Services Business and not as a security under the Capital Market Law, in substance it possesses the characteristics of a portfolio investment because investors place funds with the expectation of returns in the form of interest or profit-sharing, while simultaneously bearing the risk of losing part or all of their principal due to borrower default.

This investment nature underscores the relevance of studying *P2P lending fintech* within the realm of investment law, as fundamental principles of investment law such as legal certainty, fair and equal treatment, and transparency of information for investors should also inform the regulation *of P2P lending fintech*, even though this instrument is not traded on an exchange and is not subject to the capital market oversight regime.[16] A number of recent studies have even explicitly emphasized the close connection between P2P lending and investment law in Indonesia, while also recommending harmonization between investment laws, banking laws, and *fintech* regulations to strengthen cross-sectoral investor protection mechanisms.[17] It is this characteristic of high-risk investment that fundamentally distinguishes the status of *P2P lending fintech* investors from that of bank depositors, whose funds are protected by a deposit insurance mechanism through the Deposit Insurance Corporation.[18] The absence of a similar guarantee mechanism for *P2P lending fintech* investors underscores the importance of a robust preventive legal framework, as the only "safety net " available to investors is the quality of risk management

[14] Khasanudin & Budi Santoso, "Analysis of Financial Technology Product Contracts Peer to Peer Lending Syariah Platform Ammana.Id," *Journal of Law and Legal Reform* 3, no. 2 (2022): 185–214, https://doi.org/10.15294/jllr.v3i2.54623.

[15] Salim HS & Budi Sutrisno, *Hukum Investasi Di Indonesia* (Jakarta: RajaGrafindo Persada, 2021).

[16] Erman Rajagukguk, *Hukum Investasi: Penanaman Modal Asing (PMA) Dan Penanaman Modal Dalam Negeri (PMDN)* (Universitas Al-Azhar Indonesia Press, 2017).

[17] Andries Yody, Ravelino Maramis, and Kata Kunci, "Keterkaitan Peer-to-Peer Lending Dengan Hukum Investasi Di Indonesia" 3, no. 1 (2025): 1183–94.

[18] Philipus M. Hadjon, *Perlindungan Hukum Bagi Rakyat Di Indonesia: Sebuah Studi Tentang Prinsip-Prinsipnya, Penanganannya Oleh Pengadilan Dalam Lingkungan Peradilan Umum Dan Pembentukan Peradilan Administrasi Negara* (PT Bina Ilmu, 1987).

and the transparency of information required of operators not a guarantee of fund recovery following a loss.

From a legal protection perspective, the position of investors in *fintech P2P lending* has unique characteristics because investors bear the majority of the credit risk from borrowers, unlike bank customers whose funds are guaranteed through a deposit insurance mechanism. It is precisely these characteristics that serve as the fundamental reason why legal regulations governing *fintech P2P lending* must give special attention to investor protection whether through obligations regarding the transparency of risk information, operators' risk management obligations, or dispute resolution mechanisms that prioritize the interests of investors as the structurally weaker party in this legal relationship.

Regulation of *Fintech Peer-to-Peer Lending* Following the P2SK Law

The UU P2SK was enacted in response to 3 (three) structural issues in Indonesia's financial sector: the shallow nature of the financial sector, the suboptimal role of financial institutions as intermediaries, and the low level of consumer protection in the financial sector including within the *fintech lending* ecosystem, whose growth has far outpaced the readiness of the legal framework at the statutory level.[19] The UU P2SK was drafted using an omnibus law approach that amends, repeals, and/or establishes new provisions for more than a dozen financial sector laws simultaneously, with the aim of simplifying the regulatory fragmentation that has long been scattered across various sectoral laws and regulations.[20] This omnibus nature carries important methodological implications for interpreting the UU P2SK, namely that provisions regarding *P2P lending fintech* cannot be read in isolation but must be interpreted systematically alongside provisions on strengthening the OJK's authority, strengthening the Deposit Insurance Corporation, and provisions on financial sector technological innovation in general which together form a single regulatory ecosystem for the digital financial services sector.

