



## The Effectiveness of Non-Litigation Mechanisms in Resolving Consumer Disputes in South Tangerang City

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### **Abstract**

The increasing volume of goods and services transactions in South Tangerang City, in line with the growth of the trade and service sectors, has led to a higher potential for consumer disputes. These disputes generally relate to product non-conformity, services that disadvantage consumers, and the suboptimal fulfillment of consumer rights. Dispute resolution through litigation is often considered less effective due to the time, cost, and complex procedures involved. Therefore, non-litigation consumer dispute resolution mechanisms have become an important alternative in ensuring the protection of consumer rights in a manner that is fast, simple, and equitable. However, the implementation of non-litigation mechanisms in South Tangerang City still faces various challenges, including institutional limitations, low levels of public legal literacy, and issues related to practical effectiveness. This study aims to: (1) analyze the implementation of non-litigation consumer dispute resolution mechanisms in protecting consumer rights; (2) identify the obstacles encountered in their implementation; and (3) formulate strategies to strengthen these mechanisms to enhance their effectiveness. This research employs an empirical juridical approach with a descriptive-analytical design. Data were collected through literature review and field research, including interviews and observations involving relevant stakeholders and consumers who have experienced disputes. The data were analyzed qualitatively to provide a comprehensive understanding of the implementation of non-litigation dispute resolution mechanisms. The findings indicate that non-litigation mechanisms have not yet operated optimally due to limited public awareness, institutional constraints, and insufficient dissemination of information. Nevertheless, these mechanisms hold significant potential to improve access to justice if strengthened through enhanced legal literacy, institutional capacity, and more effective implementation at the local level.

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## INTRODUCTION

The development of modern trade has increased the complexity of relationships between business actors and consumers, particularly in goods and services transactions at the local level. In South Tangerang City, rapid economic growth has led to an increase in the volume of consumer transactions (Saefullah et al., 2025). However, this growth has not been fully accompanied by an adequate understanding of the rights and obligations of each party. This condition has the potential to generate various consumer disputes, such as issues related to product quality, lack of transparency of information, and breach of contract in transactions (Kusnadi & Marpaung, 2022).

In practice, dispute resolution through litigation is often considered less effective due to the lengthy process, high costs, and relatively complex procedures involved. Therefore, non-litigation consumer dispute resolution mechanisms have become an increasingly important alternative. These mechanisms are designed to provide access to justice that is faster, simpler, and more affordable for the public, thereby enhancing the protection of consumer rights more broadly (Virgoria et al., 2025).

Nevertheless, the implementation of non-litigation mechanisms in practice has not yet been fully optimal. Various challenges persist, including low levels of utilization by consumers, limited understanding among business actors regarding dispute resolution procedures, and the ineffectiveness of mediation and adjudication processes (Sirait et al., 2022). This situation indicates a gap between the ideal concept of non-litigation dispute resolution and its practical implementation at the regional level, particularly in South Tangerang City, which is characterized by high economic dynamics.

Based on these conditions, this research is important to conduct in order to comprehensively examine how non-litigation consumer dispute resolution mechanisms are implemented in protecting consumer rights. This study also aims to identify the factors that influence the effectiveness of their implementation and to formulate strategies that can be used to optimize these mechanisms in a sustainable manner.

The research questions addressed in this study are: (1) how are non-litigation consumer dispute resolution mechanisms implemented in protecting consumer rights in South Tangerang City; (2) what factors influence the effectiveness of their implementation; and (3) what strategies can be formulated to enhance the optimization of non-litigation consumer dispute resolution mechanisms.

This research is expected to provide practical contributions for consumers and business actors in understanding the importance of non-litigation dispute resolution, as well as serve as a reference for local governments in formulating more effective policies to strengthen a fair, efficient, and sustainable consumer protection system.

Research on consumer dispute resolution has generally focused on normative aspects, particularly the analysis of legal frameworks and institutional roles within consumer protection systems. Although such studies contribute significantly to legal understanding, they tend to be doctrinal in nature and have not sufficiently examined how dispute resolution mechanisms are implemented in practice. As a result, there remains a lack of empirical evidence regarding the effectiveness of non-litigation mechanisms at the regional level (Fahri et al., 2025).

Several previous studies have highlighted the potential effectiveness of non-litigation dispute resolution as an alternative to litigation (Irawan et al., 2023). However, these studies are generally broad in scope and do not specifically accommodate the contextual dynamics of particular regions, especially urban areas with complex socio-economic characteristics (Hulu et al.,

2020; Stiawati & Safitri, 2024). This has led to a gap between the ideal concepts outlined in regulations and their actual implementation in practice.

This study seeks to address this gap by employing an empirical approach focused on the implementation of non-litigation consumer dispute resolution mechanisms in South Tangerang City as an urban area with significant economic growth and trade activity. Unlike previous studies, this research not only analyzes normative aspects but also evaluates practical implementation, identifies existing challenges, and assesses the extent to which consumer rights protection can be effectively realized.

