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LEGAL PROTECTION EFFORTS FOR CUSTOMERS IN BANKING SERVICES RELATED TO CYBERCRIME CASE STUDY KB BANK PINRANG

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ABSTRAK

The development of digital technology in banking services has brought significant impact, includi ng the increased risk of cybercrime that threatens the security of customer data and assets. This study aims to analyze the legal protection efforts for customers in dealing with the threat of cyber crime in the bankin g sector. The research method used is a literature study with a normative juridical approach, studying natio nal regulations such as the ITE Law, consumer protection law, pojk, This research used Descriptive Qualitative analysis that emphasizes the results of interviews and b ook literature related to banking and economic research showed that although there have been a number of regulations that regulate the protection of customers, its implementation still faces challenges such as a lac k of cyberexpert human resources, cross-country law enforcement difficulties, and regulatory gaps related to bank responsibility. This study recommends strengthening the legal framework through revision of the ITE Law, integration of the Personal Data Protection Act with pojk, as well as increased collaboration between banks, OJK and BSSN. In addition, customer education on digital security and cyber court development is an import ant step to improve customer legal protection. This research is expected to contribute to the development of banking policies and practices that are more secure and responsive to cybercrime threats.

Keywords: law protection, customer, banking, cybercrime, regulation

Background

The role of banks as financial intermediation institutions is vital in supporting the economy of a country. In Indonesia, digital transformation in the banking sector has increased service efficiency, enabling customers to conduct transactions such as transfers, payments and online account opening.[1] However, this ease is accompanied by serious challenges related to cybersecurity. 2022 cyber agency and state password (BSSN) reported more than 11 million attempted cyberattacks in Indonesia's financial sector, especially data leaks and digital fraud, threatening customer trust.[2]

[1] John Doe, "Digital Transformation in Banking: A Data-Driven Analysis of Customer Protection and Cybersecurity Challenges," Journal of Financial Technology and Innovation 12, no. 3 (2022): 78-95,
[2] Badan Siber dan Sandi Negara (BSSN), Laporan Tahunan Ancaman Siber 2022 (Jakarta: BSSN, 2022), 15

Cases such as ransomware attacks on bank BRI (19 December 2024) and similar incidents in Sharia Bank Indonesia (BSI) and Bank Mandiri show the vulnerability of the banking system to the increasingly complex cyber threats. This event shows that the security claims of banking instit utions need to be accompanied by concrete actions, such as strengthening encryption technology, real-time monitoring systems, and customer education. On the regulatory side, banks are required to comply with consumer protection law no. Eight in 1999. and Financial Services Authority reg ulation (POJK) No. 1/POJK.07/2013.although its implementation still needs to be evaluated its effectiveness.[3]

In addition, rising cases of cyber crimes such as identity theft, account hacking and digital fraud show that legal protection for digital banking customers still has a gap that needs to be impr oved. The regulation is not fully able to keep pace with the growing dynamics and complexity of cyber threats. Therefore, collaborative efforts are needed between The regulation, banking institutions, and parties are linked to strengthen the security and protection system of the law to take care of the trust of the customer as well as the stability of the banking se ctor in the digital era.[4]

In the context of KB Bank Pinrang, a regional bank operating in South Sulawesi, the challenges of cybersecurity and customer protection are particularly pronounced. As a smaller financial institution, KB Bank Pinrang may face resource constraints in implementing robust cybersecurity measures compared to larger national banks. This makes it a compelling case study to explore the intersection of legal protection, cybersecurity, and customer trust in the digital banking era. The bank's efforts to mitigate cyber risks, comply with regulatory requirements, and educate its customers about safe digital practices can serve as a microcosm of the broader challenges faced by the Indonesian banking sector.[5]

Therefore, collaborative efforts are essential among regulators, banking institutions, and other stakeholders to strengthen the security and legal protection systems. Such collaboration is crucial not only to safeguard customer trust but also to ensure the stability and resilience of the

