



# THE ROLE OF THE OMBUDSMAN OF THE REPUBLIC OF INDONESIA IN STRENGTHENING CONSUMER'S ACCESS TO JUSTICE

JOHANES WIDIJANTORO

FACULTY OF LAW, UNIVERSITY OF ATMA JAYA YOGYAKARTA-INDONESIA

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# CONSUMER PROTECTION POLICY

- Indonesia enacted the Law of Consumer Protection since 1999 under the Law No.8 of 1999. Currently, the amendment of this Law is ongoing.
- Based on the Consumer Protection Act (CPA), there are three main consumer protection institutions: National Consumer Protection Body (NCPB); Consumer Disputes Settlement Agency (CDSA); dan Consumer Organization (CO) as NGOs.
- Regarding financial services, the Financial Services Authority (FSA) acts as a regulating and overseeing body to ensure the Financial Services Actors fulfil their obligations and protects financial service consumers. Meanwhile for medicines and food, there is Food and Medicines Oversight Agency (FMOA).
- Generally, there has never been a specific body in each sector of business (goods and services) exercising monitoring functions as a part of consumer protection enforcement.
- In 2008, the Ombudsman of the Republic of Indonesia (ORI) was established under Law No. 37 of 2008. ORI is an independent state institution with its main function to oversight the public services providers in every sector affiliated with the government, including the performance of NCPB, CDSA, FSA, FMOA, and other government institutions related with consumer protection.



# CONSUMER PROTECTION PORTRAIT IN INDONESIA

- Indonesia is a massive country which consists of 275.8 millions people (*Statistical Yearbook of Indonesia, 2023*) which are spread into 37 provinces. As an archipelagic state, Indonesia has thousands of islands (around 17.000).
- From an economic and business perspective, Indonesian consumers and markets are an “incredible” target for business entities, both domestic and international.
- Indonesian consumers are vulnerable to be exploited, because of:
  - The Low Consumer Empowerment Index. Consumer empowerment is a multifaceted concept that includes skills, competencies, and rights, as well as the ability of consumers to collect and use the information and market capabilities to provide legal and practical protection (NARDO et al., 2011)
  - Inadequate knowledge
  - The lack of awareness of the consumers to defend or uphold their rights
- The majority of cases which harms consumers in various sectors indicate that generally business actors do not have the awareness to protect and fulfill consumer rights.
- The nature of consumer protection is cross sectoral and spread widely into various government institutions. It is not easy to manage and harmonize these sectors with one another. Therefore, strategic programs are required to harmonize each government policy and program. Some of them are carried by the Ministry of Trade, Ministry of Housing, Ministry of Transportation, Ministry of Health, Ministry of Energy, NCPB, FMOA, FSA, etc). The challenge encountered is the weak communication among these ministries and institutions.



## CHALLENGE AND OBJECTIVE CONDITION

1. CPA is generally outdated. The rapid development of information and technology which has been integrated into numerous business process, including the growing of e-commerce, demands the change of CPA immediately. However, the political process to enact the new consumer protection law in the Parliament is still uncertain, even though it has been discussed among Parliamentary members.
2. There is no effective consumer disputes mechanism (consumer redress), including the lack of Online Dispute Resolution (ODR).
3. The rise of unfair business practices in various sectors with inadequate law enforcement.
4. Consumers' lack of awareness to defend or uphold their rights
5. Insufficiency of comprehensive and strategic consumer education.
6. Poor monitoring from the authority bodies
7. Cyber-crime threats especially on consumer data protection
8. The absence of powerful consumer organizations which are capable to advocate consumer rights

# OMBUDSMAN OF THE REPUBLIC OF INDONESIA

- The Ombudsman in Indonesia was established based on Law no. 37 of 2008 about the Ombudsman of the Republic of Indonesia (ORI).
- The main authority of the Ombudsman in Indonesia is to oversee the implementation of public services by the government, state agencies and state companies, including overseeing the performance of agencies/institutions tasked with protecting consumer interests such as the National Consumer Protection Agency, the Financial Services Authority, and the Consumer Dispute Settlement Agency.
- 2 main tasks of ORI
  - Receiving public complaints arising from various public services sector (goods, services, and administrative matters)
  - Preventing mal-administration by conducting research, systemic review, survey, etc
- Most public complaint submitted to ORI are related with public services provided by the local government and government institutions. Several are related to NCPA, FSA, and CDSA as reported parties.

