



GOOD FAITH IN ELECTRONIC CONTRACTS AND ONLINE CONSUMER PROTECTION: A NORMATIVE STUDY

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Abstract: *The rapid growth of electronic commerce has significantly transformed contractual practices by increasing efficiency and accessibility, while simultaneously generating complex legal challenges related to fairness and online consumer protection. One of the central issues arising from electronic contracts is the effective application of the principle of good faith, which traditionally functions as a fundamental norm to ensure justice, balance, and trust in contractual relationships. In digital transactions characterized by standard-form contracts, information asymmetry, anonymity, and limited bargaining power, consumers are often placed in a structurally vulnerable position. Employing a normative legal research method, this study analyzes statutory regulations, legal doctrines, and principles governing contract law, consumer protection, and electronic transactions, supported by relevant scholarly literature. The findings reveal that the principle of good faith is formally recognized in various Indonesian legal instruments, including the Civil Code, consumer protection legislation, and laws on electronic transactions. However, its practical application remains inconsistent due to the absence of a clear doctrinal formulation specific to digital contracts, weak law enforcement, jurisdictional challenges in cross-border transactions, and the persistent use of non-transparent standard clauses. These limitations undermine contractual fairness and weaken consumer protection in the digital marketplace. This study concludes that reinforcing the principle of good faith through clearer regulations, stronger institutional oversight, enhanced consumer legal literacy, and international cooperation is essential to promote fairness, balance, and justice in electronic contractual relationships.*

Keywords: *Contract Law; Digital Commerce; Electronic Contracts; Good Faith; Online Consumer Protection; Standard Clauses*

I. INTRODUCTION

The rapid advancement of digital technology has fundamentally transformed the structure of modern commerce. Electronic transactions have become an integral part of daily life, enabling individuals and businesses to conduct purchases, financial services, and contractual agreements through online platforms with unprecedented speed and convenience. Electronic contracts, in particular, enhance efficiency by eliminating geographical barriers, reducing transaction time, and streamlining

business processes through automation. While these developments contribute significantly to economic growth and market accessibility, they also introduce complex legal challenges concerning transactional validity, data security, contractual fairness, and consumer protection.¹

In Indonesia, the expansion of e-commerce has been accompanied by regulatory frameworks such as the Civil Code (KUHPerdata), the Consumer Protection Law (Law No. 8 of 1999), and the Electronic Information and Transactions Law (Law No. 11 of 2008 and its amendments). These instruments provide general recognition of contractual freedom, consumer rights, and the legal validity of electronic agreements.² The Consumer Protection Law, for instance, guarantees consumers the right to accurate and honest information, safety, and fair treatment, while obligating business actors to act responsibly and in good faith. However, despite this regulatory foundation, the practical implementation of consumer protection in electronic transactions remains uneven.³ Scholarly discussions have widely examined electronic contracts from the perspectives of legal validity, standard clauses, and dispute resolution mechanisms.⁴ Several studies emphasize the enforceability of electronic agreements and the risks posed by standard-form contracts that disproportionately favor business actors.⁵ Other research highlights the growing concern over data privacy, cross-border jurisdictional issues, and weak enforcement mechanisms in digital transactions.⁶ Nevertheless, prior studies tend to address these issues in a fragmented manner, often focusing either on consumer protection norms or on the technical legality of electronic contracts, without systematically examining the doctrinal role of the principle of good faith as a unifying and corrective mechanism within digital contractual relationships.

¹ Duaa Hijazi, et al., 2024. *Electronic Commercial Contracts in Saudi Arabia: Legal and Regulatory Challenges*. International Journal of Innovative Science and Research Technology 9, no. 9, p. 2214 – 2221. <https://doi.org/10.38124/ijisrt/IISRT24SEP1505>.

² Supriyanto, et al., 2025. *Consumer Protection Legal Frameworks in Indonesia: The Challenges of E-Commerce and Data Privacy*. Research Horizon 5, no. 2, p. 119 – 128.

³ Ahmad Refi Dzuhriyan, et al., 2024. *Consumer Legal Protection in Online Transactions: Challenges and Opportunities in Indonesia's Digital Economy*. Justice Voice 3, no. 1, p. 9 – 16. <https://doi.org/10.37893/jv.v3i1.1017>.

