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# Consumer Protection in the Execution of Fiduciary Object in Vehicle Financing Agreements According to the Consumer Protection Law

**Muhammad Hasyim Maulana., Aby Maulana., Hesty D. Lestari., Sawitri Yuli Hartati**

**Faculty of Law, Universitas Muhammadiyah Jakarta, Indonesia**

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## ABSTRACT

Despite the constitutional mandate established through Constitutional Court Decision Number 18/PUU-XVII/2019, the execution of fiduciary guarantees in Indonesian vehicle financing continues to occur through procedures that undermine debtor rights, exposing a persistent gap between legal norms and field practice.

This study pursues two objectives: first, to critically examine the legal framework governing fiduciary guarantee execution under Law Number 42 of 1999 and its consumer protection implications under Law Number 8 of 1999; and second, to evaluate the legal reasoning of Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025 and assess its jurisprudential consistency against Decisions Number 321 K/Pdt.Sus-BPSK/2019 and Number 126 PK/Pdt.Sus-BPSK/2021.

The study employs a normative juridical approach, drawing on legislative, case, and conceptual analyses of primary, secondary, and tertiary legal materials. Findings reveal that while fiduciary certificates carry executory force, unilateral execution remains legally impermissible when default is disputed. The 2025 Supreme Court decision affirms that disputes rooted in contractual non-performance fall outside BPSK's jurisdiction, reinforcing a consistent jurisprudential boundary between consumer disputes and civil defaults. This study argues that this boundary, though procedurally sound, creates access-to-justice barriers that demand legislative harmonization between civil law and consumer protection law in vehicle financing practice.

**Keywords:** Consumer Protection, Fiduciary Guarantee Execution, Vehicle Financing, BPSK, Legal Certainty.

## INTRODUCTION

The development of the vehicle financing industry in Indonesia has encouraged the increasing use of credit schemes by the public as the main means of acquiring vehicles. In practice, this financing generally uses fiduciary guarantees as a legal instrument that gives creditors the right to execute the object of the guarantee if the debtor defaults (Salim, 2006) The existence of fiduciary object basically provides convenience in financing transactions, but on the other hand it also opens up the potential for violations of consumer rights, especially in the implementation of guarantee execution (Junaidi & MH, 2022).

Along with the increase in financing transactions, the practice of unilateral vehicle withdrawal by creditors through third parties (debt collectors) still occurs frequently in the field. These withdrawals are often carried out without going through legal procedures, even accompanied by acts of intimidation against consumers. One of the problems that emerged related to this matter was reflected in the dispute which was then decided in the Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025 (Mahkamah Agung, 2025). This case shows that there is an unclear limit in the limits of the authority of business actors in executing fiduciary guarantees, as well as weak protection for consumers in practice (Novia Dwi Khariati, 2020).

This problem is inseparable from the absence or indecisiveness of regulation in practice before the affirmation through the Constitutional Court decision Number 18/PUU-XVII/2019. In the decision, it is emphasized that the execution of fiduciary guarantees cannot be carried out unilaterally if there is no agreement regarding default between creditors and debtors. In addition, if there is an objection from the debtor, then the execution must be carried out through a judicial mechanism (Putusan Mahkamah Konstitusi, 2019). However, in practice, these provisions have not been fully implemented consistently by business actors (Herlina, 2020).

On the other hand, the existence of Law No. 8 of 1999 concerning Consumer Protection has actually provided a normative basis for the protection of consumer rights, including the right to safety, comfort, and fair treatment (UU RI NO.8, 1999) However, these regulations have not been fully able to accommodate the development of modern financing practices that are increasingly complex, especially related to the use of standard agreements that tend to be detrimental to consumers (Assegaf, Fikri; Tanzah, 2014; Miru & Yodo, 2008)

The problem becomes increasingly complex with the inconsistency of the Supreme Court's decision in determining the authority of the Consumer Dispute Settlement Agency (BPSK) in handling vehicle financing disputes. Differences in legal interpretations in various decisions show that the legal system has not provided adequate certainty for the parties. This condition has the potential to cause legal uncertainty and weaken the position of consumers in fighting for their rights (Mahkamah Agung, 2019; Mahmakah Agung, 2021; Marzuki & Sh, 2021).

