LEGAL PROTECTION FOR CUSTOMERS OF NON-BANK PRODUCT IN INDONESIA

Andika Persada Putera, Hang Tuah University
Mohammad Zamroni, Hang Tuah University

ABSTRACT

The development of investment products in stock market and insurance as well as the shift of people paradigm and critical thinking, from conventional by putting their fund in the form of saving or deposit account to a fixed income, make them shift to investment products such as mutual fund and bancassurance in order to get more profit, and thus, it shifts the amount of customers' fund to investment products as well.

To accommodate this issue, banking activities may not only be core business, but also non-core business in terms of having agencies cooperated with security and insurance companies as mutual fund and insurance (i.e., known as non-bank products) sales agents. However, some possible risks may go to the customers investin their fund into non-bank products. Therefore, they should be protected from any losses they do not expect and out of their fault. This legal protection is both preventive and repressive.

Keywords*:* Legal Protection, Customer, Non-Bank Product.

INTRODUCTION

The function of bank as an intermediary body is mentiond in Article 3 of Banking Law that the primary function of Indonesia banking is to collect and distribute people fund. The funding is mentioned in Article 6 subsection (a) of Banking Law that public bank is a business of collecting people fund in the form of saving account/deposit including current account, timely deposit, deposit certificate, saving account, and/or other product with equal function. *Funding* is aimed to finance bank's lending, and thus, their business depends on the availability of *funding* they collect. Heffernan (1996) suggested two reason addressing why bank is called an intermediary body. He argued,

> "*First, the presence of informations costs undermines the ability of a potential lender to find the most appropriate borrower, in the absence of intermediation. Second, borrowers and lenders have different liquidity preferences.*"

The development of national economy in external environment of bank (e.g., stock market and insurance) and the shift of people paradigm and critical thinking make them shift their fund from bank (e.g., saving account) to non-bank products (e.g., mutual fund and bancassurance) in order to get more profit. Therefore, banks innovate their products and services into both core and non-core businesses such as organizing agencies cooperated with security and insurance companies as the mutual fund and insurance sales agents (e.g., bancassurance). Those two products are classified into investment established by a non-bank financial department, and

thus, it is called non-bank products. The mix between banking, insurance/stoct market is called hybrid product. In this case, the bank acts as the sales agent and gets commission from their services while expanding their customer base as well as maintaining their customers' loyality.

The positive effects of non-bank product (i.e., mutual fund) through bank as a mutual symbiosis are as follow.

For the external of bank, security (i.e., Investment Manager) and insurance companies are limited in big cities. They do not make branches in many cities as what banks commonly do. With their office network, banks may attract many investors to buy their mutual funds and *bancassurance* products through their branches in their local areas. According to Bisnis Indonesia (January, 2018), the mutual fund management has increased over years reaching the level of 500 trillion rupiahs for this current year with the biggest contribution from mutual stock. Below is the Table 1 represents the Enhancement on Mutual Fund Management over Years (based on Bisnis Indoensia.

Table1
ENHANCEMENT ON MUTUAL FUND MANAGEMENT OVER YEARS

Period	RD	NAB (in Trillion)	The number of Participation Unit (in billion)
2012	754	187,59	113,71
2013	794	192,54	120,89
2014	894	241,57	142,73
2015	1,091	271,97	182,98
2016	1425	338,75	240,24
2017	1763	449,07	321,29

For the internal, it may maintain the existing customers and prevent them to leave for another bank, increase their fee-based income from subscription fee, redemption fee, and commission from *bancassurance*. Looking into this recent condition of banking, fee-based income is a potential matter the bank should take into account in order to get more revenue instead of loan interest to cover their increasing operational expense. As it has been told that

"*The trend of fee-based income growth is increasing…" (Dana, 2018).*

Toward the negative effect, bank is not apart from any unexpectedly possible risks they may have as an agent, since the disproportion of information the customer may get in non-bank product transacktion, especially about the beneficial value or positive return of the products. For instance, the historical track of mutual funds over years is always positive. When they see that the value of net assets seems low, they will be informed that it is temporary and will immediately rise up. Informing the potential risk of mutual funds to the customers is not always well run, especially when the Investment Manager is late disbursing the fund or default. This is common in a business marketing strategy that always put the value of their product benefit and profit in front instead of its possible risk of loss.

