

Consumer Protection in Digital Economy (Sharia Business Ethics Perspective)

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Abstract

The development of the digital economy has driven a major transformation in the transaction patterns between producers and consumers. While it offers convenience and efficiency, the digitalization of transactions also presents new challenges in consumer protection, particularly regarding information transparency, business actors' honesty, and the potential for losses due to fraud or product discrepancies. In this context, Sharia business ethics provides a normative approach that emphasizes moral principles such as honesty (Sidq), responsibility (amanah), justice (adl), and the prohibition of uncertainty (gharar). This study employs a normative juridical method with a conceptual and ethical approach. The analysis focuses on how the principles of Sharia business ethics can be applied in digital economic practices to strengthen consumer protection, and how these values can fill gaps in the positive legal system that has yet to fully adapt to the dynamics of online transactions. The findings show that the principles of Sharia business ethics are highly relevant to digital transactions, as they foster fair, transparent, and mutually beneficial business relationships. Implementing these principles not only protects consumers from potential harm but also enhances public trust in the digital economy ecosystem. Therefore, the synergy between formal regulation and Sharia values is crucial in shaping a digital economy ecosystem with integrity.

Kata Kunci:

Ekonomi Digital,
Perlindungan
Konsumen, Etika
Bisnis Syariah,
Gharar, Sidq,
Amanah, Transaksi
Elektronik, Hukum
Islam, Keadilan, E-
commerce.

Abstrak

Perkembangan ekonomi digital telah mendorong transformasi besar dalam pola transaksi antara produsen dan konsumen. Meskipun memberikan kemudahan dan efisiensi, digitalisasi transaksi juga menimbulkan tantangan baru dalam perlindungan konsumen, terutama terkait transparansi informasi, kejujuran pelaku usaha, serta potensi kerugian akibat penipuan atau ketidaksesuaian produk. Dalam konteks ini, etika bisnis syariah menawarkan pendekatan normatif yang menekankan prinsip-prinsip moral seperti kejujuran (sidq), tanggung jawab (amanah), keadilan (adl), dan larangan terhadap ketidakpastian (gharar). Penelitian ini menggunakan metode yuridis normatif dengan pendekatan konseptual dan etis. Analisis difokuskan pada bagaimana prinsip etika bisnis syariah dapat diterapkan dalam praktik ekonomi digital untuk memperkuat perlindungan konsumen, serta bagaimana nilai-nilai tersebut dapat mengisi kekosongan dalam sistem hukum positif yang belum sepenuhnya adaptif terhadap dinamika transaksi daring. Hasil penelitian menunjukkan bahwa prinsip-prinsip etika bisnis syariah sangat relevan untuk diterapkan dalam transaksi digital, karena mampu membangun relasi bisnis yang adil, transparan, dan saling menguntungkan. Implementasi prinsip tersebut tidak hanya melindungi konsumen dari potensi kerugian, tetapi juga meningkatkan kepercayaan publik terhadap ekosistem ekonomi digital. Oleh karena itu, sinergi antara regulasi formal dan nilai-nilai syariah menjadi krusial dalam membentuk ekosistem ekonomi digital yang berintegritas.

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INTRODUCTION

The development of information technology has brought significant changes in global economic activities, including in Indonesia. One manifestation of this transformation is the emergence of the digital economy, where the buying and selling of goods and services is done through online platforms. This phenomenon not only increases market efficiency and access, but also fundamentally changes the pattern of interaction between producers and consumers. Consumers can now conduct transactions without being limited by time and space. However, this convenience is also accompanied by a number of risks such as fraud, misuse of personal data, product incompatibility, and weak legal guarantees in digital dispute resolution (Widyastuti, Kamila, & Saputra, 2022).

Consumer protection in the digital ecosystem is a crucial issue that still leaves many gaps. Although Indonesia already has legal instruments such as Law No. 8/1999 on Consumer Protection, in practice, this regulation has not been able to comprehensively cover the complexity of digital transactions. Many businesses are still not transparent in providing information to consumers, while consumers themselves often do not get their rights fairly. Another factor that exacerbates this situation is the low level of digital literacy among the public as well as weak supervision and law enforcement by the authorities (Saputra, 2024).