The urgency of this research is even more evident when reviewing consumer complaint data. Throughout 2023, the National Consumer Protection Agency (BPKN) received 918 consumer complaints with a loss value of around IDR 211.8 billion. In 2024, the number of complaints will increase to 1,733 cases with potential losses of IDR 424.26 billion, but the value that has been successfully recovered is only around 10%. Until mid-2025, the number of complaints continues to increase to 3,143 cases. The data shows that although a complaint mechanism is in place, the effectiveness of consumer protection is still low and requires more comprehensive strengthening (Badan Perlindungan Konsumen Nasional (BPKN), 2025; Suriani et al., 2025).

This issue shows that consumer protection in the execution of fiduciary object is not only related to the contractual relationship between creditors and debtors, but also concerns aspects of legal certainty and fairness in the legal system as a whole. Therefore, a comprehensive analysis of the applicable legal provisions and their implementation practices in the field is needed (Radbruch, 1960; Satjipto Rahardjo, 2014).

By combining normative analysis of laws and regulations with a case study of Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025, this study aims to provide an overview of the effectiveness of consumer protection in the execution of fiduciary object and formulate the ideal legal policy direction in realizing legal certainty and justice for the parties (Adi et al., 2025; Hidayat & Varadiba, 2025).

## RESEARCH METHODS

This study employs a normative juridical (doctrinal) research approach, which examines law as a system of norms rather than as a social phenomenon. Unlike empirical legal research that investigates how law operates in society through field data, normative juridical research focuses on the internal logic of legal rules, their interpretation, and their application to concrete legal problems. This approach is appropriate for the present study because the central questions concern the validity, scope, and consistency of legal norms governing fiduciary guarantee execution and consumer protection in Indonesia (BPK RI, 1999; Mahkamah Agung, 2019, 2025; Mahmakah Agung, 2021; RI, 1999).

Three categories of legal materials were systematically collected and analysed. Primary legal materials, which are authoritative and binding, include Law Number 42 of 1999 on Fiduciary Guarantees, Law Number 8 of 1999 on Consumer Protection, Constitutional Court Decision Number 18/PUU-XVII/2019, Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025 as the focal case, and two comparative decisions Supreme Court Decision Number 321 K/Pdt.Sus-BPSK/2019 and Number 126 PK/Pdt.Sus-BPSK/2021. Secondary legal materials, which provide interpretive context, include scholarly monographs on fiduciary law and consumer protection, peer-reviewed journal articles, and prior doctrinal research relevant to the issues examined. Tertiary legal materials, used to support conceptual clarification, include legal dictionaries, encyclopedias, and institutional publications such as BPKN consumer complaint statistics.

The three Supreme Court decisions were selected deliberately for comparative analysis. They represent consecutive jurisprudential positions of the Supreme Court on the same core legal question the scope of BPSK's absolute competence in vehicle financing disputes across a six-year period from 2019 to 2025. Analysing them together allows for an assessment of whether the Court's legal reasoning has remained consistent, evolved, or shifted in its treatment of the boundary between consumer disputes and civil defaults.

Analysis was conducted through a qualitative-descriptive juridical method in three stages. First, each legal instrument was read and its normative content was identified and categorized. Second, the legal provisions and judicial reasoning were interpreted through two theoretical lenses: Gustav Radbruch's triad of legal values certainty, justice, and expediency which provides a framework for evaluating tensions between procedural formalism and substantive protection; and Satjipto Rahardjo's progressive legal theory, which foregrounds the human dimension of law and the importance of purposive interpretation in achieving social justice. Third, the results of this interpretive analysis were synthesized to produce conclusions about the effectiveness of consumer protection in fiduciary guarantee enforcement and to identify directions for legal reform.

## RESULTS AND DISCUSSION

### Analysis of Legal Provisions and Fiduciary Guarantee Enforcement Practices in the Perspective of Consumer Protection

The legal framework governing fiduciary guarantee execution in Indonesia has undergone a fundamental transformation over the past decade. Article 15 of Law Number 42 of 1999 originally conferred broad executory power upon fiduciary certificates, allowing creditors to execute collateral directly upon debtor default without judicial intervention (BPK RI, 1999). In practice, this provision was widely interpreted as granting financing companies near-absolute authority to repossess vehicles through third-party debt collectors, often without prior notice, transparent procedures, or any opportunity for debtors to contest the claimed default (Junaidi & MH, 2022; Novia Dwi Khariati, 2020).

