Legal Protection for Customers in Home Ownership Loans (KPR) in Islamic Banking in The Digital Era

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Abstrak. The development of information technology has had a significant impact on various fields of life, including banking. In the current digital era, there has been a major shift in banking in terms of offering products such as Home Ownership Loans (KPR). One important aspect in the development of mortgage products is the application of sharia contracts, especially in sharia-based financial institutions. Currently, services at Islamic banks are not only done by visiting the head office or branches, but banks have provided digital services. Indonesian banking continues to progress in creating a number of digital product services to help customers and prospective customers. The purpose of this article is to analyse the implementation of mortgages in Islamic banking in the digital era and the legal protection of customers. The application of information technology in mortgage products faces several challenges. One of them is the protection and security of personal data in accordance with the laws and regulations in the banking sector, including the protection of personal data and compliance with sharia standards in all matters.

Keywords: Legal Protection, Mortgage, Sharia Banking, Digital Era.

Introduction

In today's rapidly growing digital era, the Islamic banking industry is undergoing a significant transformation in providing financial services to the public. One of the most popular products is sharia-based Home Ownership Loans (KPR). Islamic mortgages are property financing solutions that are governed by sharia principles, where the use of funds and financing structure are based on the principles of justice, sustainability, and risk sharing. Mortgage is a very important product in helping people realise their dream of owning their own home.

The application of contracts in mortgage products is a central element in banking operations that requires continuous transformation in line with advances in information technology. The use of information technology in mortgage products has changed the traditional paradigm, improved efficiency, accelerated processes, and increased transparency in transactions. However, the application of information technology in mortgages also presents various challenges, such as personal data protection, transaction security, and compliance with sharia principles for sharia-based banking

Along with the development of technology and digitalisation, Islamic banking has turned to digital platforms to meet the needs of its customers. However, behind the ease of access and efficiency offered by technology, there are new challenges that need to be addressed in relation to legal protection for Islamic mortgage customers in this digital era.

Along with the development of the economy, financial institutions were born that help run the economy of society, one of which is an Islamic bank. For Muslims, the presence of Islamic banks is to fulfil their needs, but for other people Islamic banks are an alternative financial service institution in addition to conventional banking that has long existed. sharia transactions, because sharia transactions are considered safer, more comfortable, profitable, and also more prudential, because in Islamic banking everything is regulated based on sharia principles in accordance with Islamic law.

Based on the description above, there are legal issues interesting to be discussed in this scientific paper which is contained in the formulation of the problem, namely How is the legal protection of customers who make mortgage agreements in Islamic banking in the digital era and are there significant changes that occur in the Islamic banking industry due to digital transformation, and its impact?

Research Methods

This study will use a mixed-methods research approach that combines literature analysis with empirical research to understand the legal protection for mortgage customers in Islamic banking in the digital era. This mixed-methods approach will enable a more comprehensive understanding of what are the significant changes taking place in the Islamic banking industry due to digital transformation, and how they impact, as well as, the legal protection of customers entering into mortgage agreements in Islamic banking in the digital era.

The types and sources of data used in this study are:

Secondary legal materials.

Namely data obtained through literature study, literature analysis will be used to collect existing information on legal protection for KPR customers in Islamic banking in the digital era and relevant sharia principles. The literature review will include browsing journal articles, books, research reports, and other reliable sources related to the research topic. The literature analysis will enable us to understand the basic concepts, developments, and challenges associated with the application of contracts in mortgages using information technology.

Primary legal materials.

Primary legal materials are legal materials obtained directly from research subjects by means of observation, interviews, in this case researchers conducted interviews with sharia-based banking experts, in the Ungaran area to gain deeper insight into what are the significant changes that have occurred in the Islamic banking industry due to digital transformation, and how they impact and, legal protection of customers who enter into mortgage agreements in Islamic banking in the digital era.

Tertiary legal materials.

Namely supporting legal materials that provide guidance and explanation of primary legal materials and secondary legal materials, namely legal dictionaries, journals, websites.

The data collection techniques used in order to obtain accurate data in this study are as follows:

Primary data

Primary data in this study was obtained by means of direct observation/interview of the research subjects.

Secondary data

The secondary data in this study are secondary data originating from the Research Location, Islamic banking in the Ungaran area.