The case of Reksa Dana (2018) ex PT Bank Century, Tbk is one of the examples. The sue mentions that:

> *"At* that *moment, all the plaintiffs were shocked since what they believed as Protected Fixed Investment Product and Dicretionary Fund offered by THE DEFENDANT was surely secured and gave more profit…"*

Thus, what The Defendant had done by not providing accurate, clear, and fair information about the actual condition and assurance of the goods and/or service as previously mentioned is one against the law (onrechtmatige daad) ... (MARI, 2012)

Toward the case of mutual fund of PT BNI (persero), the plaintiff sued that:

> *"Futhermore, the defendant I, through the employee, had informed various advantages of BNI investment* products *along with its possible benefits the plaintiff might get if he/she took the product, which attracted him/her more than the current interest rate of deposit that was only 6% per year"*

That without any detail information from the employee of the defendant I (i.e., PT BNI [persero] ltd. Branch office: Kupang), the plaintiff immediately got a form of general terms and conditions to be signed as participant in BNI Investment product, (MARI, 2013).

This study, therefore, analyzes the legal protection for the customers of non-bank products from any possibly significant losses they may encounter due to the disproportion of information (i.e., default) by Investment Manager.

METHODOLOGY

This study is a normative study with a conceptual approach examining and analyzing the legal protection for customers of non-bank products when they encounter losses due to the disproportion of information or other causes out of the customers' fault. The data was from primary, secondary and tertiary legal resources. The data analysis is qualitative using deductive method.

RESULT AND DISCUSSION

The Characteristics of Bank and Non-Bank Products

Bank products consist of three products-saving account, credit, and services-as means to organize thei function as an intermediary department. Sinungan (1990) argues that banking activities are classified into three categories which constitutes the primary function of bank. They are as follow.

1. Bank as a funding body of people fund by collecting the amount into saving account, timely deposit, and current account.
2. Bank as a department distributing people fund in the form of credit/loan or as a financing department.
3. Bank as a department that helps trading and payment transactions.

Toward mutual fund, it is a kind of intruments marketed through stock market as mentioned in Act No. 8 1995 about Stock Market (Laws and Regulations, 1995). It is a product or instrument established by a non-bank financial department as an investment product in a collective way in the form of effect portfolio based on the policy of Investment Manager. *Bancassurance* is a novel cooperation product between bank and insurance company under

particular agreement that assigns bank as a sales representative/agent to sell insurance products and they get fee from the selling. The legal relationship between bank and security/insurance companies is in the form of agency under the agreement of agency.

The Concept of Bank as Agent

To market and sell an industrial product both goods and services to customers, the businessmen/producer has two options: marketing and seling their product by their own or through an authorized agent/distributor. In Contract Law or Business Law, it recognizes an *"agency agreemnt* and *distributorship agreement"* (Khairandy, 2013)**.** Therefore, the rise of agency company in Indonesia is due to the needs of having an intermediary body to expand product marketing network in more effective and efficient way and to bring more benefits rather than having a direct-selling. Following Suharnoko (2012), for the sake of efficiency, the producer may have an indirect selling of their products through intemediary or middle man such as agent or distributor rather than having a direct selling by their own.

Bank as a marketing and sales agent of non-bank products is basically an intermediary between the principal (i.e., the producer of products) and the third party (i.e. , buyer). Bank is means to mediate the needs of the principal to the third party on non-bank products due to the limitation of the principals' condition. In this case, bank is the representative that acts on behalf of the principal to interact with the third party.