The novelty of this research lies in its integrative approach, combining legal analysis with empirical field data to provide a more comprehensive understanding of consumer dispute resolution. Furthermore, this study offers strategic recommendations based on empirical findings that are contextual and applicable in strengthening non-litigation mechanisms. Thus, this research contributes not only theoretically by enriching analytical approaches but also practically by providing policy recommendations to enhance the effectiveness of consumer rights protection at the local level.

## **Literature Review**

### **Consumer Protection**

Consumer protection refers to a systematic effort to ensure legal certainty and safeguard consumer rights in goods and services transactions. Conceptually, consumer protection extends beyond legal aspects to include dimensions of justice, balance, and security in the relationship between business actors and consumers. In practice, it aims to prevent losses arising from information asymmetry, abuse of market power, and unfair business practices (Dewi, 2022). In Indonesia, consumer protection is regulated through various legal frameworks that emphasize transparency, accountability, and the responsibility of business actors. However, its implementation continues to face significant challenges, particularly in enforcing consumer rights and ensuring access to effective dispute resolution mechanisms.

### **Non-Litigation Consumer Dispute Resolution**

Non-litigation consumer dispute resolution refers to alternative mechanisms outside the court system designed to provide faster, simpler, and more cost-effective processes. These mechanisms typically include mediation, conciliation, and arbitration, emphasizing amicable settlement and win-win solution (Simarmata & Sinaga, 2025).

In Indonesia, the Consumer Dispute Settlement Agency (*Badan Penyelesaian Sengketa Konsumen* / BPSK) plays a crucial role as an institution that facilitates non-litigation dispute resolution. BPSK is authorized to handle disputes through mediation, conciliation, and arbitration, and to issue decisions that are final and binding within certain limits (Virgoria et al., 2025).

Although conceptually considered effective, in practice these mechanisms still face several challenges, such as low public utilization, limited institutional capacity, and insufficient understanding among both business actors and consumers regarding dispute resolution procedures.

## **Effectiveness of Non-Litigation Mechanism Implementation**

The effectiveness of a policy or legal mechanism can be assessed by the extent to which its intended objectives are achieved optimally. In the context of consumer dispute resolution, the effectiveness of non-litigation mechanisms can be measured through several indicators, including the speed of resolution, cost efficiency, level of satisfaction among the parties, and success in enforcing consumer rights (Dewi, 2022).

However, various studies indicate a gap between expected effectiveness and actual implementation in practice. Factors such as limited access to information, low levels of legal awareness among the public, and weak inter-institutional coordination remain key obstacles in optimizing non-litigation mechanisms.

## **Theoretical Framework**

### **Access to Justice Theory**

Access to Justice emphasizes that every individual should have fair and equal access to dispute resolution mechanisms. In this context, non-litigation dispute resolution is viewed as an important instrument for expanding access to justice, particularly for individuals with limited access to formal judicial systems (Ünal, 2024). In this study, this theory is applied to assess the extent to which non-litigation mechanisms provide accessibility, efficiency, and substantive justice for consumers (Lestari, 2023).

### **Consumer Protection Theory**

Consumer Protection Theory highlights the importance of safeguarding the weaker party—consumers—in transactional relationships with business actors. This theory underscores the need for regulations, supervision, and effective dispute resolution mechanisms to ensure the fulfillment of consumer rights (Azzara & Saefullah, 2026). In this research, this theory is used to analyze how far non-litigation mechanisms are capable of providing tangible protection to consumers..

### **Alternative Dispute Resolution (ADR) Theory**

Alternative Dispute Resolution (ADR) refers to dispute resolution approaches outside the court system that emphasize efficiency, flexibility, and consensual outcomes. ADR encompasses various methods such as mediation, conciliation, and arbitration, all aimed at achieving mutually agreed solutions between disputing parties (Subagyo et al., 2025). In this study, ADR theory is used to explain how non-litigation mechanisms can serve as effective alternatives to litigation, as well as to examine their practical implementation at the regional level.

## **METHODS**

This study employs a qualitative approach aimed at gaining an in-depth understanding of the implementation of non-litigation consumer dispute resolution mechanisms in protecting consumer rights. This approach is chosen because it enables the exploration of meanings, processes, and experiences of the actors involved, including consumers, business actors, and relevant institutions. The analysis focuses on the interaction between human, institutional, and regulatory aspects in determining the effectiveness of dispute resolution mechanisms at the regional level (Nartin et al., 2024).

The research was conducted in South Tangerang City, an area characterized by dynamic trade activities. Data collection was carried out through direct field visits to obtain comprehensive empirical data. The research process consisted of three main stages: preparation, implementation, and data analysis.

During the preparation stage, the researcher conducted a literature review on consumer protection and non-litigation dispute resolution, developed the research design, and obtained the necessary permits from relevant institutions. This stage aimed to ensure both conceptual and administrative readiness prior to fieldwork (Saefullah, Arza, et al., 2026).

The implementation stage focused on collecting empirical data through direct interaction with informants. Data were gathered from local government institutions responsible for consumer protection, business actors, and members of the public who had experienced consumer disputes. At this stage, the researcher also identified dispute resolution procedures, the roles of various actors, and the challenges encountered in implementing non-litigation mechanisms.