Constitutional Court Decision Number 18/PUU-XVII/2019 marked a decisive normative turning point. The Court held that unilateral execution is constitutionally impermissible unless two conditions are jointly satisfied: the debtor has voluntarily acknowledged the default, and the debtor has voluntarily surrendered the collateral object (Putusan Mahkamah Konstitusi, 2019). Where either condition is absent, execution must proceed through the court. This ruling represents a doctrinal shift from a creditor-centric model toward a framework that recognizes debtors as legal subjects entitled to procedural protection, not merely as contractual counterparties whose obligations can be enforced at will (Herlina, 2020; Rahmah et al., 2023a).

However, the gap between this normative standard and field practice remains wide. In the case underlying Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025, the collateral object was repossessed through what the parties described as a persuasive approach without a court order, without a written default acknowledgment, and without any formal dispute resolution process (Mahkamah Agung, 2025). This situation exemplifies what legal scholars have termed "legal smuggling": the outward form of voluntary compliance is preserved, while the substantive reality reflects coercion rooted in the severe informational and economic asymmetry between the parties (Meyda et al., 2023). Financing companies possess legal expertise, institutional resources, and the practical ability to withhold vehicle documents, while consumers particularly those in lower-income brackets typically lack both the legal literacy to identify procedural violations and the financial capacity to pursue judicial remedies. The result is a structural condition in which debtors surrender their collateral not out of genuine agreement but out of the absence of any viable alternative (Hidayat & Varadiba, 2025).

This asymmetry is further entrenched by the standard clause practices that pervade vehicle financing agreements in Indonesia. Under Article 18 of Law Number 8 of 1999 on Consumer Protection, standard clauses that transfer liability to consumers, restrict consumer rights, or grant business actors the unilateral authority to determine agreement terms are declared null and void (RI Law No. 8, 1999). Yet in practice, vehicle financing contracts routinely contain clauses that authorize creditors to repossess collateral upon any installment delay without requiring a court process or a prior written warning (Assegaf, Fikri; Tanzah, 2014; Miru & Yodo, 2008). These clauses effectively circumvent both the protective intent of Law Number 8 of 1999 and the procedural requirements affirmed by the Constitutional Court, yet they continue to be enforced because consumers sign them under conditions of unequal bargaining power and limited awareness of their legal rights (Santoso & Marlinah, 2024).

Evaluating this situation through Radbruch's triad of legal values reveals a structural imbalance. The value of legal certainty currently favours creditors: the executory title in the fiduciary certificate provides clear, enforceable rights. The value of justice, however, is systematically compromised when execution occurs without genuine consent and without procedural safeguards for debtors. The value of expediency cuts in both directions efficient execution serves the credit market, but the erosion of consumer trust and the accumulation of unresolved disputes carry their own social and economic costs (Radbruch, 1960). The normative challenge, as Radbruch's framework makes clear, is not to eliminate legal certainty in favour of justice, but to construct a legal architecture in which certainty and justice are mutually reinforcing rather than mutually exclusive (Satjipto Rahardjo, 2014).

The quantitative dimension of this problem is equally striking. Throughout 2023, the National Consumer Protection Agency (BPKN) received 918 consumer complaints with total losses of approximately IDR 211.8 billion. By 2024, complaints rose to 1,733 cases with potential losses of IDR 424.26 billion, yet only approximately ten percent of that value was successfully recovered. By mid-2025, the number of complaints had climbed further to 3,143 cases (Badan Perlindungan Konsumen Nasional (BPKN), 2025; Suriani et al., 2025). These figures illustrate not merely the scale of the problem but the systemic ineffectiveness of existing consumer protection mechanisms in the vehicle financing sector.