In this context, sharia business ethics can be an alternative normative and moral approach in strengthening digital consumer protection. Principles such as *ṣidq* (honesty), *amanah* (responsibility), *'adl* (justice), and the prohibition of *gharar* (adverse uncertainty) provide a strong ethical basis in building a business system with integrity. This sharia values-based approach is not only preventive against fraud, but also provides a spiritual and moral framework in shaping the behavior of business actors and increasing consumer awareness in fair transactions (Hasan, 2019).

With the increasing volume and complexity of transactions in the digital economy, the need for a holistic and adaptive consumer protection system is becoming increasingly urgent. This research is important because it offers an alternative framework through a sharia business ethics approach that has rarely been explored in depth in the context of the digital economy in Indonesia. By integrating ethical principles and Islamic values in online economic activities, it is hoped that this research can provide conceptual and practical contributions in strengthening fair, sustainable and civilized digital consumer protection.

As the use of the internet and digital devices increases, the digital economy is not only developing into a strategic sector, but also becoming a new backbone of national economic growth. Based on the e-Conomy SEA 2023 report by Google, Temasek, and Bain & Company, the value of Indonesia's digital economy is projected to reach USD 130 billion by 2025, making it the largest in Southeast Asia (Google et al., 2023). This phenomenon shows an increase in public trust in online transactions. However, this trust has not been fully guaranteed by an adequate protection system, especially from ethical and religious aspects, whereas in Indonesia's Muslim-majority society, the ethical dimension of sharia is an important consideration in economic transactions.

Several previous studies have discussed aspects of consumer protection in e-commerce transactions. For example, research by Wahyuni and Harahap (2021) highlighted the weak law enforcement against digital business actors who violate consumer rights. Meanwhile, a study by Nasution and Yusriadi (2020) emphasizes the importance of consumer literacy to avoid being trapped in harmful transactions. Even so, most studies still focus on the formal legal approach, and have not comprehensively integrated the Islamic business ethics framework. In fact, Islamic business ethics contains transcendental values that can complement the weaknesses of the positive legal system in touching the moral aspects of business actors' behavior.

This gap is the basis for the novelty of this research. The Islamic business ethics approach provides solutions not only in the regulative dimension, but also targets a paradigm shift in value-based business

behavior. Principles such as the prohibition of *riba* (economic exploitation), justice (*'adl*), balance (*mīzān*), and adherence to contracts (*ta'ahud*) can be the foundation in building a fairer, more transparent, and sustainable digital economic ecosystem (Dusuki & Abdullah, 2007). These concepts play a role in filling the gaps in the conventional consumer protection system, especially in the context of limited verification mechanisms for goods/services in asynchronous online transactions.

By considering the urgency, scientific gaps, and values contained in sharia business ethics, this research is designed to answer the following questions: (1) What are the characteristics of consumer protection challenges in the digital economy ecosystem in Indonesia? (2) How is the relevance and application of the principles of sharia business ethics in providing protection to digital consumers? (3) What conceptual model of consumer protection based on sharia business ethics can be developed in the context of the digital economy?

The objectives of this research are to: (1) Identify the main challenges and problems in digital consumer protection in Indonesia, (2) Analyze the relevance of sharia business ethics principles in the context of digital consumer protection, and (3) Formulate a consumer protection model based on sharia business ethics as an alternative to strengthening a fair and sustainable digital economic system.

The transformation of the digital economy has become a global phenomenon that not only affects consumption and production patterns, but also has profound legal and ethical implications. At the global level, the World Economic Forum (2022) reports that the digital acceleration following the COVID-19 pandemic has accelerated the use of online platforms in various sectors, including trade, education, and financial services. This digitization brings benefits such as cost efficiency, ease of access, and expansion of business networks, but at the same time creates serious challenges related to trust, data security, and consumer fairness (World Economic Forum, 2022).