# Oversight of Ombudsman

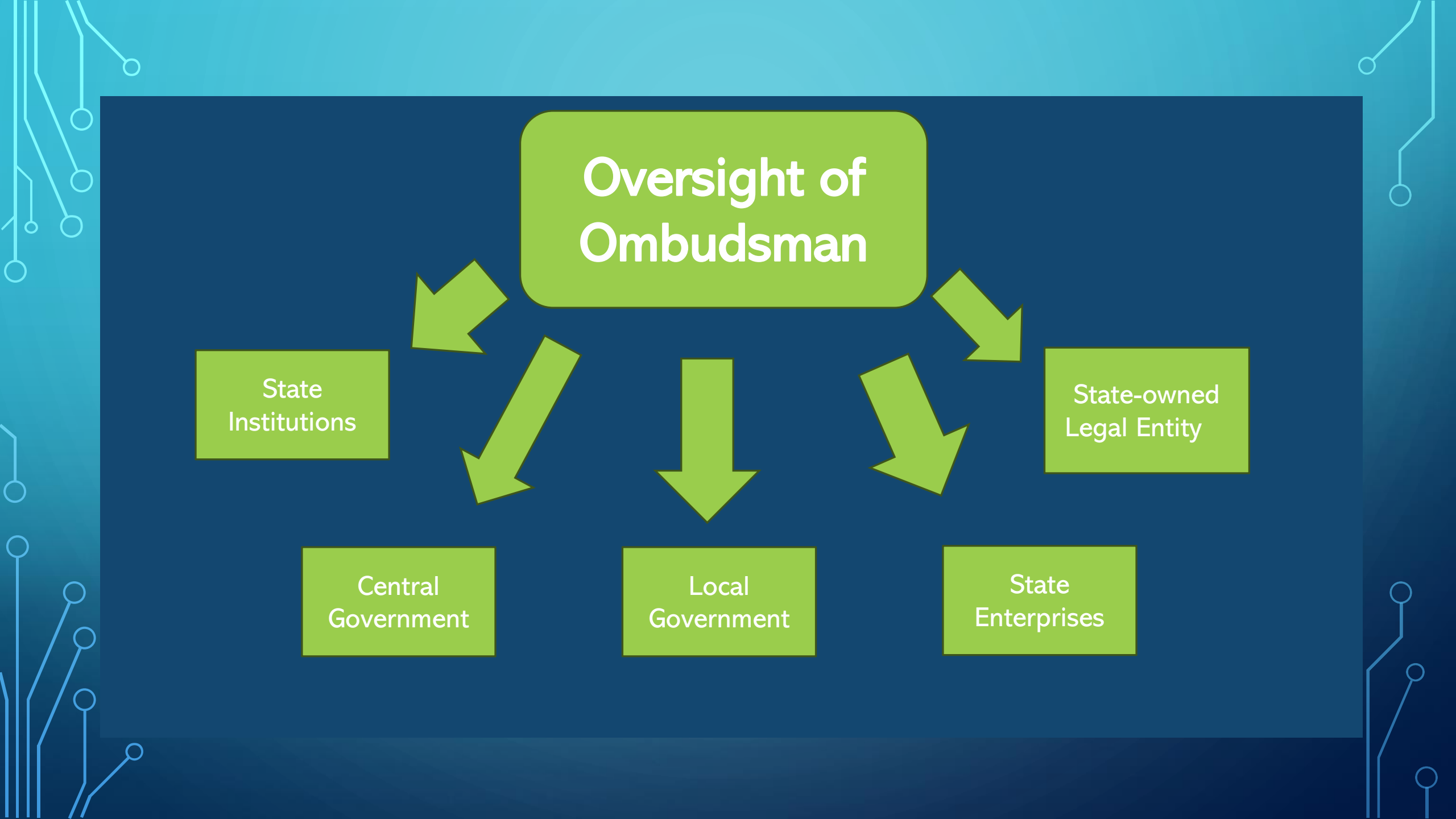
State  
Institutions

State-owned  
Legal Entity

Central  
Government

Local  
Government

State  
Enterprises



## THE OPPORTUNITIES AND STRATEGIC ROLES OF ORI

- Ombudsman is responsible to oversight National Public Services Complaint Handling System (SP4N) that has been established since 2016. SP4N is a complaint handling system governing Ministries, State/Government Institutions, and Local Government that is operated by the Ministry of Domestic Affairs, Ministry of Empowerment Apparatus, Ministry of Information and Communication, and the Presidential Staff Office.
- Nowadays, SP4N integrates 34 ministries, 96 institutions, and 493 Local Governments in Indonesia.
- Challenges: Optimizing the involvement of state enterprises into the system.
- The objectives of SP4N:
  - Public complaints could be handled well, effective, and simple.
  - As a facility provided by public services providers to encourage public participation in filing complaints.