A comparative perspective reinforces the urgency of this challenge. The European Union's Consumer Credit Directive 2008/48/EC requires lenders to conduct a creditworthiness assessment before contract conclusion, mandates clear disclosure of all contract terms including default consequences, and provides cooling-off rights allowing consumers to withdraw from credit agreements within fourteen days (Howells & Weatherill, 2017). Malaysia's Hire-Purchase Act 1967 similarly requires the hirer to receive a written default notice and a prescribed waiting period before repossession can lawfully occur (Weatherill, 2013). Both frameworks treat procedural protection not as an obstacle to credit enforcement but as a condition of its legitimacy. Indonesia's current framework, despite the constitutional intervention of 2019, has not yet achieved this integration at the statutory level (Adi et al., 2025).

It is important to note, nonetheless, that not every dispute arising from fiduciary guarantee execution constitutes a consumer dispute in the legal sense. A consumer dispute under Law Number 8 of 1999 requires a violation of consumer rights such as defective goods or services, misleading information, or unfair business practices as its operative cause (Miru & Yodo, 2008). Where the core grievance is a debtor's failure to meet installment obligations, the dispute is more accurately characterized as a default under civil law, regardless of the consumer status of the debtor (Marzuki & Sh, 2021). This distinction has direct implications for jurisdiction and dispute resolution, and its consistent application is essential for maintaining coherence across the legal system. The critical point, however, is that even disputes correctly classified as defaults may involve execution procedures that violate consumer protection norms and it is precisely this overlap that the current legal framework has failed to address with sufficient clarity (Rahmah et al., 2023).

**Legal Considerations of the Supreme Court in Decision Number 398 K/Pdt.Sus-BPSK/2025**

The central question before the Supreme Court in this case was not whether the debtor had suffered a loss, nor whether the execution procedure was procedurally proper under Constitutional Court Decision Number 18/PUU-XVII/2019. The threshold question was jurisdictional: whether the dispute fell within the absolute competence of the Consumer Dispute Settlement Agency (BPSK) as defined under Law Number 8 of 1999, or whether it belonged to the domain of general civil courts (Mahkamah Agung, 2025). The Supreme Court's answer was unambiguous BPSK had no authority to hear the case, and all prior decisions affirming that authority were annulled.

The doctrinal basis for this conclusion rests on the principle that absolute competence is determined by the subject matter of the dispute, not by the identity of the parties. Under Law Number 8 of 1999, BPSK's jurisdiction is confined to disputes arising from violations of consumer rights including the supply of defective goods or services, misleading commercial information, and unfair business practices (RI Law No. 8, 1999). The Supreme Court found that the substance of the dispute in this case was the debtor's failure to meet installment payment obligations under a vehicle financing agreement a classic default in the realm of contract law (Mahkamah Agung, 2025). The mere fact that the defaulting party holds the legal status of a consumer does not transform a contractual dispute into a consumer dispute. As the Court emphasized, the existence of a consumer element within a legal relationship is a necessary but not sufficient condition for BPSK jurisdiction; what matters is whether the operative cause of the dispute is a violation of consumer rights, not simply the non-fulfillment of contractual obligations (Mahkamah Agung, 2019; Mahmakah Agung, 2021).

This reasoning reflects a strict application of the *lex specialis derogat legi generali* principle. Consumer protection law, as a special regime, governs a specific category of disputes defined by the nature of the violation rather than the nature of the parties. To expand BPSK's jurisdiction beyond this boundary as the Padang District Court had done by treating every consumer loss as a consumer dispute would effectively subordinate general civil law to consumer protection law in all financing disputes, producing an incoherent and unworkable jurisdictional framework (Marzuki & Sh, 2021). The Supreme Court correctly identified this risk and declined to endorse it.

From a procedural law standpoint, the Court's approach is doctrinally sound. The determination of absolute competence is a threshold matter that must be resolved before any examination of the merits. Where a dispute falls outside a tribunal's subject-matter jurisdiction, that tribunal's examination of the merits is legally void regardless of its factual accuracy or normative appeal (Marzuki & Sh, 2021). The Supreme Court's cancellation of both the BPSK decision and the District Court judgment was therefore not merely a disagreement about facts it was a correction of a fundamental legal error that rendered the entire prior proceedings invalid.