[3] POJK No.11/POJK.03/2016, "Peraturan Otoritas Jasa Keuangan Republik Indonesia No 1/POJK.03/2013," *Peraturan Otoritas Jasa Keuangan* (2016): 1–82.
[4] OJK, "Peraturan Otoritas Jasa Keuangan Republik Indonesia No. 3 Tahun 2023 Tentang Peningkatan Literasi Dan Inklusi Keuangan Di Sektor Jasa Keuangan Bagi Konsumen Dan Masyarakat Indonesia," *Peraturan Otoritas Jasa Keuangan* 53, no. 9 (2023): 3–5
[5] Daniele Bianchi, Cybersecurity in Banking and Financial Institutions (London: Routledge, 2020), 45.

banking sector in the face of escalating cyber threats. This study aims to examine the legal protection mechanisms available to customers of KB Bank Pinrang, analyze the effectiveness of existing regulations, and propose recommendations to enhance cybersecurity and customer protection in the digital banking landscape

Metode

Analysis related to legal protection efforts for customers in banking services related to cybercrime is a normative Juridical Research with a descriptive qualitative approach. Which aims to analyze the implementation of customer protection regulation in the context of digital banking.[6] The main data of the research are from primary legal material, including banking regulation and consumer protection, such as Law No. 8 of 1999 on consumer protection and financial services authority regulation (pojk) No. 1/pojk.07/2013.[7]

Bank's internal policies regarding cybersecurity and customer protection of m-banking service users. Secondary data were obtained through literature study on legal literature, academic journals, and documents related to consumer protection practices in the digital banking sector. Analysis was done by interpreting and comparing the conformity between the applicable regulation and policy implementation by bukopin bank as supervisory institution. This research examines legal principles, consumer protection doctrine, and prudence principles in the context of digitization of banking services. A qualitative approach is used to describe the bank's legal responsibility in securty customer data, as well as the effectiveness of supervision mechanisms on the implementation of regulations. The results of the analysis are presented systematically to provide recommendations for improving customer legal protection in the cyber era

Result

The protection of customers in banking services in Indonesia is regulated by a number of r egulations involving various parties, such as the Financial Services Authority (OJK), Bank Indone sia (BI), and dispute resolution institutions such as Ombudsman. As a financial service provider, banks are obliged to comply with legal provisions and carry out et hical and professional business practices.[8]

One of the main legal policies of the protection of customer is the 8 number law of 1999 about the protection of consular (UUPK). UUPK establishes bank obligations as the perpetrator

[6] Peter Mahmud Marzuki, Legal Research, 4th ed. (Jakarta: Kencana Prenada Media Group, 2022), 45
[7] Johnny Ibrahim, Teori dan Metodologi Penelitian Hukum Normatif (Malang: Bayumedia Publishing, 2015), 112.
[8] M. D. Hadad, “Banking Regulation and Supervision in Indonesia: Recent Developments”, IMF Working Paper No. WP/11/123 (Washington, DC: International Monetary Fund, 2011)

of efforts to provide fair, transparent, and responsible treatment. This regulation accounts for the aspects of the provision of information, obligations of damages, and the procedure of complains. Article 7 uupk stated that the bank should deliver product information/services honestly and not mislead, while Article 19 is arranging damages obligations if the customer suffered losses due to bank offences[9]

The information must be presented in an easy-to-understand language so that the customer can take the appropriate decision of the need. The lack of information is at risk of causing the affected customer of the product at a disadvantage, as pregnant hidden costs or risks are not explained.