The licensing mechanism under the UU P2SK is multi-layered, requiring not only a business license from the OJK as stipulated in Pasal 237 UU P2SK, but also mandatory membership in an association that has obtained written approval from the OJK as stipulated in Pasal 126 ayat (1) dan (2) UU P2SK.[21] This multi-layered supervisory structure positions the Indonesian

[19] Dasar and Tahun, "Undang-Undang Nomor 4 Tahun 2023 Tentang Pengembangan Dan Penguatan Sektor Keuangan (UU P2SK)."
[20] Indotelko, "UU P2SK, Legitimasi Negara Bagi Fintech," 2023, https://www.indotelko.com/read/1674352424/uu-p2sk-legitimasi.
[21] Dasar and Tahun, "Undang-Undang Nomor 4 Tahun 2023 Tentang Pengembangan Dan Penguatan Sektor Keuangan (UU P2SK)."

Crowdfunding Fintech Association as a supervisory partner that carries out market-discipline-based oversight functions through a code of ethics and membership sanction mechanisms, serving as a complementary to the OJK's direct supervision.

As implementing regulations for the UU P2SK, Peraturan Otoritas Jasa Keuangan Nomor 40 Tahun 2024 tentang LPBBTI introduces a number of strengthening measures not explicitly contained in POJK Nomor 10/POJK.05/2022, including the obligation of operators to enhance users' understanding of funding risks and to conduct a more in-depth analysis of funding risks as part of risk mitigation and protection for *lenders*.[22] These provisions are further reinforced by Surat Edaran Otoritas Jasa Keuangan Nomor 19/SEOJK.06/2023 tentang Penyelenggaraan LPBBTI, which provides more technical guidance on the procedures for disclosing funding risk levels to prospective investors before a funding decision is made.[23] The OJK also continues to strengthen the governance of the LPBBTI industry through the 2023–2028 LPBBTI roadmap, which aims to improve the effectiveness and efficiency of supervision, promote healthy and ethical industry growth, and continuously strengthen consumer and investor protection.

On the enforcement front, institutional strengthening is also reflected in the transformation of the Investment Awareness Task Force into the Task Force for the Eradication of Illegal Financial Activities (Satgas PASTI) pursuant to Keputusan Dewan Komisioner OJK Nomor 1/KDK.08/2023, with a broader scope of membership and authority, covering the entire financial services sector and not limited to addressing illegal investment activities alone. From 2017 through mid-2024, Satgas PASTI has shut down thousands of illegal financial entities, including thousands of illegal online lending entities, while also blocking bank accounts or *virtual accounts* suspected of being used for illegal online lending activities.[24] Further enforcement measures are reflected in the issuance of Peraturan Otoritas Jasa Keuangan Nomor 22 Tahun 2023 tentang Perlindungan Konsumen dan Masyarakat di Sektor Jasa Keuangan, which among other things, regulates the obligation to maintain the confidentiality and security of consumer data, prohibits clauses that limit business operators' liability in standard contracts, restricts access to data from users' device cameras, microphones, and location, and

[22] Komisioner and Jasa, "POJK 40 Tahun 2024 Layanan Pendanaan Bersama Berbasis Teknologi Informasi."

[23] "SEOJK 19-SEOJK.06-2023 Penyelenggaraan Layanan Pendanaan Bersama Berbasis Teknologi Informasi (LPBBTI)," 2023.

[24] Keuangan Ilegal, Serta Pinjol, and Ilegal Dan, "Satgas Pasti Blokir 22 Entitas Penawaran Investasi Kegiatan Keuangan Ilegal Serta 625 Pinjol Ilegal Dan Pinpri," 2023.

establishes guidelines for ethical debt collection practices by financing providers, including *P2P lending fintech companies*.[25]

Developments indicate that the legal framework for *P2P lending fintech* following the P2SK Law remains dynamic. The Indonesian Peer-to-Peer Lending Fintech Association (AFPI), as the industry's official association, has proposed several provisions for the revision of the UU P2SK, including a reaffirmation of the objectives of protecting the public's legal certainty, and the integrity of the digital financial system, as well as ensuring equal standing for fintech lending platforms alongside other financial institutions to strengthen the legal foundation against digital crimes such as fraud that harms *lenders*.[26] As a measure to mitigate systemic risk, the OJK has also established a policy limiting the debt-to-income ratio to a maximum of 30% for borrowers, effective in 2026 a preventive step that indirectly protects investors' interests by reducing the potential risk of default resulting from borrowers' excessive debt burdens.