Kelly (2002) argued,

> *"Agent is an individual under the principal's authorization to represent them to do particular legal actions or legal* relationship *with the third party."*

The legal relationship between banks and the principal is based on an agency contract in the form of cooperation established by the pertinent parties in order to regulate their rights and obligations within. Banks should take their obligation and not allowed to take any action out of their contract. That is, any possible riskt that may happen in the future will go to the principla if the banks do their tasks as mentioned in the contract. However, when they do any activities out of the contract, any risks will belong to them. Vasu (2001) argued that the principal would authorize their agents to make a contract with the third party, and they would be engaged as well in that contract. Agent has no responsibility or obligation mentioned in the contract with the third party.

The Risk of Non-Bank Investment Product (Mutual Fund)

Some possible risks that customers/investors may encounter in their investment of non-bank products are as follow (Widjaja & Almina, 2006):

1. The fall of net asset value (NAB) in participation unit (UP). It may cause a capital loss which is the primary risk of mutual fund.
2. Liquidity. The normal condition of mutual fund redemption by the investors occurs in the different time and with little amount. The investment manager is capable to make a repurchasing during the predetermined period of time. When it happen in simultaneously with the rush redemption, the investment

manager may find difficulty to sell their investment portfolio immediately; making the liquidity is unavailable to pay the redemption.
3. The risk of market. The price of instrument for investment is falling due to the decreasing performance of their market in a bearish condition. It may implicitly cause the fall of NAB and UP in mutual fund. Following Sulaksana (2009), the fluctuating market price of mutual fund may not only loss the investor but also the manager of investment when all the investors are getting rush and making withdrawal at the same time. Thus, the investors should keep their eyes on their market trend of mutual fund portfolio before they decide to purchase them.
4. The risk of Default. The very unexpectedly fatal risk is that the issuer company is suffering from finance, making them not capable to pay either the interest or the obligation base which becomes the instrument of mutual fund. Therefore, the Investment Manager is considerably default to their customers.
5. The risk of Investment Manager. As the one managing the performance of each of their mutual fund, the result is very dependent on their experience, knowledge, and competence in order to make their investment capable to get profit (i.e., capital gain) for the investors.
6. The investment products are difficult to sell. This risk is very significant for the investor instead of other risks they may encounter, as well as the risk of incompetent manager of investment in selecting and maintain their mutual fund portfolio.
7. Illegal investment products. Customers should be aware of purchasing mutual fund and selecting either investment manager or bank as their seles agent. Either investment manager or bank may sell illegal products which have no license from an authorized body, and thus, may cause default in the part of investment manager. As the result, the product may not be re-sold.

The Implementation of Risk Management for Bank

Generally, the dispute between bank and customer of non-bank products is triggered by some frictions, as follow.

1. Less information about the characteristics of products and services offered to the customers.
2. The customers' less understanding on the products offered, which may cause different perceptions.
3. The lack of channel for communication and solution to solve the frictions.
4. The customers' excessive trust on bank, which may bring unexpected result for them.

Hence, one of the causes is that the implementation of carefulness and transparency by the customers on the offered products is less than what it is expected. The customers do not fully get the informed information; however, they are not quite pro-active to ask more detail information; causing information discrepancy. Therefore, banks should implement the principle of transparency and improve the implementation of risk management more effectively for the sake of their customers' interests. Bank Indonesia has established a regulation to implement the risk management for public banks. It is under the Regulation of Bank Indoensia (PBI) No. 11/25/PBI/2009 (Laws and Regulations, 2009), article 1 subsection (5),

> *"Management of Risk is a set of procedures and methodology to identify, measure, monitors, and controls the possible risks from Bank's business activities"*

Toward the activity of mutual fund, the implementation of risk management is mentioned in the Circular Letter of Bank Indonesia (SEBI) No. 7/19/DPNP (Laws and Regulations, 2005), on 14th June 2005 juncto SEBI No. 11/36/DPNP (Laws and Regulations, 2009), on 31st December 2009 about banking activities related to Mutual Fund, including banks as investor, as the stock sales representatives of mutual fund and as custodians. Toward the activity of

bancassurance, the implementation of risk management for banking is regulated under SEBI No. 12/35/DPNP (Laws and Regulations, 2010), on 23rd December 2010 about the implementation of risk management for banks that have marketing cooperation with insurance companies (Bancassurance).