Methodologically, the Supreme Court applied a legal qualification approach that assessed the substance of the dispute rather than its surface characteristics. This approach provides an important safeguard against forum shopping, whereby parties strategically frame contractual disputes as consumer disputes in order to access the simpler and faster procedures of BPSK (Suriani et al., 2025). By insisting on substantive qualification, the Court maintained the institutional integrity of both BPSK and the general judiciary, and provided a clear signal to lower courts about the proper analytical sequence in financing disputes.

However, the jurisprudential soundness of this approach does not exhaust the normative analysis. A critical evaluation must also grapple with its implications for consumer access to justice. Cappelletti and Garth's foundational framework identifies three principal barriers to justice: economic barriers, organizational barriers, and procedural barriers (Howells & Weatherill, 2017). BPSK was designed precisely to address all three in the consumer context its proceedings are free of charge, relatively swift, and procedurally accessible to parties without legal representation. By directing financing disputes to general courts, the Supreme Court's decision effectively restores all three barriers for a class of disputants who are, by definition, in an economically and informationally weaker position than their institutional counterparties (Santoso & Marlinah, 2024). The time and cost of general court proceedings, combined with the complexity of civil procedure, place meaningful access to justice beyond the practical reach of many consumers even those with legitimate grievances about the manner in which their collateral was repossessed.

This tension points to a deeper normative problem that the Supreme Court's formalistic reasoning leaves unresolved. Law Number 8 of 1999 was enacted with a clear *ratio legis*: to redress the structural imbalance between business actors and consumers, and to provide accessible, effective remedies for consumer rights violations (Miru & Yodo, 2008; Ri, 1999). When the procedural boundary between consumer disputes and civil defaults is drawn in a way that systematically excludes consumers from accessible dispute resolution even in cases where the execution procedure itself may have violated their rights the protective purpose of the statute is undermined by the very mechanism designed to enforce it. The Court's decision is legally correct on the question it chose to answer, but it leaves open the more fundamental question of whether the existing legal architecture adequately serves the consumers it was designed to protect (Radbruch, 1960; Satjipto Rahardjo, 2014).

What the 2025 decision ultimately reveals is not a flaw in judicial reasoning but a gap in legislative design. The absence of a clear statutory provision distinguishing between disputes about contractual non-performance and disputes about the manner of guarantee execution a distinction that is analytically coherent and practically significant forces courts into a binary choice between BPSK jurisdiction and general court jurisdiction, with no intermediate forum equipped to handle the hybrid character of many financing disputes (Adi et al., 2025; Hidayat & Varadiba, 2025). Resolving this gap requires legislative action, not judicial creativity, and it is to that reform agenda that the conclusion of this study turns.

**Analysis of the Padang District Court Decision and Comparative Jurisprudential Review**

**The Padang District Court as Judex Facti**

In Decision Number 170/Pdt.Sus-BPSK/2024/PN Pdg, the Padang District Court rejected the objections filed by the financing company and upheld BPSK's decision, affirming that BPSK possessed the authority to examine and adjudicate the dispute. The Court's reasoning rested primarily on a substantive justice orientation: it found that the vehicle repossession had been carried out in a non-transparent manner, without providing the debtor an adequate opportunity to respond, and in a manner inconsistent with the procedural requirements established by Constitutional Court Decision Number 18/PUU-XVII/2019 (Santoso & Marlinah, 2024). On this basis, the Court characterized the business actor's conduct as a violation of consumer rights, qualifying the dispute as a consumer dispute within BPSK's jurisdiction.

The Court's instinct to protect the weaker party is understandable and reflects a genuine engagement with the substantive dimensions of the case. Viewed through Satjipto Rahardjo's progressive legal theory, the District Court's approach embodies a purposive reading of consumer protection law one that prioritizes the human reality of the dispute over its formal legal classification (Satjipto Rahardjo, 2014). Yet a critical doctrinal analysis reveals that this orientation, however well-intentioned, produced a series of compounding legal errors that ultimately undermined rather than served the cause of consumer protection.