Data from interviews, surveys, or case studies will be analysed qualitatively. This analysis will involve thematic coding and identification of patterns in respondents' answers. The results of the analysis will be used to formulate findings and conclusions relevant to the research objectives.

Results and Discussion

Legal Protection of Islamic Banking Customers

Every human being basically has the right to fulfil their needs. Therefore, this right must be guaranteed and protected, one of which is through consumer protection. Consumer protection is a concept that must be applied in the process of economic activity so that consumers can obtain guarantees of goods and services that are . to fulfil their needs. Government efforts play a role in shaping regulations and law enforcement through various activities, one of which is through Law No. 8 of 1999. Consumer protection is defined as all efforts that ensure legal certainty to provide protection to consumers. Legal protection is essentially the implementation of consumer rights that should be given to consumers so that consumer protection is truly synonymous with legal protection of consumer rights. However, consumer protection is not only the duty or responsibility of the state, the business world also has an obligation to protect consumers. 8 year 1999.

All efforts to ensure legal certainty in consumer protection show that consumer protection is not only aimed at compensation or sanctions imposed on business actors. Efforts aimed at consumer protection also aim to empower consumers and increase entrepreneurs' awareness of the importance of consumer protection. In addition, consumer protection efforts do not only cover one branch of law, but also involve other aspects of law, including civil, administrative, and criminal law.

Legal protection against customers can be done in 2 ways, namely:

First, indirect protection, which is the legal protection of customers against all risks of losses that may arise from contracts or banking activities. Second, direct protection, namely direct protection of customers against the risk of loss that may arise from commercial activities carried out by banks.

Conventional banks and Islamic banks have very different agreements with their customers. However, customers are essentially parties who need cash flow for a specific purpose, parties who actually transfer money to the bank, or parties who receive financial services. Therefore, customers are bank consumers. As consumers, Islamic bank customers are protected from consumer protection regulations other than Law 21/2008, including:

1. Financial Services Authority Law Number 21 of 2011 (hereinafter referred to as "OJK Law");
2. Consumer Protection Law Number 8 of 1999;
3. Financial Services Board Regulation Number 1/POJK.07/2013 regarding Consumer Protection in the Financial Services Sector ("POJK 1/2013");
4. Financial Services Board Regulation Number 1/POJK.07/2014 on Alternative Dispute Resolution Bodies in the Financial Services Sector; And
5. Financial Services Board Circular Letter No. 17/SEOJK.07/2018 Guidelines for the Implementation of Consumer Complaint Services in the Financial Services Sector.

Although the OJK Law at first glance is general and does not indicate any provisions on consumer protection, Article 1 point 15 of the OJK Law reads:
Consumers are parties who place their funds and/or utilize services available at Financial Services Institutions, including customers in Banking, investors in the Capital Market, policyholders in Insurance, and participants in Pension Funds, based on laws and regulations in the financial services sector.

Sharia Banking Law No. 21/2008 is lex specialist as it specifically regulates Islamic banking. Although Law 21/2008 does not refer to customers as consumers, banks and stakeholders must maintain the confidentiality of information about depositors and their deposits, as well as investors and investment customers.

Then Article 66(2) of Law 21/2008 reads: Managers and employees of Islamic banks owned by UUS or traditional commercial banks who intentionally misuse customer money, the Islamic bank or UUS shall be sentenced to a minimum imprisonment of. 2 years and a maximum of 8 years and a minimum fine of Rp 2 billion and a maximum of Rp 4 billion.
From the explanation above which includes customer protection in Islamic banking, including:

1. Keeping customer funds safe, in the sense that the distribution and development of customer funds must be carried out prudently. In addition, it is not vulnerable to theft in the real sense.
2. Ensure the security and confidentiality of customer data, including the confidentiality of the amount of funds deposited. Thus, customers are safe from offers that they do not want, and avoid being the target of crime.
3. Obtaining an explanation of the possibility of potential risks in connection with customer transactions carried out.
4. Get the opportunity to voluntarily submit collateral or be able to authorize the execution of collateral in the event of default.
5. Guarantee of customer funds by the Deposit Insurance Corporation in accordance with applicable laws and regulations.
6. Utilize the services of Islamic bank products, while still complying with sharia principles.

Therefore, customers of Islamic banks are consumers of banks that operate based on sharia principles, i.e. according to the principles of Islamic law based on fatwas issued by the competent authorities in the banking sector and receive consumer protection based on Law 21/2008 and other related regulatory laws. related regulatory laws.