Darmawi (2004) suggested,

> *"Management of Risk is an attempt to see, analyze, and control the risk that every company may encounter in order to get higher* effectiveness *and efficiency."*

Therefore, it is the attempt to eliminate any possible risks of loss. Basically, risk is common in business, anywhen and anywhere, unpredictable and unexpectable. Nevertheless, anticipating any possible risk of loss is by well understanding the concept and techniques of risk management.

Bank Indonesia established PBI No. 7/6/PBI/2005, about Information Transparency of Bank's Product and the Utilization of Customer's Personal Data, particularly in Article 12 that banks having no transparency on their products will be charged by administrative penalty in the form of written warning, and it may effect on their fitness. In fact, it suggests that the legislator neglects the losses the customers may suffer due to non-transparent product information, as they did not firmly mention the articles that provide legal protection to the injured customers. Widiyono (2006) argued that such condition has explicitly and implicitly deceived people trust on the selected banks. All the pertinent parties that cover up the information which may injure the customers should be responsible.

Many cases of mutual fund by banks show that banks, as sales agent, bring some risks on their hands, such as risks on legal field and the reputation of their image as a trusted body. Thus, they should uphold 'people trust' as the fundamental base of banking. If that trust falls into *rush*, it may cause a systemic risk on national economy that brings a wide impact on public economy. Gandapradja (2004) argued that the systemic risks specifically referred to the risk of bank's failure which may wreck the entire economy and bring consequences on the employees, customers, and the stockholders.

Furthermore, Cranston (1997) suggested,

> *"Part of the conventional wisdom in banking is that default by one institution can spread to undermine other institutions. This is systemic* risk*. It is separate from the other risks facing individual banks-credit risk, market risk, political risk, and so on."*

Overall, the systemic risk is the separated part of other risks the banks may individually encounter, such as the risk of credit, market, politic, etc. Therefore, it is appropriate for banks to apply the provision of banking as their primary base to do their operational activities.

The Concept of Legal Protection for Customer

The legal relationship between bank and customer is definitively mentioned in Law of Bank.

Twun (1970) stated,

> *"The relationship between a banker and his customer is also one of contract. It consists of a general contract* and *special contract (such as giving advice on investment to the customer) and other duties, e.g. the banker duty of secrecy."*

Thus, the legal relationship between bank and customer in non-bank product transaction basically involves several parties, including bank, customer, and Investment Manager/Insurance Company.

Article 1 subsection (16), (17) and (18) of Banking Law defines the term "*customer*" as ones having bank's services, and they are classified into two criteria, as follow.

1. The saver, saving their fund in banks in the form of saving account based on an agreement between the bank and the pertinent customer.
2. The debtor, having facility of credit loan or finance based on the principle of *syari'ah* and/or the equivalent based on an agreement between the bank and the pertinent customer.

Another criteria of ther term "*customer*" not mentioned in Banking law is set under PBI No. 7/6/PBI/2005 that the term "*customer*" is every party using bank's services, including ones not having account but merely utilizing the bank's services to do financial transaction (i.e., walk-in customer). In this case, parties with neither saving accout nor any other banking services but having a transaction of non-bank product may involve as well. Thus, the criteria of customers in banking are finally classified into three categories, including: deposit customers, debtors, and walk-in customers.

The legal relationship between bank and customer should be along with a legal protection for both parties, which relates to the principle of trust. For deposit customers, they have an insurance for their saving as mentioned in Department of Deposit Insurance. For bank as the lender, the insurance comes from Department of Individual and Material Insurance. For walk-in customer, they may have insurance in the form of customers' "*trust*" that bank will do the transaction as the contract. Inevitably, everything related to bank should uphold the principle of trust due to its manifestation as a trusted body. The legal protection for customers on non-bank products is one of the related matters that should be taken into account as well. Given that the bank acts as the sales agent, the principal is the Investment Manager/Insurance Company, the customers should have a protection from any material loss due to others' default.