⁴ Lina Maulidiana, et al., 2025. *Contract Law in E-Commerce Perspective and Its Implications for Consumers*. International Journal of Business, Law and Education 6, no. 1, p. 692 – 699. <https://doi.org/10.56442/ijble.v6i1.1076>.

⁵ Nindyo Pramono Hulman Panjaitan, 2023. *Legal Protection of Consumers in Digital Transactions*. Russian Law Journal 11, no. 13, p. 1431 – 1437. <https://doi.org/10.52783/rlj.v11i3.1622>.

⁶ Nadia Lakli & Amina Chenaar, 2025. *Mechanisms for Protecting The Personal Data of The Electronic Consumer in Algerian Law (Between Legal Texts and Actual Application)*. Journal of Law and Sustainable Development 13, no. 5, p. 1 – 29. <https://doi.org/10.55908/sdgs.v13i5.4448>.

The principle of good faith constitutes a fundamental doctrine in contract law, requiring parties to act honestly, fairly, and reasonably throughout the pre-contractual, contractual, and post-contractual stages. Under Article 1338 of the Indonesian Civil Code, agreements must be performed in good faith, reflecting the broader civil law tradition that positions good faith as a safeguard of justice and trust in contractual relations.⁷ In the digital environment, however, the application of this principle becomes more complex. Online transactions are characterized by limited face-to-face interaction, anonymity, asymmetry of information, and the widespread use of non-negotiable standard clauses. These characteristics often place consumers in a structurally weaker position, particularly in terms of bargaining power, legal literacy, and access to remedies.⁸ The absence of a clear doctrinal articulation of good faith in electronic contracting creates legal uncertainty and complicates the assessment of unfair practices in online marketplaces. Consumers remain vulnerable to misleading information, hidden contractual terms, data misuse, and cross-border enforcement barriers. Consequently, there is a pressing need to reassess how the principle of good faith operates within electronic contracts and how it can function as a normative foundation for strengthening online consumer protection.⁹

This article aims to examine the existence and regulatory recognition of the principle of good faith in Indonesian law and to analyze its application in electronic contracts within the context of online consumer protection. By adopting a normative legal approach, this study seeks to clarify doctrinal ambiguities, identify limitations in existing regulatory frameworks, and formulate conceptual recommendations to reinforce fairness and balance in digital contractual relationships. The scientific merit of this research lies in its integrative analysis of good faith as a central normative instrument capable of bridging traditional contract doctrine and contemporary digital commerce challenges. Ultimately, understanding the role of good faith in electronic contracts is significant for ensuring substantive justice, strengthening consumer protection, and promoting a trustworthy and equitable digital marketplace.

⁷ Nindyo Pramono Hulman Panjaitan, 2023. *Ibid.*

⁸ Ahadiaz Agustav Putra, et al., 2024. *Implementation of Legal Protection for Consumer Rights in Business Transactions via E-Commerce Platforms*. *Journal of Law and Regulation Governance* 2, no. 2, p. 161 – 170. <https://doi.org/10.57185/jlarg.v2i2.39>.

⁹ Supriyanto, et al., 2025. *Ibid.*

II. RESEARCH METHODS

This study employs a normative legal research method, also known as doctrinal or theoretical legal research. The research focuses on the analysis of written legal materials and secondary data to examine legal norms, principles, and doctrines relevant to electronic contracts and online consumer protection. Normative legal research is appropriate for this study because it seeks to understand and interpret the legal framework governing the principle of good faith within electronic contractual relationships.¹⁰ The legal materials analyzed in this research are classified into primary and secondary legal materials. Primary legal materials serve as the main analytical foundation and consist of statutory regulations, including the Indonesian Civil Code, consumer protection legislation, and laws governing electronic information and transactions, as well as established legal principles and doctrines. Secondary legal materials function as supporting references and include scholarly books, academic journal articles, and other relevant legal literature that provide theoretical perspectives and contextual analysis.¹¹ The analysis is conducted through a qualitative and descriptive approach, emphasizing systematic interpretation and conceptual evaluation of legal norms and principles. This method is intended to provide a clear understanding of how the principle of good faith is recognized and applied within electronic contracts and to identify normative challenges related to consumer protection in the digital environment. By adopting this approach, the study offers a coherent legal analysis that enables readers to comprehend the methodological basis and reasoning underlying the research findings.