  - Increasing the quality of public services

- The Ombudsman is tasked to boost the involvement and the inter-connecting among Ministries, State Institution, and Local Government into the National System (SP4N). Moreover, the Ombudsman's function is to oversight each complaint submitted so that it shall be managed and responded properly. If there is no response within 60 days, it will be a responsibility of Ombudsman to follow up the case/report.
- The Ombudsman encourages systematic changes in each institution based on those public complaints.
- State enterprises involvement in SP4N are not to the utmost yet, as well as their role in consumer protection institutions such as FSA, NCPB, FMOA, ect. This is Ombudsman's opportunity to push and integrate them into the SP4N system.



## THE ROLE OF THE REPRESENTATIVE OFFICE OF OMBUDSMAN

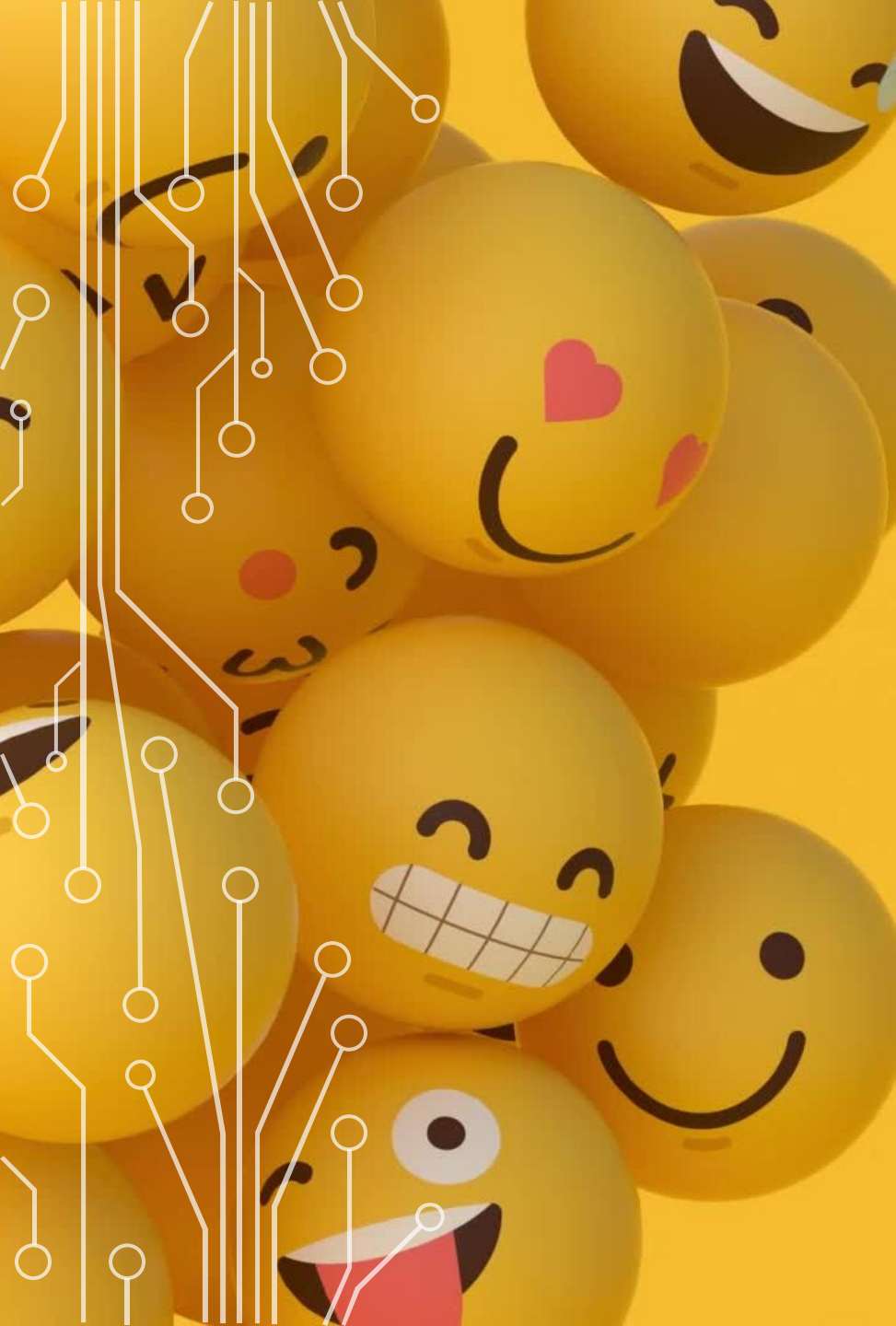
Complaint Management at the local government requires intensive coordination with the representative Office of Ombudsman