In the Indonesian context, the rapid adoption of digital technology is not always accompanied by adequate legal infrastructure and digital culture. High internet penetration has not ensured that the public is effectively protected from unethical business practices, such as manipulation of product information, data privacy violations, or difficulty accessing complaint mechanisms. Data from the National Consumer Protection Agency (BPKN) shows that consumer complaint reports in the digital sector have increased significantly, especially in the e-commerce and digital financial services categories (BPKN, 2023). This shows the urgency of strengthening the consumer protection system in the evolving digital landscape.

From an Islamic perspective, the principle of consumer protection has long been embedded in sharia teachings through the prohibition of oppressive practices, fraud (*tadlis*), and uncertainty (*gharar*). Shariah business ethics not only emphasizes compliance with positive law, but also requires businesses to be morally and spiritually responsible for the impact of their business activities. In the digital economy, these principles can be manifested in the form of information transparency, clarity of contracts, compliance with commitments, and easy access to a fair complaint process (Hassan & Haron, 2020).

Moreover, in conventional economics, the regulatory approach is often reactive-only taking action after a violation has occurred. The Islamic business ethics approach is proactive and preventive as it instills the values of honesty (*ṣidq*) and responsibility (*amanah*) in the business process from the start. By integrating these principles into the digital consumer protection framework, it is hoped that a sustainable transformation of business culture will occur and foster an ecosystem that is not only legally legal, but also morally ethical (Ali & Odierno, 2018).

However, the integration of sharia ethical values into the digital consumer protection system has not been a major focus of research in Indonesia. Many approaches still focus on the technical aspects of law or contractual protection, whereas the ethical and religious dimensions are important cornerstones in shaping healthy market behavior in Muslim societies. Therefore, this research offers novelty by building a new conceptual framework that combines the principles of Islamic business ethics with an adaptive and justice-oriented digital consumer protection system.

METHODS

This research is a normative legal research with a qualitative approach, which aims to examine the principles of sharia business ethics in the context of consumer protection in the digital economy era. This method was chosen because it is relevant to analyze legal norms and Islamic ethical values that are conceptual in nature, and to trace their application in digital-based business practices. Normative legal research relies on legal materials as the main source, namely laws and regulations, sharia literature, doctrines of scholars, as well as relevant fatwas and decisions in the context of consumer protection (Marzuki, 2017).

The approaches used in this research are conceptual approach and comparative approach. The conceptual approach is used to examine the principles of business ethics in Islam, such as honesty (*ṣidq*), responsibility (*amanah*), justice (*'adl*), and the prohibition of *gharar* (uncertainty), and how these principles can be applied in digital consumer protection (Al-Qaradawi, 1995). Meanwhile, a comparative approach is used to analyze the differences and similarities between Indonesia's positive legal system, such as Law No. 8/1999 on Consumer Protection, and sharia principles, and how the two systems can be synergized to form a fairer and more ethical protection mechanism (Hasan, 2020).

The data collection technique was conducted through library research, namely by examining various secondary sources such as books, scientific journals, legal documents, DSN-MUI fatwas, consumer protection agency reports, and scientific articles from reputable databases such as Scopus and Google Scholar. The data obtained is analyzed descriptively-analytically, by describing the findings and relating them to the theoretical and normative context, in order to find patterns, legal gaps, and the potential integration of sharia values in digital consumer protection practices. This analysis is qualitative because it does not use numerical data, but emphasizes more on the depth of understanding and interpretation of text and context (Lexy, 2018).

Through this approach, the research is expected to offer a model of consumer protection based on Islamic ethical values that not only protects consumer rights legally, but also shapes a moral, fair and sustainable digital culture. The results of this research are expected to be a theoretical contribution to the development of consumer protection law in Indonesia, as well as a policy reference in designing regulations that are more responsive to the challenges of the digital economy.