Data collection techniques included in-depth interviews, Focus Group Discussions (FGDs), field observations, and document analysis. Interviews were conducted in a structured manner with key informants selected using purposive and snowball sampling techniques. The total number of informants ranged from 25 to 30 individuals, consisting of representatives from local government (approximately 5 individuals), business actors (approximately 10 individuals), and consumers as well as community leaders (approximately 10–15 individuals). In addition, two FGD sessions were conducted to enrich perspectives and validate field findings.

Data analysis was carried out using qualitative analysis techniques through a content analysis approach. Interview and FGD data were transcribed and analyzed using thematic coding with the assistance of NVivo software. The analysis process involved categorizing data into key themes, such as dispute resolution procedures, supporting and inhibiting factors, and consumer perceptions of the protection of their rights.

To ensure the validity and credibility of the data, this study employed triangulation techniques by comparing and verifying data obtained from multiple sources and methods, including interviews, observations, and official documents. Through this approach, the study is expected to provide a comprehensive, valid, and in-depth understanding of the implementation of non-litigation consumer dispute resolution mechanisms in South Tangerang City.

## **RESULT AND DISCUSSION**

The findings indicate that the implementation of non-litigation consumer dispute resolution mechanisms in South Tangerang City has not yet been optimal, despite being institutionally facilitated through the Consumer Dispute Settlement Agency (BPSK). In general, the available mechanisms have been able to provide an alternative pathway that is faster and more cost-effective compared to litigation. However, their utilization rate remains relatively low due to limited public awareness regarding the procedures and functions of these mechanisms. Many consumers still lack an understanding of their rights or are unaware of the existence of dispute resolution mechanisms outside the court system.

From the perspective of business actors, the study finds that many have insufficient understanding of their legal obligations in resolving consumer disputes. This has led to a tendency to resist mediation or conciliation processes. Furthermore, dispute resolution processes often face

administrative challenges and a lack of standardized operational procedures, resulting in uncertainty regarding the duration of case resolution.

Another key finding shows that the effectiveness of non-litigation mechanisms is strongly influenced by the quality of human resources and institutional capacity (Dewi, 2022; Saefullah, Tahang, et al., 2026). The limited number of mediators and the lack of continuous professional training hinder the delivery of dispute resolution processes that are both professional and fair. On the other hand, observational findings reveal that cases successfully resolved through mediation tend to achieve higher levels of satisfaction, as they are based on mutually agreed, win-win solutions.

Overall, this study identifies a gap between the relatively adequate regulatory framework and its practical implementation in the field. This condition highlights that strengthening public outreach, enhancing institutional capacity, and improving legal literacy are key factors in optimizing non-litigation consumer dispute resolution mechanisms at the regional level.

These findings are consistent with previous studies that emphasize the gap between regulation and implementation. Studies by (Saefullah, Rifia, et al., 2026; Sirait et al., 2022) indicate that the low utilization of non-litigation mechanisms is often caused by limited public legal literacy and insufficient dissemination efforts by relevant institutions. This condition reinforces the perspective of Access to Justice, which emphasizes that access to justice is not only determined by the availability of institutions but also by the ability of individuals to understand and access these mechanisms.

From the perspective of business actors, the observed resistance to mediation processes aligns with prior research indicating that business actors tend to avoid non-litigation dispute resolution due to a lack of understanding of its benefits and procedures. This suggests that the effectiveness of non-litigation mechanisms depends not only on institutional structures but also on the readiness and awareness of the actors involved, as highlighted in the concept of Alternative Dispute Resolution (ADR), which emphasizes active participation and mutual engagement.

Furthermore, findings related to limitations in human resources and institutional capacity are consistent with previous empirical studies, which identify the quality of mediators and institutional support as key determinants of successful dispute resolution (Stiawati & Safitri, 2024). From the perspective of Consumer Protection Theory, this condition indicates that consumer protection has not yet been fully optimized due to persistent structural and cultural constraints.

In conclusion, this study not only reinforces existing findings but also provides a more specific local context, demonstrating that the effectiveness of non-litigation consumer dispute resolution at the regional level is shaped by a combination of legal literacy, institutional capacity, and the readiness of stakeholders to utilize the available mechanisms.

## CONCLUSION

This study concludes that the implementation of non-litigation consumer dispute resolution mechanisms in South Tangerang City has not yet been optimal in ensuring the protection of consumer rights. Although institutionally facilitated through the Consumer Dispute Settlement Agency (BPSK), the level of utilization remains low due to limited public legal literacy, insufficient understanding among business actors, and constraints in institutional capacity. The findings indicate that the effectiveness of non-litigation mechanisms is strongly influenced by factors such as access to information, the quality of human resources, and the readiness of the parties involved to engage in the dispute resolution process. On the other hand, these mechanisms

demonstrate significant potential as a fast, simple, and cost-effective alternative for dispute resolution when implemented effectively. Therefore, strengthening efforts are required through enhanced public outreach, improved institutional capacity, and the refinement of operational procedures to ensure that non-litigation mechanisms can function more effectively and sustainably in protecting consumer rights at the regional level.

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