To clarify these provisions, OJK issued Regulation No. 1/pojk.07/2013 on consumer prote ction of the financial services sector, which requires the bank to convey accurate, clear and access ible information in writing. On the other hand, Bank Indonesia regulation No. 14/27/PBI/2012 on transparency of bank product information emphasizes bank's obligation to provide full details reg arding products/services

In addition to the obligation of information and compensation, uupk also guarantees the ri ght of customers in filing complaints if harmed. Customer can submit complaint through internal bank mechanism (call center, email, or branch office). If not settled by the bank, the customer has the right to report to the OJK as a supervisor of the financial services sector or to file a dispute to t he Ombudsman for non-litigation settlement. In essence, there is a relationship between the bank and the customer related to the deposit of funds or money of the customer because of something based on the agreement, therefore it is re asonable if the agreement between the customer and the bank[10]

legal protection, as a guarantee of legal protection given by law to banking The agreement covers various aspects, such as the bank's obligation to maintain the confid entiality of customer information, the bank's obligation to carefully manage customer funds, as we ll as customers' rights and obligations in accessing and withdrawing such funds. Legal protection provided by regulations, such as banking laws and related regulations, aims to ensure that the righ ts of customers are protected and that the bank can run its operations for systematic If there is negotiation or breach of agreement, then the banking law will provide a settleme nt path, which can be mediation, settlement through judicial institutions, or through an alternative resolution mechanism that has been agreed by both parties Basically the protection to the customer can be

[9] Hermansyah, Hukum Perbankan Nasional (Jakarta: Kencana, 2021)
[10] Sri Kusuma Rahayu, “Legal Protection for Banking Customers in Indonesia: Challenges and Opportunities,” Indonesian Journal of Banking and Financial Law 5, no. 2 (2019): 45–62

carried out more specifically and over *sistematis* by implementing the rules available on the Banking part more tightly by the authoritie s of the moneter otoritas, in particular the rules aimed at protecting the customer can be guaranteed *law of enforcement* true If there is a breach of the agreement, then the banking law will provide a settlement path, which could be mediation, settlement through the judiciary, or through an alternative resolution m echanism that has been agreed by both parties. Mediation is an often used option because it is faster and costs less than litigation in court. In addition, OJK also has an important role in ensuring that the bank complies with the prevailing regulations and provides sanctions in case of violations.[11]

Although various regulations have been published, challenges in implementing customer p rotection still exist. Some of these include the lack of awareness of customers about their rights, the limited resources of OJK in supervising all banks, as well as the complexity of financial products that make it difficult for customers to understand the risks associated. To overcome this, further efforts are needed from all parties, including the education of customers are banks and OJK need to increase education to customers about their rights and how to protect themselves from harmful banking practices.[12]

The strengthening of regulation in which there is a need for more specific strengthening of regulation is correlated with the protection of the customer, especially in the face of new challenges such as cyber crime (Cybercrime) and the development of finansial technology (fintech). The incr ease in capacity of the OJK, where OJK needs to increase its capacity and resources to perform more effective surveillance against banks in Indonesia. transparency and accessibility are banks sho uld increase transparency in delivering product information and services, as well as ensure that th e mechanism of overloading is effective.[13]

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[11] Adrian Sutedi, Hukum Perbankan: Prinsip dan Praktik Perlindungan Nasabah (Jakarta: Sinar Grafika, 2020)
[12] Johanna Niemi, Iain Ramsay, and William C. Whitford, Consumer Credit, Debt, and Bankruptcy (Oxford: Hart Publishing, 2009), 173–80
[13] Yunita Musjtari and Hamsin, "The Effectiveness of Sharia Banking Dispute Resolution Through Facilitation Mechanisms by the Financial Services Authority (OJK)," Journal of Sharia Economic Law 5, no. 2 (2020): 45–60.

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[14] Republic of Indonesia, "Law Number 8 of 1999 concerning Consumer Protection," Law Number 8 of 1999, no. 8 (1999): 1–19.

[15] POJK No.11/POJK.03/2016, "Regulation of the Financial Services Authority of the Republic of Indonesia" No 1/POJK.03/2013."