RESULTS AND DISCUSSION

1. Consumer Protection in the Digital Economy: Challenges and Weaknesses of Positive Law

The results showed that although Indonesia has Law No. 8/1999 on Consumer Protection that explicitly regulates consumer rights, the implementation of this regulation in the digital ecosystem still faces a number of significant challenges. One of the main challenges is the limitation in addressing specific types of violations that occur in digital transactions, such as online fraud, misuse of personal data, and discrepancies between the goods delivered and the descriptions listed on e-commerce platforms (Sari, 2019). Existing regulations are more general in nature and not adaptive enough to the dynamics of rapidly developing technology. The existence of e-commerce that often operates across countries also complicates law enforcement in cases of disputes involving foreign parties (Kusuma, 2021).

One obvious example is the many cases of fraud that occur on e-commerce platforms involving the buying and selling of products that are not as promised. Business actors who are not transparent in conveying product information or even sellers who deliver counterfeit or defective goods, often cannot be prosecuted quickly due to legal complexities involving cross-border transactions. On the other hand, although some e-commerce platforms provide policies for returning goods or canceling transactions, unclear procedures and weak supervision make consumer protection in the digital world often inadequate (Iskandar, 2020). Overly complicated or unclear procedures often leave consumers feeling aggrieved and not knowing how to effectively protect their rights.

Another challenge is the low level of digital literacy among some consumers who do not understand their rights in online transactions. Based on findings from Sari (2019), many consumers are unaware of the rights provided by e-commerce platforms, such as the right to file a complaint or request a return of goods if the product is not suitable. Without sufficient understanding of existing regulations and procedures, consumers are often caught in uncertainty, which makes it difficult for them to claim their rights.

Furthermore, positive law in Indonesia is also not fully adaptive to technological developments. Although the Consumer Protection Law provides a strong foundation, its implementation in the digital realm is not enough to provide effective solutions to violations that develop in cyberspace. Limited supervision and law enforcement, especially with regard to digital transactions that are not physical and can involve foreign actors, make consumers vulnerable to harmful actions. This shows that there is a big gap in Indonesia's positive legal system that needs to be filled with more specific and comprehensive regulations, as well as strengthening the supervisory system that can cope with new challenges that arise in the digital world (Kusuma, 2021).

In addition, the risk is even greater with the development of a fast-moving digital economy, without being matched by sufficiently responsive regulations. In this case, Indonesian positive law needs to be updated and adjusted more quickly to the real conditions that occur in the field. The need for a revision of more detailed regulations on consumer protection in e-commerce and the digital economy is urgent in order to provide maximum and comprehensive protection to consumers.

In addition, the issues that arise in the digital economy do not only revolve around e-commerce transactions, but also include other services that are increasingly growing, such as digital-based applications, fintech, and other online service providers. The use of applications to buy goods or services, invest, and digital financial transactions is growing. However, the complexity of supervision and enforcement, especially for app-based products and services, often cannot be addressed by the current Consumer Protection Law.

Fraud in the form of fraudulent investments involving digital applications and fintech platforms also shows the unpreparedness of Indonesian law in addressing this new phenomenon. Many consumers fall victim to illegal investments or digital fraud due to the lack of regulations governing the provision of investment services through digital platforms. As a result, although consumers are entitled to protection, they often find it difficult to obtain compensation or justice because existing regulations do not specifically cover these digital aspects (Iskandar, 2020).

Another significant challenge is the use of personal data in digital transactions. Consumer data, which is now an important commodity in online transactions, is often misused by certain parties for unauthorized purposes, such as fraud or identity theft. In Indonesia, despite the recently passed Personal Data Protection Law, the challenges in implementing this regulation in the digital world are still enormous. Many apps and platforms are not transparent enough in their management of users' personal data, and consumers are often unaware of how their data is being used or shared. Without strict oversight of the use of personal data in digital transactions, consumers are vulnerable to harmful misuse of their personal data (Kusuma, 2021).