The Representative Office of Ombudsman exercise their roles as follows:

- Evaluation towards the follow up of each public complaint.
- Monitoring and examining public complaints neglected by public service providers.
- Appointing an administrator to access and forward public complaints in the SP4N system for further developments based on the existing regulations.
- Assisting complaint managers in each local government to utilize SP4N.
- Assisting the complaint managers in providing socialization, education, and technical assistance regarding SP4N towards people and public service providers.



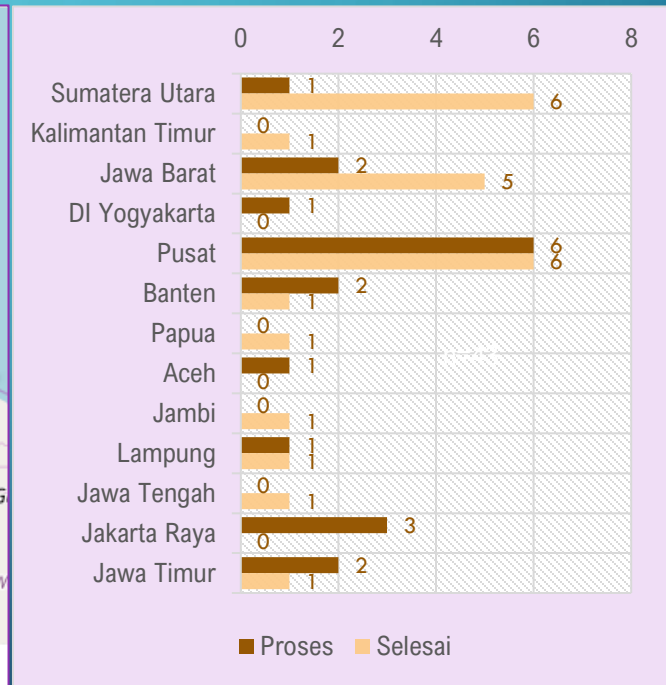
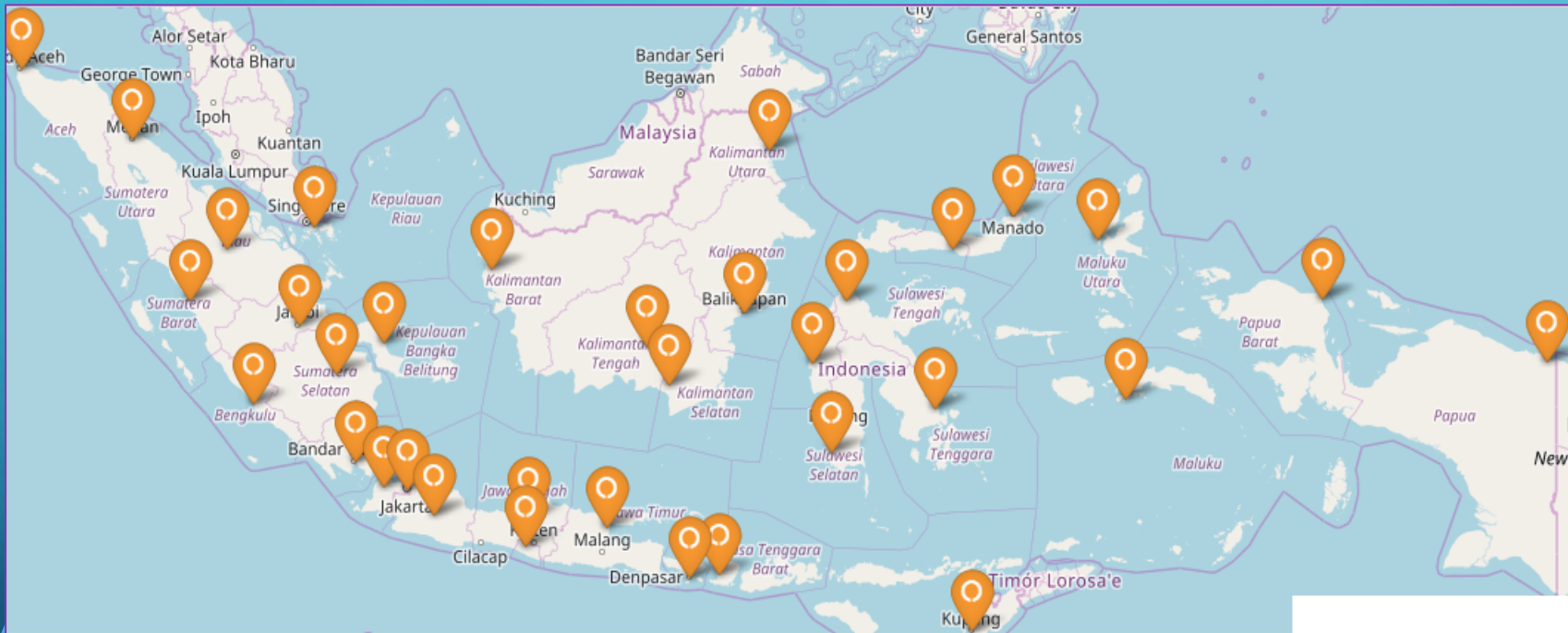
- Another role of Ombudsman to broaden the involvement of business institutions especially state enterprises into the system (SP4N) is still open. These efforts are in form of developing a complaint handling procedure into finalizing it to be an ODR system.
- Currently, the ODR system is being developed by the Ministry of Trade.
- Integrating the ODR system into SP4N is inevitable in the future, not only in national level but also in local level.



