

# **Legal Protection of Consumers for Cashless Payment at Coffeeshop (Study at Common Folks Medan)**

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## **Abstract**

This study examines the legal protection of consumers for cashless payments at coffee shops. The main focus of this study is how the legal protection of consumers for cashless payments at the Common Folks coffee shop. The method used consists of a qualitative method and uses a literature study (library research). The results of the study indicate that the cashless policy overrides the consumer's right to determine the method of payment and has the potential to violate regulations that guarantee the use of cash as a legitimate payment method. The results of this study expect business actors to be more fair to consumers for existing payments.

**Keywords:** Legal Protection, Consumer Protection, Cashless

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## Introduction

The development of technology that is currently increasing in Indonesia has made a big impact on some people, one of which is the payment method that no longer uses cash which is now switching to a non-cash payment system (cashless) or payments using electronic money or abbreviated as e-money. Cashless is a payment system without cash, according to the literal meaning which means not or without using cash.

Payments made without cash (cashless) are said to be faster and also facilitate recording through transaction traces, which is certainly very helpful for entrepreneurs. Cashless payment methods take many forms, including bank transfers with debit or credit cards, using mobile banking or other payment apps such as Dana, OVO, Gopay, Shopeepay, and so on.

We often encounter this cashless payment at Coffeeshop in various cities, one of which is Coffeeshop in Medan. Not all Coffeeshops use a cashless system, there are still many Coffeeshops that still accept cash as a valid payment. One of the Medan Coffeshops that uses a cashless payment method, Common Folks Medan Maimun, certainly makes buyers who do not have e-money or debit or credit cards feel disadvantaged because of the payment method that can only be non-cash (cashless) which makes buyers unable to buy the products sold. Although many people are switching to cashless payment methods, not a few people still use the cash payment system as a transaction method in this day and age. Judging from conditions like this, entrepreneurs should make fair payments. That is, it can use 2 (two) sides, namely non-cash and cash.

In Article 1 paragraph 2 of Law Number 7 of 2011 concerning Currency states "Money is a legal tender". Money is one of the great inventions achieved by humans. Law Number 23 Year 1999 on Bank Indonesia (**BI Law**) in Article 2 paragraph (2) also states similar content that rupiah money is a legal tender in Indonesia. In addition to its role as a medium for exchanging goods and services, money also functions as a means of saving and investment that can help improve the economic conditions of the community.

In the article, it is clear that cash is still valid in conducting any transaction, this has become a pro-con for entrepreneurs who reject cash payments. In Law number 7 of 2011, especially in Article 23 paragraph (1), it is stated that all individuals are prohibited from refusing to accept rupiah submitted as a form of payment. In addition, the Bank Indonesia Act in Article 2 paragraph (4) also conveys the same thing, that every person or entity in Indonesia is obliged to accept rupiah money given as a means of payment.

The cashless payment is very disappointing for some customers who cannot buy what they want because of the refusal to pay using cash. There is a regulation that regulates the rights and obligations of business actors to ensure legal certainty that provides protection to consumers, namely Law Number 8 of 1999 concerning Consumer Protection ("PK Law"). Article 1 No. 1 of the PK Law states that Consumer Protection is all efforts that ensure legal certainty to provide protection to consumers. Article 3 of the GCPL states that consumer protection aims to:

1. Increase awareness, ability and independence of consumers to protect themselves
2. Raising the dignity of consumers by preventing them from the negative excesses of the use of goods and / or services;
3. Increase consumer empowerment in choosing, determining, and demanding their rights as consumers
4. Creating a consumer protection system that contains elements of legal certainty and information disclosure and access to information;
5. Raising the awareness of business actors regarding the importance of consumer protection so that an honest and responsible attitude in business grows

6. Improve the quality of goods and/or services that ensure the continuity of the business of producing goods and/or services, health, comfort, security, and safety of consumers.

Article 4 Letter G of the PK Law stipulates that consumers are entitled to fair and honest treatment without discrimination. This discrimination arises if someone is unable to buy goods because they do not have money that does not use cash (cashless). By implementing a policy that only accepts cashless payments, it actually violates consumers' rights to receive non-discriminatory services as stipulated in the PK Law.

Therefore, because of the existence of non-cash payments (cashless) which are considered to facilitate payment, there are times when sellers do not forget the articles described above so that there are no violations against consumers. This study aims to analyze how Indonesian law regulates the Law on Consumer Protection in Cashless Payments, knowing the role of the Consumer Protection Agency in Resolving disputes and Risks of Cashless Transactions on business actors. Thus, it is hoped that this research can provide more information about Legal Protection of Consumers for Cashless Payments.