III. ANALYSIS AND DISCUSSION

a. Legal Recognition of the Principle of Good Faith in Electronic Contracts in Indonesia

The application of good faith in electronic contracts plays a crucial role in maintaining a fair balance between the rights and obligations of business actors and consumers. In online transactions, business actors are required to provide accurate, transparent, and non-misleading information to enable consumers to make

¹⁰ Achmad Zulfa Andikatama & Bambang Eko Turisno, 2024. *Consumer Protection Law in the Digital Era*. International Journal of Social Science and Human Research 7, no. 7, p. 4552 – 4557. <https://doi.org/10.47191/ijsshr/v7-i07-03>.

¹¹ Darmawan Sutawijaya, 2024. *Legal Aspects Related to Information Security in E-Commerce*. Ipso Jure 1, no. 11. <https://doi.org/10.62872/z1m5xb47>.

informed decisions.¹² Misrepresentation of product quality, contractual terms, or service standards constitutes a violation of good faith and undermines consumer trust.¹³ Contractual imbalance frequently arises from the widespread use of standard-form contracts in digital transactions. Such contracts are typically drafted unilaterally by business actors, leaving consumers with no meaningful opportunity to negotiate contractual terms.¹⁴ This structural imbalance places consumers in a vulnerable position and often results in the inclusion of unfair or exculpatory clauses. Indonesian consumer protection law addresses this issue by prohibiting standard clauses that eliminate or limit the liability of business actors, thereby reinforcing the principle of contractual justice and equality.¹⁵

Good faith also extends to the protection of consumers' personal data in electronic transactions. Business actors bear the responsibility to safeguard consumer data and to use it only for legitimate purposes.^{16,17} Violations of this obligation, such as data misuse or unauthorized disclosure, constitute a breach of good faith and may result in civil liability, administrative sanctions, or criminal consequences. From the consumer's perspective, such violations may lead to financial losses, identity theft, reputational harm, and serious privacy infringements.¹⁸ Moreover, the principle of good faith is reflected in judicial practice when courts assess disputes arising from electronic contracts. Judges commonly evaluate the honesty, reasonableness, and conduct of both parties, particularly the extent to which business actors have fulfilled their duty of transparency and responsibility.¹⁹ This judicial approach demonstrates that good faith functions not merely as an abstract moral principle, but as a concrete legal standard that influences dispute resolution and the protection of consumer interests.²⁰

¹² Alikhan Salim, et al., 2024. *Consumer Data Protection in Electronic Transaction Practices in E-Commerce*. Jurnal Ekonomi Teknologi dan Bisnis (JETBIS) 3, no. 8, p. 1044 – 1053. <https://doi.org/10.57185/jetbis.v3i8.128>.

¹³ Shafira Mufiidah Fawwaz & Otom Mustomi, 2025. *Legal Protection for Consumers in Electronic Transactions E-Commerce Shopee*. Al – Mashaadir: Jurnal Ilmu Syariah 6, no. 1, p. 26 – 39. <https://doi.org/10.52029/jis.v6i1.349>.

¹⁴ Nindyo Pramono Hulman Panjaitan, 2023. *Ibid*.

¹⁵ Indriya Fathni & Johni Najwan, 2025. *Legal Protection for Consumers in E-Commerce Transactions Based on the Civil Code and Consumer Protection Law*. Formosa Journa of Science and Technology 4, no. 7, p. 2133 – 2144. <https://doi.org/10.55927/fjst.v4i7.178>.

¹⁶ Nadia Lakli & Amina Chenaa, 2025. *Ibid*.

¹⁷ Alikhan Salim, et al., 2024. *Ibid*.

¹⁸ Alikhan Salim, et al., 2024. *Ibid*.

¹⁹ Abdul Risal, 2024. *Legal Protection for Debtors in Online Transactions: Evaluating Safeguards in E-Commerce*. Jurnal Hukum Bisnis Bonum Commune 7, no. 2. <https://doi.org/10.30996/jhbbs.v7i2.11656>.