## SP4N COULD BE ACCESSED THROUGH:

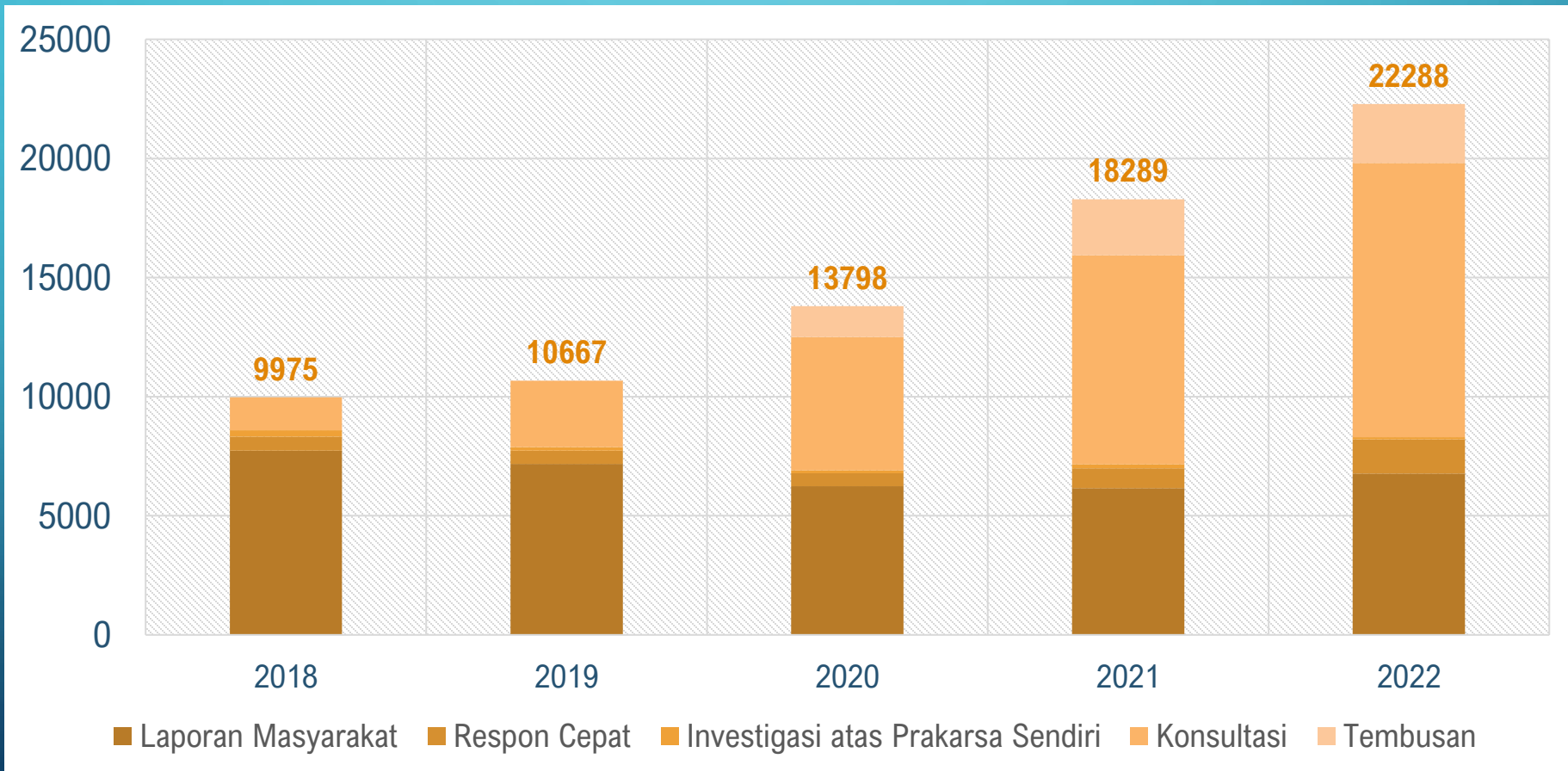
- [www.lapor.go.id](http://www.lapor.go.id)
- SMS 1708
- [blog.lapor.go.id](http://blog.lapor.go.id)
- Facebook: Layanan Aspirasi dan Pengaduan Online Rakyat
- Twitter: @LAPOR1708
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- YouTube: LAPOR1708
- Mobile apps

# PUBLIC COMPLAINT FORWARDED FROM SP4N TO OMBUDSMAN (2022-2023)\*



- In 2022-2023 there are 43 complaints forwarded from SP4N to Ombudsman dan 24 of them were already closed (\*source: data SIMPeL June, 6 2023).
- Ombudsman has 34 Representative Office all around Indonesia.