## **Literature Review**

### **2.1 Legal Protection**

Legal protection consists of two words, namely Protection and Law. This means protection according to applicable laws and regulations. According to Setiono, legal protection is an effort or step to protect society from arbitrary actions by programs that are not in accordance with legal provisions, in order to create order and security so that individuals can respect their dignity as human beings. Power itself refers to the rights granted by law to individuals. Legal protection can also be interpreted as a legal effort that must be provided by law enforcement officials to provide security, both mental and physical, from various disturbances and threats from any party. Legal protection can be in the form of:

1. Protecting human rights injured by the actions of others.
2. Provide a sense of security to victims from disturbances and threats from anyone
3. Providing legal certainty
4. Presenting sanctions or penalties to violators

Legal protection can be preventive or coercive. Legal protection can be done both in writing and orally.

### **2.2 Consumer Protection**

Consumer protection includes various efforts that ensure legal certainty in order to protect consumers. These protective measures aim to prevent the public from using or consuming goods and services that may endanger their safety and health. In Indonesia, consumer protection is regulated in Law Number 8 Year 1999. Some of the principles of consumer protection stipulated in the law include: Benefits, Justice, Balance, Security and consumer safety, Legal certainty.

Thus, the definition of consumer protection law is a series of legal principles and norms that regulate and protect consumers in interactions and issues with providers of goods and / or services. Consumer protection law also includes all regulations, both in the form of laws and other regulations, as well as judges' decisions related to consumer interests.

### **2.3 Cashless Payment**

Cashless is a non-cash payment or without using cash that makes it easy for users to make transactions or payments using electronic money.

## **2.4 Risk of Cyber Crime**

Cashless is a very safe payment system in this era. However, there is still the potential for cyber crime in cashless transactions, with losses that can reach billions of Rup

## **Research Method**

### **3.1 Nature of Research**

The research applied in this journal is qualitative, which qualitative research is a research technique used to observe objects in their natural state. In this study, researchers present the results with a qualitative descriptive approach, namely data collected in the form of words, images, not in the form of numbers. The data source is obtained by examining certain phenomena or variables in a predetermined population or sample.

### **3.2 Type of research**

The research conducted is descriptive research that uses a certain approach in collecting information, so that researchers can provide an overview of the social phenomena being studied. With the data obtained, researchers can understand how the phenomenon takes place.

According to Whitney, the descriptive method is an attempt to find facts by providing accurate interpretation. Descriptive research focuses on various problems in society, existing patterns, and certain situations, including relationships, activities, views, attitudes, and ongoing processes and the impact of these phenomena.

### **3.3 Data Collection Method**

The method of data collection carried out by researchers uses a method of library research where this method of data collection is carried out by collecting data from library data through mass media, books, magazines, newspapers and also data sourced from electronic media, such as television and social media, as well as from various sources such as applicable legislation.

### **3.4 Data Analysis**

Data analysis is carried out using a qualitative approach, where qualitative research according to Sugiono in Iskandar's book states that qualitative data analysis is a process of searching and organizing data obtained through documentation studies, by organizing data into synthesis, compiling in certain patterns, selecting relevant information and which will be studied, and drawing conclusions so that it is easily understood by both researchers themselves and others.

## **Results and Discussion**

### **4.1 Obligations of business actors (Common Folks) in cashless transactions**

The obligations of business actors in the context of cashless transactions in Indonesia are regulated by several laws and regulations, especially the Consumer Protection Law (Law No. 8 Year 1999), the Currency Law (Law No. 7 Year 2011), and Bank Indonesia regulations related to payment systems. The following is a detailed explanation of these obligations:

1. Serve Consumers Properly, Honestly, and Non-Discriminatorily
  - a. Business actors are obliged to serve consumers in a correct, honest, and non-discriminatory manner, as stipulated in Article 7 of the Consumer Protection Law. Setting a policy of only accepting cashless payments and rejecting cash can be considered as a discriminatory act against consumers who only have cash.
  - b. This discrimination violates consumers' right to fair and equal service.
2. Mandatory Acceptance of Rupiah Payments
  - a. Based on Currency Law No. 7 of 2011, every business actor in Indonesia is obliged to accept payments in rupiah (cash). Refusing cash payments is a violation of the

- law that can be subject to criminal sanctions, with imprisonment of up to one year or a maximum fine of Rp200,000,000.
- b. A cashless-only policy that absolutely rejects cash is not allowed under Indonesian positive law.
3. No Surcharge on Cashless Transactions
    - a. The government prohibits businesses from charging surcharges to consumers who make cashless transactions, whether using EDC, QRIS, or other non-cash methods. The cost of non-cash payment facilities is the responsibility of business actors, not consumers.
    - b. This rule applies to all transactions, both offline and online. Business actors who violate will be subject to administrative sanctions from banks or payment service providers.
  4. Maintain Consumer Data Confidentiality
    - a. Business actors using digital payment systems are required to maintain the confidentiality of consumer data and information, including transaction data, in accordance with consumer protection principles and personal data protection regulations.
    - b. They must also apply the principles of risk management and prudence in carrying out cashless transactions.
  5. Using Rupiah in Every Transaction
    - a. All transactions conducted in the territory of Indonesia, both cash and non-cash, must use the rupiah currency in accordance with statutory provisions.
  6. Provide Clear and Honest Information
    - a. Business actors are required to provide correct, clear, and honest information regarding goods/services and payment procedures, including if there are changes in payment methods or certain promotions.