This development aligns with the industry's call for further revisions to the UU P2SK to strengthen the criminal framework against illegal online lending practices and digital crimes within the peer-to-peer (P2P) lending ecosystem. As a regional and global comparative context, studies on alternative funding instruments which have a more explicit investment character than *P2P lending* also indicate that other countries continue to adjust their legal frameworks to balance the growth of financial innovation with investor protection; thus, the dynamic nature of *P2P lending fintech* regulations in Indonesia is not an isolated phenomenon.[27]

Legal Protection for Investors in *Peer-to-Peer Fintech Lending* Following the UU P2SK

Legal protection for the public at can essentially be divided into preventive legal protection which aims to prevent disputes or losses through regulations that govern and restrict actions before they are taken and repressive legal protection which aims to resolve disputes or recover losses that have already occurred. The most fundamental form of preventive protection for investors is the obligation of information transparency, as rational funding decisions can only be made if investors have access to material information regarding the borrower's risk

[25] Dewan Komisioner and Otoritas Jasa, "POJK 22 Tahun 2023 Pelindungan Konsumen Dan Masyarakat Di Sektor Jasa Keuangan," 2023.

[26] Subkhi Abdul Aziz, Ria Jayanthi, and Anggini Dinaseviani, "The Role of Bank and Startup Fintech P2P Lending in Supporting Financial Credit for Indonesian Farmers" 12, no. 1 (2024): 47–66, https://doi.org/10.22437/ppd.v12i1.23575.

[27] Prateek Gupta; Shivansh Singh; Renu Ghosh; Sanjeev Kumar; Chirag Jain, "Regulatory Framework on Governing Equity Crowdfunding: A Systematic Literature Review and Future Directions," *Journal of Financial Regulation and Compliance* 32, no. 4 (2024): 421–444, https://doi.org/10.1108/JFRC-10-2023-0160.

profile.[28] In practice, the primary indicators used are the Payment Success Rate (TKB) and the Delinquency Rate over 90 Days (TWP90), which must be published by the platform operator as part of the principle of information transparency. This obligation can be compared to the information disclosure regime under the Capital Market Law, which requires issuers to disclose material information to the public, even though the legal instruments and supervisory authorities differ.[29] The effectiveness of these transparency obligations remains questioned by some quarters, given that the methodologies used by each platform operator to calculate TKB and TWP90 have not yet been fully standardized, thereby allowing operators to present data that is technically accurate but does not fully reflect the actual level of risk to investors.[30] The prohibition on operators acting as either providers or recipients of funds serves as a preventive measure to safeguard the operators' independence as neutral parties in bringing together investors and borrowers. This measure is reinforced by the OJK's business licensing requirement, which serves as an initial screening mechanism to ensure that only operators with adequate capital, governance, and risk management systems can raise funds from investors, thereby indirectly functioning as a quality-screening tool before investors commit their funds.

In terms of repressive protection, the OJK has the authority to impose tiered administrative sanctions ranging from written warnings and restrictions on business activities to the revocation of business licenses, as reflected in the supervisory powers granted by the Financial Services Authority Law.[31] The OJK may revoke the business license of a licensed *fintech lending* operator due to default issues and administrative violations involving significant amounts of investor funds. On the criminal side, repressive provisions are supported by the Criminal Code and the Electronic Information and Transactions Law, which impose criminal penalties for debt collection practices accompanied by threats or violence, while the Personal Data Protection Law imposes criminal and administrative sanctions for the unauthorized misuse of *fintech lending* users' personal data.[32] The protection of investors' personal

[28] Jurnal Hukum and Ilmu Sosial, "Regulasi Dan Lisensi Mengenai Perlindungan Hukum Investor Di Platform Fintech Peer-To-Peer Lendingdalam Hukum Konvensional" 4, no. September (2025): 157–68.
[29] Republik Indonesia, "UU Nomor 8 Tahun 1995 Tentang Pasar Modal," 1995.
[30] Hari Sutra Disemadi, Mochammad Abizar Yusro, and Wizna Gania Balqis, "The Problems of Consumer Protection in Fintech Peer To Peer Lending Business Activities in Indonesia" 3, no. 2 (2020): 91–97.
[31] Pemerintah Republik Indonesia, "Undang-Undang Nomor 21 Tahun 2011 Tentang Otoritas Jasa Keuangan" (2011).
[32] Transaksi Elektronik, "Undang-Undang Nomor 19 Tahun 2016 Perubahan Atas Undang-Undang Nomor 11 Tahun 2008 Tentang Informasi Dan Transaksi Elektronik," 2016.