## PUBLIC COMPLAINT TO THE OMBUDSMAN 2018 - 2022



\* Data SIMPeL 7 January 2023

# CONCLUSION



THE STRATEGIC ROLES OF THE OMBUDSMAN SHOULD BE DEVELOPED TO OVERSIGHT PUBLIC SERVICES PROVIDED BY BUSSINESS ACTORS



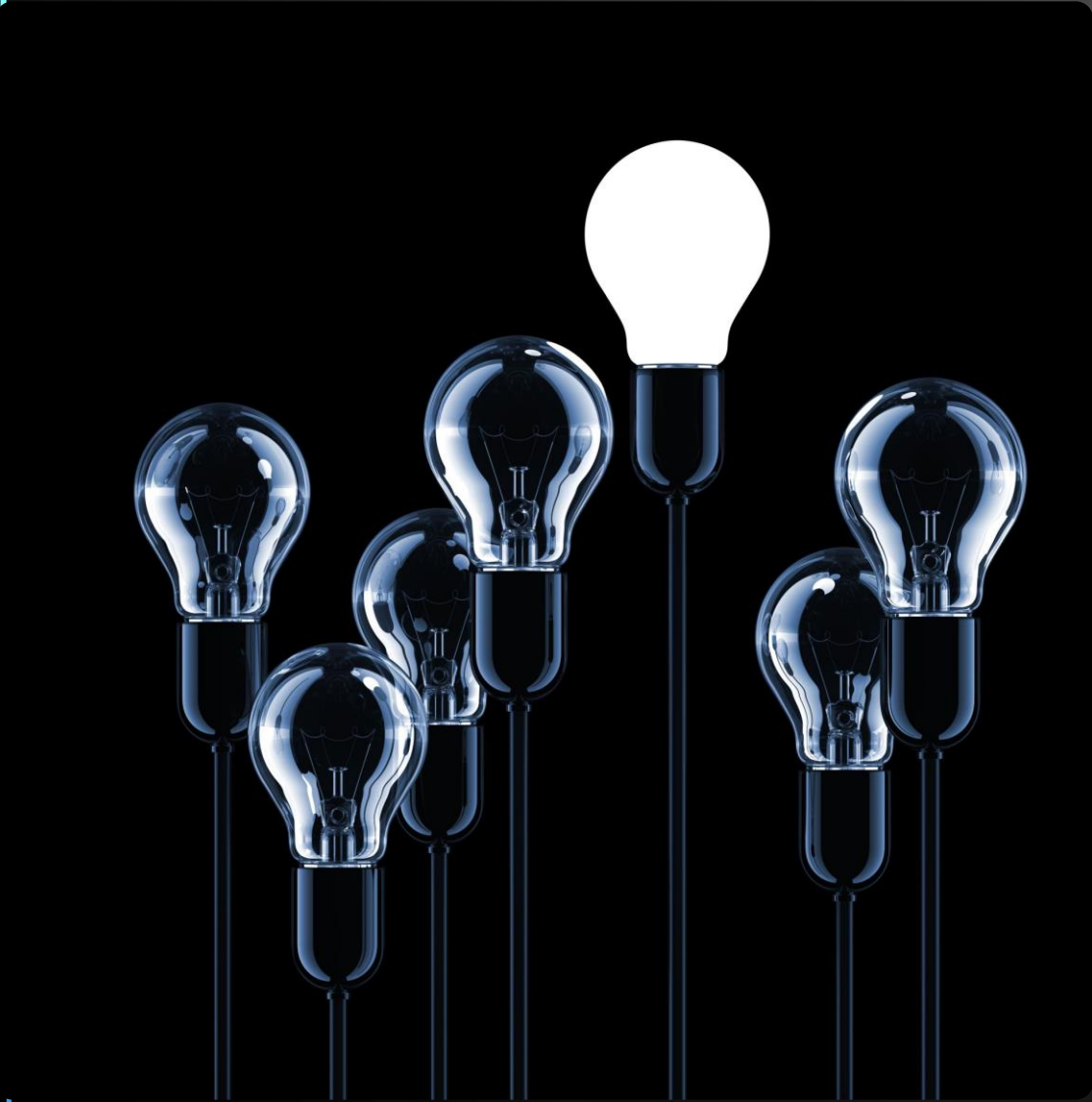
INVOLVEMENT OF THE OMBUDSMAN IN MONITORING THE EFFECTIVITY OF SP4N SHOULD BE STRENGTHENED



STATE ERNTERPRISES SHOULD BE ENCOURAGED TO DEVELOP COMPLAINT MANAGEMENT SYSTEM AND INTEGRATED IN SP4N



NEED FOR INTENSIVE AND EFFECTIVE COMMUNICATION AND COOPERATION AMONG STAKEHOLDERS



THANK YOU  
FOR  
YOUR  
KIND ATTENTION