In addition, issues related to the mismatch of goods delivered with product descriptions on e-commerce platforms have also become an important issue in consumer protection in the digital era. Many consumers feel cheated because the goods received do not match what is offered or even counterfeit goods. This often happens in e-commerce marketplaces with poorly verified merchants. Some platforms already have return or refund policies, but their implementation is often complicated and ineffective. In addition, there are many complaints from consumers who feel that the policies are unclear or poorly implemented by the platforms, which undermines consumer confidence in the protection system (Sari, 2019).

In the face of these issues, it is imperative to update existing regulations with more specific regulations on consumer protection in the digital world. Such updates should not only focus on raising

consumer awareness, but also strengthen the state's supervisory role and establish a clearer framework for addressing disputes involving digital transactions. Increased cooperation between the government, businesses, and regulatory agencies also needs to be strengthened to make regulations more effective.

In addition, there needs to be digital literacy training and education for consumers so that they can better understand their rights in cyberspace. With higher levels of digital literacy, consumers will be better equipped to protect themselves from the various types of fraud that thrive in the digital world. Businesses should also be committed to improving transparency in providing product and service information, as well as having clearer policies regarding returns, dispute resolution, and personal data protection (Iskandar, 2020).

Overall, although Indonesia already has a fairly comprehensive consumer protection regulation, the rapid development of technology and the complexity of digital transactions demand an updated regulation and a more effective supervisory system. This is to ensure that consumers remain protected and can enjoy digital transactions safely, without worrying about the risk of loss or fraud that may occur. Adaptive regulations, strong supervisory systems, and higher digital literacy will be key in strengthening consumer protection in Indonesia's digital economy.

2. Consumer Protection in the Perspective of Sharia Business Ethics

Consumer protection from the perspective of sharia business ethics provides a more in-depth look at the importance of moral and ethical principles in digital transactions. In the context of the digital economy, sharia principles serve not only as moral guidelines but also as a basis for creating a safer, fairer and more transparent business environment. Therefore, the application of principles such as *ṣidq* (honesty), *amanah* (responsibility), *'adl* (justice), and the prohibition against *gharar* (uncertainty) in digital transactions is essential to ensure optimal protection for consumers.

The principle of *ṣidq* or honesty is a key element in digital business transactions based on Shariah ethics. In online transactions, honesty is needed to avoid rampant fraud, such as delivery of goods that do not match the description or misleading information. Honesty in e-commerce platforms can be realized in various ways, from accurate product descriptions to transparency regarding return or refund policies. The implementation of this principle will minimize the risk of disputes and increase the sense of satisfaction and security for consumers. For example, a platform that implements clauses governing the cancellation of transactions or the return of goods based on product discrepancies with descriptions can be considered a concrete manifestation of the principle of *ṣidq* in digital business. This gives consumers the assurance that they can conduct transactions with confidence without fear of being deceived (Hamzah, 2018).

Furthermore, the principle of *amanah* or responsibility in sharia business ethics requires every business actor to fulfill the obligations they have promised. In the realm of the digital economy, this includes a commitment to deliver products on time, according to the promised quality, as well as providing fair solutions when problems occur with transactions. For example, a platform that guarantees product delivery within the promised timeframe and allows consumers to return the product in case of discrepancies is a manifestation of the implementation of the principle of trustworthiness. The application of this principle increases consumer trust in the platform, so that transactions can be carried out with a sense of security and greater trust in business actors (Al-Qaradawi, 1995).

The principle of *'adl* or justice demands a balance between the rights and obligations of both business actors and consumers. In the context of e-commerce and digital transactions, this principle can be applied by providing fair consumer rights. For example, ensuring that consumers have the right to file a claim or request a return of goods if the product received is not as promised or even defective. This fairness also concerns the protection of consumers' personal data. In the digital world, personal data becomes a very valuable asset, and its use must be in accordance with the principle of trust, which is not

misused or shared without the consumer's permission. In this case, e-commerce platforms must have clear policies regarding the protection of personal data and transparent procedures regarding how the data is used and protected (Samsudin, 2019).