Home Ownership Loans (KPR)

Talking about Home Ownership Credit, Home Ownership Credit is a credit used to buy a house or other consumptive needs with collateral in the form of a house. In this case, home ownership loans are generally divided into two types, namely:
Subsidised Mortgage

Subsidized Home Ownership Loans (KPR) are Home Ownership Loans (KPR) made by the Bank and are one of the programs of the government, to be used as a facility in purchasing simple houses for those with low income. The form of this subsidy has been regulated by the government, so not all people can apply for this type of credit. In general, the limitations set by the government in providing subsidies are the income of the applicant and the maximum credit given. Settlement

Areas, Low-income people get support for home ownership through policies that facilitate and assist the construction and acquisition of houses.

Terms of Subsidized Home Ownership Credit (KPR). The conditions that must be met by prospective debtors to apply for a subsidized Home Ownership Credit (KPR) are: Indonesian citizen, has an E-KTP, does not own a house, has never received a home acquisition subsidy in the form of home ownership from the government, has an NPWP, has an annual tax return, and has an income below Rp 4,000,000.

Non-Subsidized Mortgage

A non-subsidized mortgage is a mortgage that is intended for the entire community without any government intervention. The terms of the mortgage are determined by the bank itself so that the determination of interest rates in conventional banks and margins in Islamic banks is carried out in accordance with the policies of the banks concerned.

Every credit that has been approved and agreed between the lender and the credit recipient must be stated in the form of a credit agreement or financing agreement. Credit agreements or financing agreements are divided into two, namely based on conventional systems and sharia systems.

Islamic Bank Mortgage Product Agreements in the Digital Age

Mortgage product contracts in the digital era generally refer to the various types of agreements and transactions used in housing finance. In the digital era, the mortgage process has generally become easier and more efficient thanks to technology, including the use of online platforms and banking applications. Here are some common mortgage product contracts in the digital era, namely:

Affordable istisnah offer

In general, the contract often used for mortgages is Murabahah (sale and purchase with a profit margin), especially for ready-made houses. Mortgage with Murabahah contract is a sale and purchase contract between the bank and the customer, where the bank buys the apartment that the customer needs and then sells it to the customer at the purchase price plus a profit margin agreed between the bank and the customer. customer. There are also those who add a wakalah contract to this Islamic pawn. Apart from the Murabahah contract, there is also a pawn contract with another sale and purchase system, namely the Istishna contract. Istishna contract is an order for goods (houses) with certain agreed criteria and conditions and payment at an agreed value.

Akad Ijarah

This system allows customers to rent a house that they can eventually own until the lease period ends. In this system, the rental price is determined periodically based on an agreement between the bank and the customer. This system is usually used for long-term mortgages, such as a 15-year mortgage. At the end of the term, the customer can purchase the leased apartment.

Ijarah Mutahiya Bittamlik/IMBT Akad

Another system that is currently in high demand is the progressive property PPR system. The bank and the customer combine apartments. The customer gradually increases his share of ownership in monthly instalments, while the bank gradually reduces its share of ownership so that at the end of the period, the house belongs to the customer.

Scheme of cheapabah istisnah financing

1. Customer submits financing request: The customer sends a financing request to the Islamic bank for the construction or production of a specific asset such as a house or a specific construction project.
2. Evaluation and Approval: The Islamic bank evaluates the customer's finance application, including the design and specifications of the asset being built. If the financing is approved, the bank and the customer agree on the construction price (production cost) which will be used in the Murabahah Istisna contract.
3. Istisna Murabahah contract: In this contract, the Islamic bank promises to produce or build the asset according to the agreed specifications. The bank purchases the materials and equipment required for this project at a predetermined production cost. Upon completion of the project, the bank sells the asset to the customer at a selling price that includes the production cost and a pre-agreed profit margin.
4. Returns: The customer pays the selling price in instalments according to an agreed schedule. Islamic banks do not charge interest, but charge a pre-agreed profit margin.

5. Settlement: After the customer pays the entire payment, the ownership of the property is officially transferred to the customer.