data is crucial, given that investors' financial and personal data are primary targets in various data breach cases within the *fintech* sector, as demonstrated by a number of studies that have exposed the dark side of user data protection in online lending services in Indonesia.[33] The provisions of the Consumer Protection Act are also relevant as a foundation for additional repressive protections, given that *P2P fintech lending* investors are essentially also consumers of financial services who are entitled to accurate, clear, and honest information regarding the terms and guarantees of the products or services they use.[34] The synergy between the UU P2SK, POJK 22/2023, and the Consumer Protection Law forms a multi-layered, complementary framework of protective measures, although its implementation on the ground still faces challenges related to interagency coordination.[35]

The main issue in the legal protection of *P2P lending fintech* investors is the structure of default risk allocation, which generally still places the full burden on investors a logical consequence of the product's nature as a risky investment rather than a guaranteed deposit.[36] Placing the full burden of risk on investors becomes problematic when defaults occur not solely due to the borrower's bad faith, but rather due to *the platform* operator's inadequate creditworthiness assessment process, thereby raising questions regarding the proportionality of risk allocation between the party bearing the losses and the party controlling the risk mitigation process. From an investment law perspective, the absence of a proportional risk-sharing mechanism contradicts the principle of balance between the rights and obligations of the parties a principle that ideally underpins every investment legal relationship especially when the platform operator is the party with full control over the credit scoring system yet bears no direct financial consequences for the system's failure.

The second issue is the lack of legal certainty regarding the fate of investors' funds following the revocation of an operator's business license. From a legal standpoint, the revocation of an operator's business license does not nullify the legal lending relationship between investors and borrowers; thus, investors' collection rights remain in effect. However, in practice, investors face significant difficulties in

[33] Admiral Admiral, Mega Ardina Pauck, and Universitas Islam Riau, "Unveiling the Dark Side of Fintech : Challenges and Breaches in Protecting User Data in Indonesia ' s Online Loan Service" 7, no. 2 (2023).
[34] Undang-Undang, "Undang-Undang Nomor 8 Tahun 1999 Perlindungan Konsumen," *Undang-Undang Nomor 8 Tahun 1999*, no. 8 (1999): 1–19, https://peraturan.bpk.go.id/Home/Details/45288/uu-no-8-tahun-1999.
[35] Neni Sri Imaniyati; Panji Adam Agus Putra, *Perlindungan Konsumen Jasa Keuangan* (Bandung: PT Refika Aditama, 2024).
[36] Law Review, "Perlindungan Hukum Bagi Pemberi Pinjaman Terhadap Resiko Gagal Bayar Pinjaman Online" 03, no. 01 (2023): 14–31, https://doi.org/10.52850/palarev.v3i1.948.

enforcing their rights without the support of the collection systems, data, and infrastructure from the operator that has ceased operations. This legal vacuum highlights the absence of a clear mechanism for the transition of data and claims when an operator's license is revoked—a gap that should ideally be addressed through further technical regulations, such as requiring operators to appoint an independent third party to continue claim administration functions should the primary operator cease operations or have its license revoked, as is commonly practiced in structured finance arrangements across various jurisdictions.

The third issue is the suboptimal integration of oversight between the OJK, as the supervisory authority for the financial services sector, and the personal data protection supervisory agency established under the Personal Data Protection Act.[37] To date, there is no formal coordination mechanism specifically governing cross-sectoral oversight of *fintech lending* investors' data security; consequently, oversight of this aspect remains fragmented and scattered across various sector-specific regulations, ranging from OJK Regulation No. 22/2023, the ITE Law, to the Personal Data Protection Law itself.[38] Personal data protection regulations in various jurisdictions also demonstrate that the effectiveness of data protection for digital financial consumers heavily depends on the independence and enforcement authority of the personal data supervisory agency , an institution that is still in the process of being established in Indonesia.