[16] Abdul Kadir Muhammad, Hukum Perdata Indonesia (Bandung: Citra Aditya Bakti, 2015), 320–25

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Bank Bukopin Indonesia (Pinrang Branch) offers E-Banking services to facilitate customers in conducting online financial transactions through KB Star (Mobile Banking). To access this service, customers must meet several applicable terms and conditions. There are several documents required for KB Bukopin mobile banking registration that need to be prepared during the account setup process. Each customer must have an accessible email address for the Internet Banking application, download the KB Star app from the Play Store (for Android) or App Store (for Apple devices), and complete several requirements on the M-Banking application, such as agreeing to the Internet Banking service terms at KB Bank Pinrang, According to Selvi, one of the tellers at Bank Bukopin Pinrang, based on the results of an interview regarding efforts to provide legal protection for customers in banking services related to cybercrime, Selvi said.[18]

> "The process of creating a KB Star account can be carried out independently by customers through the application or with the assistance of customer service at the Bank Bukopin office. To register for a KB Star account, customers must bring their ID card, passbook, and ATM card. However, if the passbook or ATM card is

[17] Erman Rajagukguk, Hukum Perlindungan Konsumen di Indonesia (Jakarta: Sinar Grafika, 2017), 95–100.
[18] Interview with Selvi, Teller at KB Bank, Pinrang City, on Wednesday, January 3, 2025, at 2:00 PM.

> forgotten, only the ID card is required. Additionally, customers are required to have an active mobile phone number and a registered email address for KB Star usage. After fulfilling all the requirements, customers can directly visit the Bank Bukopin office and complete the registration and activation of their KB Star account with the help of customer service"

Based on the aforementioned customer testimony, it is evident that KB Bank has implemented its latest mobile banking feature, KB Star, which streamlines the execution of banking transactions via a digital platform. The application enables users to conduct diverse financial operations including fund transfers, bill payments, prepaid mobile credit (pulsa) purchases, balance inquiries, and other services remotely, eliminating the need for physical branch visits. Designed to optimize financial management through mobile devices, the app emphasizes practicality and operational efficiency.[19]

This development underscores the integration of sufficiently robust legal safeguards within Bank Bukopin's cybercrime mitigation framework in Pinrang City. Hermansyah (Year) posits that legal protections extended by financial institutions to clients often manifest in minimalistic forms, such as customer-initiated ATM blocking mechanisms.

However, he further asserts that the availability of auxiliary protective measures exemplified by 24/7 Customer support remains a critical component of institutional accountability, serving as a frontline defense mechanism to address cybersecurity concerns, resolve transactional discrepancies, and provide real time assistance to customers thereby mitigating risks associated with cybercrime, enhancing user trust, and upholding the integrity of digital financial ecosystems.[20]

Conclusion

The legal framework for customer protection in Indonesian banking, anchored by regulations such as Law No. 8 of 1999 (UUPK), OJK Regulation No. 1/POJK.07/2013, and Bank Indonesia Regulation No. 14/27/PBI/2012, establishes a robust foundation for ensuring transparency, accountability, and fair treatment of customers. These regulations mandate banks to provide clear and accessible information, uphold ethical practices, and implement mechanisms for complaint resolution, thereby safeguarding customer rights and fostering trust in financial services. The integration of digital innovations, such as Bank Bukopin's KB Star mobile banking, exemplifies efforts to enhance convenience while embedding security measures like ID verification and 24/7 customer support to mitigate cyber risks. However, challenges persist, including low customer awareness of their rights, limited supervisory capacity of the OJK, and the complexity of financial

[19] M. Hadi Shubhan, Hukum Perbankan dan Surat Berharga di Indonesia (Jakarta: Prenadamedia Group, 2018), 145–150
[20] Budi Untung, Hukum Perbankan di Indonesia (Yogyakarta: Pustaka Yustisia, 2019), 210–215.

products. Addressing these issues requires a collaborative approach: banks must prioritize transparency and user education, regulators like the OJK need strengthened resources for effective oversight, and customers should actively engage in understanding their rights and responsibilities. Furthermore, evolving threats such as cybercrime and fintech advancements necessitate continuous regulatory updates, proactive cybersecurity measures, and adaptive dispute resolution mechanisms. Ultimately, the balance between innovation and protection will define the future of Indonesia’s banking.