Banking in the Digital Age

The development of technology towards all-digital technology is now increasingly rapid. In the digital era, people generally have a new way of life that cannot be completely separated from electronic devices. Technology is a tool that can fulfil most human needs. Technology can be utilised by humans to facilitate the implementation of tasks and duties. The important role of technology is what brings human civilisation into the digital era. The digital era is a period or era where almost all fields in the life order have been assisted by digital technology. The digital era is an era that uses technology. The digital era has brought various good changes as a positive impact that can be used as well as possible. But at the same time, the digital era also brings many negative impacts, thus becoming a new challenge in human life in this digital era. Challenges in the digital era have also entered into various fields such as politics, economics, socio-culture, defence, security, and information technology itself.

Digital banking, an early innovation in understanding the service gap and the potential of leveraging such technology, the banking industry has also given birth to mobile and internet banking, which has proven to be effective in expanding service reach and overcoming geographical challenges. These innovations have also managed to improve efficiency and provide a wider choice of banking products and services, in line with the public's preference for online marketing methods. The rapid pace of digitalisation has caused the banking industry to change its business strategy by making technology a key element in the process of product and service innovation. With an increasingly sophisticated information technology network, the relationship between banks and their customers becomes closer, economical, efficient, fast and cheap.

Likewise, nowadays almost all companies have used technological assistance, including the banking world, banks are trying to offer services with easy access and speed in transactions with technology called digital banking. One of the most important online services in the banking industry is called e-banking because the development of this technology provides many benefits for customers and banks, one of which is to provide ease of transactions and information for customers in the digital era.

The Indonesian banking industry continues to progress in creating several digital products and services in accordance with applicable regulations to provide convenience and Meanwhile, the Financial Services Authority argues that banking services can be done independently (self-service) through smartphones without having to visit a bank office, namely:

1. Phone Banking
2. Sms Bangking
3. M-Banking (Mobile Banking)
4. E-Banking (Electronic Banking)
5. I-Banking (Internet Banking)benefits to the community.

The Impact of Digital Age Technology Development

The development of banking digitalisation will have a direct impact on the banking sector. The first change that will impact the banking industry is the behaviour of customers who move away from normal transaction activities such as going directly to the bank to save or switch to digital transactions. The most worrying thing is when some banking-related jobs are digitised, for example, cashiers will lose their jobs. There are positive and negative impacts if the banking industry goes digital. Digital banking transformation supports the growth of other digital-based industries. This has a positive impact on the economy, especially in terms of transaction efficiency. Businesses can also be more cost-effective by reducing BOPO (operating versus operating cost). The negative impact that occurs in the digital era such as non-cash payment instruments, can have a negative impact due to the widespread use of non-cash payment instruments, there are positive impacts as well as negative impacts. Due to the security risks and information technology used, this can be done in various ways, such as creating fake products and stealing user data. In addition, the widespread use of non-cash payment instruments may have implications for monetary policy, so that the use of non-cash payment instruments does not have a negative impact, the central bank should consider licensing policies that limit healthy banks or financial institutions to facilitate the monitoring process. Moreover, with the development of the digital era, customer habits in banking transactions are increasingly blurred due to the development of transactions in the digital era, thus cutting the professional activities of bank staff at the front desk (customer service tellers, accountants, etc.), with the existence of fintech in the digital era like now, the role of the banking world.

Closing

In the rapidly growing digital era, legal protection of mortgage customers is a crucial issue in Islamic banking. This research presents an overview of the legal protection of mortgage customers in the context of increasingly digitalised Islamic banking, where the protection of customers' personal data is a priority. Information technology-based financial services have significantly increased public access to various online financial services products. As technology develops, web-based services emerge, access to information is faster and easier, and can be used anywhere and anytime. The application of web-based technology is very beneficial for both visitors (prospective customers/buyers), buyers and developers (sellers). One of the banking financing products that has utilised online technology is Home Ownership Credit (KPR) financing with the Murahabah Istisnah contract.

The digital age allows potential mortgage applicants to apply online, making access and application easier. This way, individuals can utilise financial services anywhere without having to visit a physical bank branch. You can easily pay your mortgage loan online via bank transfer or through digital payment platforms. This makes it easier for homeowners to pay on time.

Developing and implementing customer protection best practices requires close collaboration between Islamic financial institutions, supervisors and other stakeholders. To ensure effective legal protection for Islamic mortgage customers in the digital age, co-operation between Islamic banks, supervisors and customers is essential. By following strict regulations, increasing transparency and educating customers, Islamic banks are able to maintain trust and ensure customers feel safe in doing business.

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