The first and most fundamental error was the Court's failure to conduct a threshold examination of BPSK's absolute competence before proceeding to the merits. In procedural law, the determination of jurisdiction is not a formality that can be deferred or bypassed in the interest of reaching a substantively just outcome it is a prerequisite whose absence renders the entire proceeding invalid (Marzuki & Sh, 2021). By proceeding directly to the substance of the consumer protection claim without first establishing that the dispute met the definitional criteria of a consumer dispute under Law Number 8 of 1999, the District Court committed a classic *judex facti* error: it misapplied the law not by misstating its content but by failing to apply the correct analytical sequence (Mahkamah Agung, 2025).

The second error lies in the Court's conflation of two analytically distinct legal questions. The first question whether the execution procedure violated the requirements of Constitutional Court Decision Number 18/PUU-XVII/2019 is a question about the lawfulness of the creditor's conduct in carrying out the repossession. The second question whether the underlying dispute constitutes a consumer dispute within BPSK's jurisdiction is a question about the nature and origin of the legal grievance. The District Court answered the first question affirmatively and then used that answer to resolve the second, without recognizing that the two questions operate on different analytical planes (Meyda et al., 2023). A repossession that violates Constitutional Court Decision Number 18/PUU-XVII/2019 may constitute an unlawful act actionable in a general court, but it does not automatically transform a default dispute into a consumer dispute within the meaning of Law Number 8 of 1999. The source of the legal grievance non-fulfillment of installment obligations remains contractual in character regardless of the procedural irregularities that accompanied the enforcement response.

The third error is the Court's partial and methodologically incomplete use of Constitutional Court Decision Number 18/PUU-XVII/2019. The District Court invoked that decision to establish that the repossession was procedurally improper, which is a legitimate use of the ruling. However, it then extended that finding to support a jurisdictional conclusion that BPSK was competent to hear the dispute without analysing whether the Constitutional Court's decision had any bearing on the scope of BPSK's authority (Rahmah et al., 2023b). It did not. Constitutional Court Decision Number 18/PUU-XVII/2019 addresses the constitutionality of unilateral execution under the Fiduciary Law; it does not expand the definition of consumer disputes or alter the jurisdictional boundaries established by Law Number 8 of 1999. Using it for that purpose represents a category error in legal reasoning.

Applying Radbruch's triad to the District Court's decision illuminates the nature of this error with greater precision. The Court's judgment prioritized justice specifically the protection of a weaker party from what appeared to be an unfair repossessionate the direct expense of legal certainty. In doing so, it did not achieve a balance between these values but rather sacrificed one entirely for the other (Radbruch, 1960). The resulting decision provided the debtor with a favourable outcome at the BPSK and District Court levels, but one built on an unstable jurisdictional foundation that was predictably overturned at the cassation stage. The consumer was ultimately left in a worse position than if the District Court had correctly identified the proper forum from the outset a result that illustrates why procedural accuracy is not merely a technical concern but a substantive precondition for durable consumer protection.

**Comparative Jurisprudential Analysis: Decisions Number 321 K/2019, Number 126 PK/2021, and Number 398 K/2025**

A comparative reading of the three Supreme Court decisions examined in this study reveals a jurisprudential trajectory that is consistent in its core holding but increasingly precise in its doctrinal articulation.

Supreme Court Decision Number 321 K/Pdt.Sus-BPSK/2019 established the foundational principle: disputes arising from vehicle financing agreements that concern the non-fulfillment of installment payment obligations are default disputes subject to general civil law, not consumer disputes within BPSK's jurisdiction (Mahkamah Agung, 2019). The Court's reasoning in that decision focused primarily on the contractual character of the parties' relationship and the civil law consequences of non-performance. Consumer status was acknowledged but deemed insufficient, standing alone, to trigger BPSK jurisdiction.

Supreme Court Decision Number 126 PK/Pdt.Sus-BPSK/2021 reinforced this holding at the extraordinary review level, affirming that the principle applies with equal force even after exhaustion of ordinary remedies (Mahmakah Agung, 2021). The 2021 decision added an important clarificatory dimension by emphasizing that the analytical focus must be on the substance of the dispute specifically, whether a violation of consumer rights is the operative cause of the legal grievance rather than on the formal identity of the parties or the commercial context in which the dispute arose.

Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025 represents the consolidation and refinement of this jurisprudential line (Mahkamah Agung, 2025). Compared to its predecessors, the 2025 decision is more explicit in its treatment of the threshold jurisdictional question, more direct in its correction of the lower court's analytical error, and more emphatic in its articulation of the boundary between BPSK's special jurisdiction and the general courts' residual civil jurisdiction. Where the 2019 decision established the rule and the 2021 decision confirmed its durability, the 2025 decision operationalizes it as a mandatory analytical sequence jurisdiction first, merits only if jurisdiction is established and applies it with sufficient clarity to function as authoritative guidance for lower courts.

Across all three decisions, the Supreme Court has maintained four consistent principles. First, the contractual origin of a financing dispute is not displaced by the consumer status of the debtor. Second, BPSK's jurisdiction is subject-matter specific and cannot be expanded by characterizing contractual losses as consumer rights violations. Third, the existence of procedural irregularities in the execution of a fiduciary guarantee including irregularities that may contravene Constitutional Court Decision Number 18/PUU-XVII/2019 does not alter the jurisdictional classification of the underlying dispute. Fourth, legal certainty in the allocation of jurisdictional authority between BPSK and the general courts is a value that must be preserved even where it produces outcomes that appear less favourable to individual consumers in specific cases (Marzuki & Sh, 2021; Suriani et al., 2025).

The consistency of this jurisprudential line provides important guidance for legal practitioners and lower courts. It establishes that the proper analytical sequence in all vehicle financing disputes is: first, identify the operative cause of the legal grievance; second, determine whether that cause constitutes a violation of consumer rights under Law Number 8 of 1999 or a failure of contractual performance under general civil law; third, direct the dispute to the forum with corresponding jurisdiction. Adherence to this sequence would prevent the jurisdictional errors that characterized the Padang District Court's decision and would reduce the systemic uncertainty that currently surrounds consumer dispute resolution in the vehicle financing sector (Adi et al., 2025; Hidayat & Varadiba, 2025).

What the three decisions collectively leave unresolved, however, is the question raised in the preceding section: the absence of an accessible forum for consumers who have legitimate grievances about the manner of fiduciary guarantee execution grievances that are real, legally cognizable, and yet systematically excluded from the one forum designed to address them efficiently. This is not a problem the Supreme Court can solve through jurisprudential development alone. It is a structural gap that demands legislative attention, and it forms the basis for the policy recommendations set out in the conclusion of this study (Badan Perlindungan Konsumen Nasional (BPKN), 2025; Rahmah et al., 2023b).

# CONCLUSION

## Principal Findings

This study set out to address two research objectives. The first was to examine the legal framework governing fiduciary guarantee execution in vehicle financing and its implications for consumer protection. The second was to evaluate the legal reasoning of Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025 and assess its consistency with prior Supreme Court jurisprudence. Both objectives have been addressed, and the findings can be stated with precision.

On the first objective, the study finds that Indonesia's normative framework has advanced significantly since Constitutional Court Decision Number 18/PUU-XVII/2019, which effectively dismantled the legal basis for unilateral fiduciary guarantee execution. The constitutional standard is clear: execution requires either voluntary debtor acknowledgment of default and surrender of collateral, or a court order. Yet this standard has not been matched by statutory reform, enforcement mechanisms, or adequate consumer awareness infrastructure. The result is a persistent implementation gap in which execution procedures that contravene constitutional requirements continue to occur, sustained by the structural informational and economic asymmetry between financing companies and consumer debtors. Standard clause practices in vehicle financing agreements many of which contravene Article 18 of Law Number 8 of 1999 further entrench this asymmetry by stripping consumers of meaningful contractual protection at the point of agreement formation (BPK RI, 1999; Mahkamah Agung, 2019; UU RI NO.8, 1999).

On the second objective, the study finds that Supreme Court Decision Number 398 K/Pdt.Sus-BPSK/2025 is jurisprudentially consistent with Decisions Number 321 K/Pdt.Sus-BPSK/2019 and Number 126 PK/Pdt.Sus-BPSK/2021, and represents the consolidation and doctrinal refinement of an established jurisprudential line. The Court's holding that disputes rooted in contractual non-performance are defaults subject to general civil law, not consumer disputes within BPSK's jurisdiction is legally sound and procedurally necessary. The 2025 decision advances its predecessors by operationalizing the threshold jurisdictional analysis as a mandatory analytical sequence applicable to all lower courts (Mahkamah Agung, 2019, 2025; Mahmakah Agung, 2021).