The principle of *gharar*, which prohibits uncertainty in business transactions, is particularly relevant in the digital ecosystem. *Gharar* often occurs in online transactions when information provided by platforms or sellers is unclear or misleading, for example, inaccurate product descriptions or transaction terms and conditions that are difficult for consumers to understand. To address the potential for *gharar*, e-commerce platforms need to adopt clear policies, such as providing transparent information about products, including features, prices, and return policies. In addition, the procedure for filing a claim or returning goods should be simple and easily understood by consumers, so that there is no uncertainty in the process. Thus, the principle of *gharar* helps reduce the risks faced by consumers in digital transactions and creates trust between consumers and businesses (Hasan, 2020).

In the context of Islamic business ethics, all these principles are interrelated and strengthen consumer protection in the digital world. E-commerce platforms and other businesses in the digital world are expected to not only prioritize profits, but also consider the moral and social aspects of running their business. By integrating these sharia principles, businesses can create fair, transparent and safe transactions for consumers, which in turn increases consumer trust and loyalty to the platform.

Overall, Islamic business ethics provides a highly relevant framework for creating better consumer protection in the digital economy. Principles such as honesty, responsibility, fairness and the prohibition of uncertainty not only ensure legal protection for consumers, but also create a sustainable business ecosystem based on high moral values. Therefore, it is important for businesses in the digital world to integrate these principles in every aspect of their operations to ensure maximum consumer protection goals are achieved in the evolving digital economy.

3. Integration of Sharia Business Ethics in Digital Consumer Protection Regulation

While the principles of Shariah business ethics offer great potential for enhancing consumer protection in the digital economy, their application in Indonesian regulation is limited (Sari, 2021). This reflects the gap between the need for more comprehensive consumer protection and the implementation of existing policies, which often lack responsiveness to rapid developments in the digital world. In this context, it is important to integrate sharia principles, which emphasize moral and ethical values, in digital consumer protection policies. This approach aims not only to protect consumer rights, but also to create a fairer system that prioritizes the common good.

The implementation of sharia principles in digital consumer protection regulations can be done by incorporating elements of sharia business ethics in policies that are more detailed and responsive to consumer needs. One example of the implementation of sharia principles is the regulation of product information transparency. In sharia business, the principle of honesty or *ṣidq* demands that the information provided to consumers is clear and not misleading. Therefore, stricter policies regarding transparency of product information, including price, quality, and product description, will greatly assist consumers in making more informed decisions and reduce uncertainty in digital transactions. In addition, the obligation of business actors to return goods or consumer funds in the event of non-conformity or damage in accordance with the principle of trustworthiness is a very important step. From a Shariah perspective, the principle of *amanah* requires businesses to fulfill their obligations and take responsibility for the products or services offered. This can be implemented through regulations that ensure the return of goods or funds is done fairly, without burdensome procedural burdens on consumers.

Furthermore, the application of the principle of *'adl* or justice in digital consumer protection regulation is essential to ensure that consumer rights are protected in a balanced manner. This principle requires rules that prioritize consumers' rights to equal protection without discrimination. Policies based on this principle of fairness can be realized by establishing fair procedures in dispute resolution, both between consumers and business actors and at the digital platform level itself. Therefore, regulations that

encourage equal protection and do not disadvantage either party will provide better guarantees for digital consumers.

In digital regulation, the aspect of personal data protection is also a very important thing to get attention in the perspective of Islamic business ethics. The principle of *trustworthiness* demands the protection of consumers' personal information and maintaining its confidentiality. As the amount of data collected by digital platforms increases, personal data protection becomes a major issue. Regulations that include obligations for platforms to keep user data secure, give consumers control over their data, and ensure transparency of data use, will contribute greatly to consumer protection. In this case, the principle of *'adl* also applies, where data collection and use must be done fairly and not infringe on consumers' rights.