The UU P2SK brings significant structural progress in strengthening preventive legal protections for P2P lending fintech investors, particularly through the strengthening of the legal basis for licensing at the law level, risk transparency obligations, the strengthening of the role of associations as supervisory partners, and the strengthening of enforcement instruments through the Satgas PASTI and tiered administrative sanctions. However, legal loopholes such as the disproportionate allocation of default risks, uncertainty regarding enforcement following the revocation of business licenses, and suboptimal integration of personal data oversightindicate that investor legal protection under the UU P2SK remains predominantly preventive and is not yet fully supported by adequate enforcement mechanisms or redress mechanisms in the event of losses.[39]

Efforts to further strengthen these protections can be directed toward 3 (three) areas: first, the formulation of technical

[37] Negara Republik, "Undang-Undang Nomor 27 Tahun 2022 Tentang Pelindungan Data Pribadi," no. 016999 (2022).
[38] Hukumonline, "Eksistensi P2P Lending Usai UU P2SK & UU PDP," 2023, https://rcs.hukumonline.com/insights/Hukumonline-AFPI-2023.
[39] Soonpeel Edgar, "Legal Status of Cryptocurrency in Indonesia and Legal Analysis of the Business Activities in Terms of Cryptocurrency," 2019, 76–93.

regulations regarding a more proportional sharing of risks between investors and operators, particularly in cases of default caused by failures in the creditworthiness assessment system; second, the establishment of mandatory data and receivables transition mechanisms that operators must prepare from the outset as part of licensing requirements, to ensure the certainty of enforcing investors' rights following the revocation of a license; and third, strengthening institutional coordination between the OJK and personal data protection supervisory agencies through a memorandum of understanding or joint technical regulations, so that legal protection for P2P lending fintech investors can truly be realized comprehensively, rather than merely existing as a normative concept on paper.[40]

3. Conclusion

Based on the analysis conducted, this study concludes that the P2SK Law provides significant structural reinforcement for the legal protection of *P2P lending fintech* investors, particularly in the preventive dimension. The incorporation of the LPBBTI into the Financing Services Business at the statutory level addresses the weaknesses in the legal hierarchy which previously relied solely on OJK regulations through multi-tiered licensing requirements from the OJK, strictly supervised association membership, prohibitions on operators acting as both fund providers and recipients, and obligations regarding risk information transparency reflected in the TKB and TWP90 indicators. On the enforcement front, investor protection is supported by the OJK's tiered administrative sanction authority, the strengthening of the Satgas PASTI, and the synergy of criminal provisions in the Criminal Code (KUHP), the Electronic Information and Transactions Law (UU ITE), and the Personal Data Protection Law, further reinforced by the status of investors as consumers of financial services under Article of the Consumer Protection Law.

This study found that legal protection for investors following the enactment of the UU P2SK still leaves 3 (three) fundamental gaps. First, the structure of default risk allocation which generally still places the full burden on investors is not yet fully proportional, particularly when defaults result from weak creditworthiness assessment processes controlled by the operator. Second, there is legal uncertainty regarding the enforcement of investors' collection rights following the revocation of an operator's business license, due to the absence of a clear mechanism for the transition of data and receivables. Third, the integration of oversight between the OJK and the personal data protection supervisory

[40] Yordan Gunawan, "Arbitration Award of ICSID on the Investment Disputes of Churchill Mining PLC" 3, no. 1 (2017): 14–26, https://doi.org/10.20956/halrev.v3i1.948.

agency remains suboptimal, resulting in investor data protection that is still partial and scattered across various sectoral regulations. These findings address the research problem that the strengthening of the legal framework through the P2SK Law is predominantly preventive in nature and has not been fully balanced by adequate repressive mechanisms or mechanisms for compensating investors for their losses.

Research can focus on three main agendas: formulating technical regulations regarding a more proportional allocation of default risk between investors and operators; establishing mandatory data and billing transition mechanisms that must be prepared as early as the licensing stage to ensure the enforceability of investors' rights and strengthening institutional coordination between the OJK and personal data protection agencies through joint technical regulations, so that legal protection for investors in *P2P lending fintech* can be comprehensively realized and not merely remain at a normative level.

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