Therefore, the legal protection is a kind of legal assurance for a legal subject in the form of legal instrument; preventive and repressive, written and non-written. It is a depiction of the function of law, which may provide justice, order, assurance, and benefit. It is always associated with the concept of "*rechtstaat* or *rule of law"* since the establishment of those concepts is not apart from a pretension of recognition and protection on human rights. Harjono (2008) defined that legal protection is a patronage with legal instrument or by law for particular interests by taking those interests into a legal right. So, legal protection is a patronage based on law and applied regulations.

Hadjon (1987) suggested that legal protection is a protectihadjon on for dignity and the recognition of human rights a legal subject has based on the legal provision. It protects them from any arbitrariness. Hadjon (2011) added that it is an attempt to either protect or provide assistance to a legal subject through legal instruments. Furthermore, Rahardjo (2000) defined

that 'legal protection' provided insurance for injured human rights so that people may totally have their human rights the law has given.

Toward the type of legal protection, Hadjon (1987) theoretically classified them into two categories; preventive and repressive. Preventive protection is aimed to prevent any individual or group to intentionally do any negative actions, and thus, it may eliminate those actions to happen. It aims to prevent any dispute. Repressive protection, however, aims to solve any dispute.

The government provides a preventive protection to prevent any arbitrariness by banks in managing people fund or having transaction with their customers. Therefore, several regulations related to preventive protection on banking have been established, as follow.

1. Act No. 7 1992 (Laws and Regulations, 1992), about banking Jo. Act No. 10 1998 about the Amandment of Act No. 7 1992 about Banking (Laws and Regulations, 1998);
2. Act No. 21 2011(Laws and Regulations, 2011), about Financial Services Authority (i.e., OJK);
3. Act No. 8 1999 (Laws and Regulations, 1999), about Consumer Protection;
4. Regulation of Bank Indonesia No. 7/6/PBI/2005(Laws and Regulations, 2005), on 20th January 2005 about the Transparency of Banking Products and the Utilization of Customer's Personal Data;
5. Regulation of Financial Services Authority (i.e., POJK) No. 01/POJK.07/2013 (Laws and Regulations, 2013), on 26th July 2013 about Consumer Protection on Financial Service.
6. POJK No. 01/POJK.07/2014 (Laws and Regulations, 2014), Om 16th January 2014 about Alternative Body of Dispute Resolution (LAPS) in Financial Service.

The customers may have repressive protection if the disputing parties have solved their issue in prior through mediation by mediator from Financial Services Authority (i.e., OJK) as the supervisory of bank. When it fails to reach a resolution, it will be filed to litigation as the final legal attempt for the pertinent parties.

POJK No. 01/POJK.07/2013 on 26th July 2013 applies the principle of equilibrium between sustainably developing financial services and simultaneously providing protection for consumers and/or public as the users of those services. Therefore, it contains three primary aspects, as follow.

1. The improvement of transparency and the disclosure of benefits, risks, and the expense that should be spent for the products and/or services of Financial Services Companies (i.e., PUJK);
2. The responsibility of PUJK to do fit and proper test on their products and/or services, which corresponds to the possible riskts their consumers may encounter;
3. The simpler procedures and facilities for consumers to complain and solve any disputed related to the products and/or services of PUJK.

For non-litigation dispute resolution of PJUK product and/or services, it is based on POJK No. 01/POJK.07/2014 on 16th January 2014. It regulates that the mechanisms of solution for complains on financial services consists of two stages; by Financial Services Body (internal dispute resolution) and by non-litigation body (external dispute resolution).