The role of the Financial Services Authority (OJK) and the Indonesian Consumer Protection Commission (KPKI) is strategic in formulating policies that can adopt these principles of sharia business ethics. OJK, as the institution that oversees the financial services sector, has a key role in regulating digital platforms operating in the financial sector, while KPKI is responsible for protecting consumer rights across all sectors. Collaboration between OJK and KPKI in formulating regulations based on sharia principles will enable the creation of a system that not only takes into account economic interests, but also ensures that moral and ethical values, such as fairness, trustworthiness, and transparency, are maintained. Thus, digital consumer protection in Indonesia can be more effective, fair, and in accordance with sharia principles that prioritize mutual welfare (Sari, 2021).

In addition, it is also important to note that the implementation of sharia business ethics principles in digital consumer protection regulations will not only increase consumer satisfaction and trust, but can also improve the competitiveness of e-commerce platforms that implement them. In the long run, policies that take into account Shariah business ethics can be a selling point for platforms that focus on sustainability and social responsibility, and build a healthier ecosystem in the digital world. Therefore, further efforts are needed to socialize the importance of sharia business ethics to all stakeholders, including regulators, business actors, and consumers.

In addition to the aspects that have been discussed, the application of Islamic business ethics principles in digital consumer protection regulations also needs to consider the influence of technology in increasing transparency and accountability. One technology that can be utilized is blockchain. Blockchain, which is well-known for its ability to provide transparent and immutable transaction records, could be one of the solutions to increase consumer trust in digital transactions. From a Shariah perspective, transparency and accountability are of utmost importance, and technologies such as blockchain can ensure that transaction data and product information provided to consumers are not manipulated, thereby reducing the potential for fraud that often occurs in online transactions.

In addition, the integration of Shariah principles also requires stricter supervision of the behavior of business actors in the digital world. For example, any business operating in the digital space must adhere to high ethical and moral standards, focusing not only on profits, but also on consumer welfare. This will reduce the potential for unethical business practices, such as misleading advertising or excessive collection of personal data without clear consent from consumers. Therefore, regulations that adopt sharia principles will prioritize the precautionary principle in every action of business actors, and ensure that the policies made not only protect consumer rights but also pay attention to the balance between economic interests and moral values taught in Islam.

In addition to regulating aspects of transparency, trustworthiness, and fairness in digital consumer protection policies, sharia principles also require fair arrangements related to dispute resolution. In this case, the principle of *'adl* or justice can be applied to ensure that consumers who feel aggrieved can obtain a fair and equal settlement. Therefore, the development of dispute resolution mechanisms based on sharia principles, such as through sharia arbitration institutions or mediation, can be an alternative solution that

is more efficient and fair than conventional legal processes that sometimes require a long time and high costs.

Regulations that take into account the principles of Islamic business ethics also need to ensure that consumer rights are protected in various situations, including in international transactions. Given the global nature of the digital economy, consumer protection is not only limited to domestic transactions, but also needs to pay attention to cross-border transactions involving foreign businesses. Therefore, there is a need for international cooperation in adopting sharia principles in consumer protection regulations, so that Indonesian consumers can be protected not only in the national scope but also in the global realm. In addition, the integration of sharia principles in digital consumer protection regulations can also serve as an example for other countries in developing more ethical and fair policies in the digital era.

The role of education and socialization is also crucial in ensuring the successful implementation of sharia principles in digital consumer protection policies. Training businesses, regulators and the public on the importance of sharia business ethics principles can help create greater awareness of consumer rights and obligations in the digital world. With a better understanding of how sharia business ethics can be applied in digital transactions, it is expected that businesses will be more responsible in carrying out their activities, while consumers will also be more aware of their rights and how to protect them.

Overall, the integration of Islamic business ethics principles in digital consumer protection regulations will bring significant positive impacts, not only to enhance consumer protection, but also to create a more equitable and sustainable digital ecosystem. Through the application of moral and ethical values in digital regulation, Indonesia can create a more responsive and fair consumer protection system, which will ultimately support the development of a digital economy based on trust, transparency and fairness.