## Theoretical Reflection

Assessed through Radbruch's triad of legal values, the overall picture that emerges from this study is one of systematic imbalance. Legal certainty is well served at the level of judicial doctrine: the Supreme Court's consistent jurisprudence provides clear, predictable rules for jurisdictional allocation in financing disputes. Legal expediency is partially served: the credit market benefits from the enforceability of fiduciary certificates, though the volume and unrecovered value of consumer complaints suggests that systemic inefficiency remains high. Legal justice, however, is the value most consistently subordinated. Consumers who suffer genuine harm from procedurally irregular execution are directed to forums that are, for most of them, practically inaccessible and the legal system currently offers no intermediate pathway that is both jurisdictionally appropriate and practically reachable (Radbruch, 1960; Satjipto Rahardjo, 2014). A legal system that achieves certainty at the cost of justice does not fulfill Radbruch's vision of law as an instrument oriented toward the good it fulfills only its most minimal function.

## POLICY RECOMMENDATIONS

The findings of this study point to four specific areas where legislative and regulatory action is urgently needed.

First, the legislature should amend Law Number 8 of 1999 to introduce a clear statutory distinction between disputes concerning contractual non-performance and disputes concerning the manner of fiduciary guarantee execution. The current absence of this distinction forces courts into a binary jurisdictional choice that excludes consumers from accessible remedies even when their procedural rights have been violated. A targeted amendment could establish that disputes about the execution procedure as distinct from disputes about the underlying default fall within a defined category of consumer protection complaints subject to BPSK jurisdiction or a designated equivalent forum (Adi et al., 2025; Miru & Yodo, 2008).

Second, BPSK's institutional framework requires structural strengthening. The agency's procedural rules, evidentiary standards, and enforcement mechanisms have not kept pace with the growing complexity of vehicle financing disputes. Specifically, the government should issue implementing regulations that establish clear evidentiary criteria for distinguishing consumer disputes from civil defaults, equip BPSK adjudicators with standardized legal qualification frameworks, and create an appellate mechanism within the consumer dispute resolution system that reduces reliance on the general court system for review (Badan Perlindungan Konsumen Nasional (BPKN), 2025; Suriani et al., 2025).

Third, the Financial Services Authority (OJK) should exercise its regulatory mandate under Law Number 21 of 2011 to conduct a comprehensive review of standard clause practices in vehicle financing agreements. Clauses that authorize repossession without prior written notice, without a grace period, or without an explicit default acknowledgment process should be declared non-compliant with Article 18 of Law Number 8 of 1999 and prohibited from use in new financing contracts. OJK should further require all financing companies to include a plain-language consumer rights summary in every financing agreement, specifying the procedural steps required before any repossession can lawfully occur (Assegaf, Fikri; Tanzah, 2014; Hidayat & Varadiba, 2025).

Fourth, the government should establish a dedicated consumer legal aid mechanism for vehicle financing disputes, administered through existing Legal Aid Organizations under Law Number 16 of 2011 on Legal Aid. Access to justice in financing disputes is currently constrained not only by procedural complexity but by the practical unavailability of affordable legal representation for lower-income consumers. A targeted legal aid program funded through a levy on vehicle financing companies proportional to their outstanding loan portfolios would directly address the access-to-justice barrier identified by this study without requiring structural changes to the judicial system (Howells & Weatherill, 2017; Rahmah et al., 2023b).

### Limitations and Future Research

This study is subject to two principal limitations. Its scope is confined to the Indonesian legal system, and its methodology is doctrinal it does not incorporate empirical data on consumer experiences, creditor practices, or the actual outcomes of financing disputes across the court system. Future research should address these limitations through mixed-methods approaches that combine doctrinal analysis with empirical field studies, and through broader comparative work that examines how jurisdictions with similar legal traditions including the Netherlands, Germany, and Malaysia have structured the relationship between secured lending law and consumer protection law. Such research would provide a richer evidentiary foundation for the legislative reforms recommended in this study and contribute to the development of a more coherent theoretical framework for consumer protection in asset-backed financing.

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