#### **4.2 The role of Consumer Protection institutions in resolving disputes**

Consumer Protection Institutions play an important role in resolving disputes that arise between consumers and business actors, especially in today's digital era where online transactions are increasingly dominating. The following are the main roles of these institutions:

1. Consumer Dispute Settlement Body (BPSK)
  - a. Dispute Resolution: BPSK is tasked with handling and resolving consumer disputes through mediation, conciliation, or arbitration. This process provides a faster and simpler alternative to out-of-court settlement.
  - b. Consultation and Supervision: BPSK provides consumer protection consultation, supervises the inclusion of standard clauses, and receives written and unwritten complaints from consumers regarding consumer protection violations.
  - c. Examination and Enforcement: BPSK has the right to summon business actors, witnesses, and relevant experts, and conduct investigations and examinations related to issues that arise. In addition, BPSK also has the authority to impose administrative sanctions on businesses that do not comply with consumer protection rules.
2. National Consumer Protection Agency (BPKN)
  - a. Complaints and Recommendations: BPKN receives reports from the public, conducts research on consumer needs, and provides input and recommendations to the government on consumer protection policies.

- b. Advocacy and Information: BPKN has a role in disseminating information on consumer protection and encouraging the growth of community-based consumer protection organizations (LPKSM).
3. Non-Governmental Consumer Protection Organizations (LPKSM) & YLKI
  - a. Consumer Empowerment: LPKSM and YLKI support consumers in fighting for their rights, provide guidance, accommodate complaints, and collaborate with related institutions to realize protection for consumers.
  - b. Monitoring and Education: These organizations also play a role in overseeing the implementation of consumer protection and raising public awareness about consumer rights.

#### **4.3 Dispute Resolution Mechanism**

Consumers who feel aggrieved can complain to BPSK, LPKSM, or BPKN. The dispute is resolved through mediation, conciliation, or arbitration at BPSK, whose decision is final and administratively binding. If not satisfied, the disputing party can still file an objection to the district court.

#### **4.4 Risks of cashless transactions for business actors (Common Folks)**

Cashless transactions offer many conveniences for businesses, such as operational efficiency, automated record-keeping, and reduced risk of counterfeit money circulation or robbery. However, it also brings a number of risks and challenges that businesses should be aware of:

1. Cyber Security Risks and Digital Fraud  
Cashless transactions are highly vulnerable to cybercrime such as hacking, data theft, fraud, and digital identity theft. Cyberattacks targeting digital payment systems are on the rise, with millions of victims every year. Businesses should invest in a robust digital security system and update the system regularly to mitigate this risk.
2. Risk of System Failure and Dependence on Technology  
Technology failures, power outages, or server disruptions can paralyze all transaction activities, leaving businesses unable to accept payments in emergency situations. Complete reliance on digital systems means businesses must have a backup plan to keep operations running in the event of a technical disruption.
3. Legal and Regulatory Compliance Risk  
Refusing cash and only accepting cashless payments could potentially violate Currency Law No. 7/2011, which requires businesses to accept rupiah as legal tender. This violation may result in criminal sanctions of up to one year's imprisonment or a maximum fine of IDR 200 million. Cashless-only policies may also be considered discriminatory and violate consumer rights under the Consumer Protection Law.
4. Risk of Financial Inclusion and Loss of Customers  
There are still many consumers who do not have access or the ability to use cashless payment tools. A cashless-only policy may result in the loss of customers from segments of society that are not yet tech-savvy or do not have access to digital financial services. This also impacts financial inclusion and may lead to inequity in service delivery.
5. Privacy and Consumer Data Protection Risks  
Digital transactions generate consumer personal data that must be protected. Business actors are responsible for maintaining the confidentiality and security of data so that it is not misused or leaked to third parties.

**6. Risk of Consumptive Behavior**

Promotion and ease of digital transactions can encourage consumptive behavior, both on the part of business actors (in the form of discounts or cashback) and consumers, which can have an impact on business financial management.

**Conclusion**

This research suggests that the implementation of a cashless payment system at a coffeeshop has several impacts on consumers. The cashless payment system does provide convenience in paying, but coffeeshops that apply the cashless payment system are expected not to forget Law 7 of 2011, especially Article 23 paragraph (1) which prohibits refusing payment in cash. Business actors must accommodate all legal payment methods, must not refuse cash, must not charge additional fees on cashless transactions, and must maintain consumer protection and personal data. Cashless-only policies that refuse cash payments violate the law and may be subject to criminal and administrative sanctions. This research expects cashless-only payment businesses to apply balanced payments to consumers to avoid conflicts between consumers and businesses.

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