The dispute resolution through LAPS with no litigation process is as follow:

1. It needs quick and affordable procedures with objective, relevant, and fair result.
2. It is confidential, hence, each of the disputing parties are convenient to make the resolution or their dispute without taking much time as it is designed to prevent any procedural and administrative tardiness.
3. It is conducted by highly competent people on dispute in order to reach an objective and relevant result.

In the context of implementing the customer and/or public protection, OJK is authorized to do preventive protection from any possible loss the customers may encounter by providng information and education to people about the characteristics of the financial products and/or services offered as reflected in Article 28 of OJK Law.

In fact, it shows that the mechanism of dispute resolution through mediation with no litigation process may still reveal unsatifaction in the part of customers as it does not correspond to the concept of customer protection and legal assurance. However, it is expected to reach a resolution and ultimately mutual consent through mediation, as it is informal, voluntary, future-oriented, cooperative and interest-based. In mediation, the disputing parties act as active participants during the process of having resolution and they are directly engaged to solve the issue for the sake of mutual interest in the next future. A mutual consent is the primary goal of the mediation. However, it still has limitation within:

> *"...the limitation of mediation in banking sector occurs since Bank Indonesia, as the mediator, conceptually acts as intermediary and has no capability to either press or take decision to solve the conflict. Therefore,* every *resolution of conflict is dependent on the mutual consent of the disputing parties. If it fails to reach the consent, it will go to process of litigation (Putera, 2013)"*

As the mediation fails to reach the resolution, the customers tend to solve their dispute through litigation using a mechanism of lawsuit in order to get a concrete legal protection and assurance, although the final result is either winning or losing. Unfortunately, they may not have the expected result although they won the case, as it is sometimes only on paper.

Therefore, the legal protection for customer on non-bank products should be firmly asserted in more concrete way as what the customers of bank products have from LPS. It is as described as follow:

Term and Condition of Assurance

The assurance by LPS is finite and conditional. The currently maximum amount of saving it assures is IDR 2 billion per customers per bank. The customer's saving must meet the requirement, which is recorded in account entry of the bank, and the interest is no more than what LPS has determined, as well as not having any actions against the banks (e.g., having bad credit).

The custumers with saving amount over IDR 2 billion may still get assurance up to IDR 2 billion, and the remaining amount will wait for the result of liquidity of the bank's asset.

In this context, the customer protection on non-bank product refers to the assurance of their saving through a mechanism as follow.

1. The development of assurance for customers' saving account by LPS includes the customer's non-bank products, with the criteria defined by an authorized body.
2. Providing protection for customers through insurance of non-bank product with particular terms and conditions which creates an opportunity for insurance companies to develop their business and new products cooperated with banks.

CONCLUSION

The types of legal protection for customers on non-bank products in banking field are as follow:

1. Preventive protection. It aims to revent any dispute between parties through:
   1) The bank implements the principle of circumspection and transparency toward their customers;
   2) The customers should be pro-active understanding the characteristics of non-bank product by constructing an active communication with the preferred bank before deciding to do a transaction.
   3) The development of assurance for the customers' fund by LPS includes the customers' non-bank products, with particular conditions.
   4) The customer protection through insurance of non-bank product is under several conditions.
2. Repressive protection. It aims to reach a dispute resolution between bank and the customer through:
   1) Mediation in prior to reach a mutual consent with OJK as their mediator;
   2) If the mediation fails, a final attempt to reach the resolution is through litigation in court.