4. Policy Recommendations and Future Directions

Based on the results of this study, there are a number of policy recommendations that need to be considered to strengthen consumer protection in the digital ecosystem in Indonesia. First, it is imperative for the Indonesian government to update its consumer protection regulations by integrating relevant sharia business ethics principles. The application of sharia principles will not only ensure that digital consumer protection regulations better reflect moral and ethical values, but can also serve as a stronger foundation in building public trust in the digital ecosystem. Therefore, the revision of this regulation should emphasize aspects of transparency, the obligation to return goods or funds in accordance with the principle of trustworthiness, and the application of the principle of 'adl (justice) to ensure a more balanced protection of consumer rights.

In addition, there is a need to encourage businesses in the digital ecosystem to implement business policies that are based on sharia ethics, where the main principle is consumer welfare, not just financial gain. Businesses, whether in e-commerce, fintech or other digital sectors, should be involved in initiatives that emphasize social responsibility and business ethics based on Islamic values, such as honesty, transparency and fairness. To achieve this, clear incentive and sanction mechanisms are needed in regulations that encourage compliance with sharia principles in every transaction and interaction with consumers.

Strengthening digital literacy is also an important step towards creating a society that is more aware of their rights as consumers in the digital world. Digital literacy must be improved at all levels of society, including in terms of how to protect their personal data, understand the provisions in terms and conditions, and educate consumers about their rights in the context of fair digital transactions. Education and training programs targeting consumers, businesses, and regulators need to be conducted massively to ensure that all parties understand the principles of sharia business ethics that can improve the quality of the digital economy ecosystem.

In addition, a stricter supervisory system needs to be introduced to ensure that every business involved in the digital economy complies with existing regulations and operates with established ethical

principles. This supervision can not only be carried out by the government through relevant institutions such as the Financial Services Authority (OJK) and the Indonesian Consumer Protection Commission (KPKI), but can also involve civil society organizations and international institutions in creating a more accountable ecosystem. The use of advanced technologies such as blockchain or AI to track transactions and product transparency can be part of this oversight system, which will provide more effective protection to digital consumers. With a strong oversight system, businesses that engage in unethical practices or harm consumers can be sanctioned accordingly, while consumers can receive more optimal protection.

Overall, to create a safer and fairer digital economy ecosystem, it is important for Indonesia's policies and regulations to continuously evolve in line with technological developments and the needs of society. Integrating sharia principles in consumer protection regulations, strengthening digital literacy, and strict supervision will create a better environment for consumers and businesses, which in turn can support sustainable and equitable growth of the digital economy. Governments, businesses, and communities need to work together to create this ecosystem based on noble ethical principles and strong morality, which will be the foundation for a more inclusive and equitable digital economic future.

CONCLUSION

This research identifies the importance of consumer protection in the rapidly evolving digital economy, particularly in the context of existing regulations in Indonesia. Despite the existence of Law No. 8/1999 on Consumer Protection, its implementation still faces major challenges in the face of the complexity of digital transactions. The many loopholes in the regulation and limited digital surveillance infrastructure mean that consumer protection in the digital ecosystem is not effective.

From the perspective of Islamic business ethics, principles such as *ṣidq* (honesty), *amanah* (responsibility), *'adl* (justice), and the prohibition of *gharar* (uncertainty) can be a strong basis for improving consumer protection in the digital world. The implementation of these principles can prevent fraud, unclear information, and injustice in digital transactions. By integrating sharia principles into regulations, it is expected to create a digital economic ecosystem that is more transparent, fair, and has integrity.

The importance of digital education and increased literacy among consumers is also a supporting factor for the success of this protection. Therefore, strengthening regulations, integrating sharia business ethics in policies, and improving supervision and consumer education need to be prioritized in realizing more optimal consumer protection in Indonesia.

Going forward, this research provides recommendations for the strengthening of policies based on sharia ethics, as well as the development of a supervisory system that is more responsive to consumer needs in the digital economy, to create a safer and fairer environment for all parties.

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