REFERENCES

Cranston, R. (1997). *Principles of banking law.* Oxford University Press Inc., New York.
Dana, R. (2018). *Translucent managed fund of Rp500 trillion.* Bisnis Indonesia.
Darmawi, H. (2004). *Risk management.* Bumi Aksara, Jakarta.
Gandapradja, P. (2004). *Basic and principles of bank supervision.* Gramedia Pustaka Utama, Jakarta.
Hadjon, P.M. (1987). *Protection for people in Indonesia.* Bina Ilmu, Surabaya.
Hadjon, P.M. (2011). *Introduction to Indonesian administrative law.* Gajah Mada University Press, Yogyakarta.
Harjono, K. (2008). *Constitution as rumah bangsa.* Secretariat General and Registrar's Office of the Constitutional Court, Jakarta.
Heffernan, S. (1996). *Modern banking in theory and practice.* John Wiley & Sons, England.
Kelly, D. (2002). *Business law.* London: Cavendish Publishing, Limited.
Khairandy, R. (2013). *Principles of Indonesian commercial law.* Cetakan Pertama, FH UII Press, Yogyakarta.
Laws and Regulations. (1992). *Act No. 7, about Banking.*
Laws and Regulations. (1995). *Act No. 8, about Stock Market*.
Laws and Regulations. (1998). *Act No.10, about the Amandment of Act No. 7 1992 about Banking.*
Laws and Regulations. (1999). *Act No. 8, about Consumer Protection*.
Laws and Regulations. (2005). Circular Letter of Bank Indonesia No. 7/19/DPNP on 14th June 2005, about the Implementation of Risk Management in Bank with Activities Related to Mutual Fund.
Laws and Regulations. (2005). *Regulation of Bank Indonesia No. 7/6/PBI/on 20th January, about information transparency of bank product and customer's personal data*.
Laws and Regulations. (2009). Circular Letter of Bank Indonesia No. 11/36/DPNP on 31st December 2009, about the Amandment of Circular Letter of Bank Indonesia No. 7/19/DPNP on 14th June 2005 about the Implementation of Risk Management in Bank with Activities Related to Mutual Fund.
Laws and Regulations. (2009). Regulation of Bank Indonesia No.11/25/PBI/on 1st July 2009, about the Amandment of Regulation of Bank Indonesia No. 5/8/PBI/2003, about the Implementation of Risk Management for Public Bank.
Laws and Regulations. (2010). Circular Letter of Bank Indonesia No. 12/35/DPNP on 23rd December 2010, about the Implementation of Risk Management in Bank having Marketing Cooperation with Insurance Companies (*Bancassurance*).
Laws and Regulations. (2011). *Act No.21, about Financial Services Authority (OJK).*
Laws and Regulations. (2013). Regulation of Financial Services Authority No. 01/POJK.07/on 26th July 2013, about Consumer Protection in Financial Serives Sector.

Laws and Regulations. (2014). Regulation of Financial Services Authority No. 01/POJK.07/on 16th January 2014, about Alternative Body of Dispute Resolution (i.e., LAPS) in Financial Services Sector.

MARI. (1992). Verdict of Supreme Court of the Republic of Indonesia No. 2496 K/Pdt/2012, on 10th July 2013.

MARI. (2011). Verdict of Supreme Court of the Republic of Indonesia No. 2838 K/Pdt/2011, on 19th Apricl 2012.

Putera, A.P. (2013). Banking dispute settlement with mediation. *Journal of Law*, *28*(1), 1-12.

Rahardjo, S. (2000). *Legal studies.* Cetakan ke-V, Citra Aditya Bakti, Bandung.

Sinungan, M. (1990). *Managemen Dana bank*. Rineka Cipta, Jakarta.

Suharnoko, M. (2012). Theory and case analysis agreement law. Kencana Prenada Media, Jakarta.

Sulaksana, A. (2009). Principles of legal protection for mutual fund investors. *Disertasi,* Pascasarjana Universitas Airlangga, Surabaya.

Twun, S. (1970). *Banking law.* Sweet & Maxwell, London.

Vasu, S. (2001). *Contract law for business people.* RankBook, Singapore.

Widiyono, W. (2006). Try, *operational legal aspects of banking product transactions in Indonesia.* Cetakan Pertama, Ghalia Indonesia.

Widjaja, G., & Almina, P.R. (2006). *Mutual funds & the role of the responsibility of investment managers in the capital market.* Edisi Pertama, Cetakan ke-1, Kencana Prenada Media Group, Jakarta.