²⁰ Ahadiaz Agustav Putra, et al., 2024. *Ibid*.

b. The Impact of Good Faith on the Balance of Rights and Obligations Between Business Actors and Online Consumers

The application of good faith in electronic contracts plays a crucial role in maintaining a fair balance between the rights and obligations of business actors and consumers. In online transactions, business actors are required to provide accurate, transparent, and non-misleading information to enable consumers to make informed decisions.²¹ Misrepresentation of product quality, contractual terms, or service standards constitutes a violation of good faith and undermines consumer trust.²² Contractual imbalance frequently arises from the widespread use of standard-form contracts in digital transactions. Such contracts are typically drafted unilaterally by business actors, leaving consumers with no meaningful opportunity to negotiate contractual terms.²³ This structural imbalance places consumers in a vulnerable position and often results in the inclusion of unfair or exculpatory clauses.²⁴ Indonesian consumer protection law addresses this issue by prohibiting standard clauses that eliminate or limit the liability of business actors, thereby reinforcing the principle of contractual justice and equality.²⁵

Good faith also extends to the protection of consumers' personal data in electronic transactions. Business actors bear the responsibility to safeguard consumer data and to use it only for legitimate purposes.²⁶ Violations of this obligation, such as data misuse or unauthorized disclosure, constitute a breach of good faith and may result in civil liability, administrative sanctions, or criminal consequences. From the consumer's perspective, such violations may lead to financial losses, identity theft, reputational harm, and serious privacy infringements.²⁷ Moreover, the principle of good faith is reflected in judicial practice when courts assess disputes arising from electronic contracts. Judges commonly evaluate the honesty, reasonableness, and conduct of both parties, particularly the extent to which business actors have fulfilled their duty of transparency and responsibility.²⁸ This judicial approach

²¹ Muhammad Rizki Aulia, 2023. *Strengthening Legal Mechanisms for Consumer Protection in the Digital Marketplace*. *Journal of Interdisciplinary Studies in Society, Law, and Politics* 2, no. 4, p. 1 – 3. <https://doi.org/10.61838/kman.isslp.2.4.1>.

²² Eka Ardianto Iskandar & Roby Satya Nugraha, 2024. *The Legal Protection for Consumers in the Digital Economy Era in Facing Challenges and Opportunities*. *Jurnal Akta* 11, no. 4, p. 1076 – 1091. <https://doi.org/10.30659/akta.v11i4.40873>.

²³ Nindyo Pramono Hulman Panjaitan, 2023. *Ibid.*

²⁴ Ahmad Refi Dzuhriyan, et al., 2024. *Ibid.*

²⁵ Indriya Fathni & Johni Najwan, 2025. *Ibid.*

²⁶ Darmawan Sutawijaya, 2024. *Ibid.*

²⁷ Alikhan Salim, et al., 2024. *Ibid.*

²⁸ Abdul Risal, 2024. *Ibid.*

demonstrates that good faith functions not merely as an abstract moral principle, but as a concrete legal standard that influences dispute resolution and the protection of consumer interests.²⁹

c. Challenges in the Effective Implementation of Good Faith in Electronic Contracts

The effective implementation of good faith in electronic contracts faces multiple challenges. One significant obstacle is the limited level of digital and legal literacy among consumers, which restricts their ability to understand contractual terms, assert their rights, and pursue remedies in cases of dispute.³⁰ This condition exacerbates the vulnerability of consumers in digital markets.³¹ Additionally, the standardized nature of electronic contracts often results in non-transparent clauses that are difficult for consumers to comprehend.³² The “take-it-or-leave-it” structure of such agreements undermines the principle of freedom of contract and weakens the practical realization of good faith. Weak enforcement mechanisms and limited institutional capacity further reduce the deterrent effect of existing regulations, allowing unfair practices to persist.³³ Cross-border transactions present another major challenge. The borderless nature of electronic commerce complicates jurisdictional issues and hinders the enforcement of legal obligations against business actors operating outside national boundaries.³⁴ Furthermore, evidentiary difficulties in electronic transactions, such as proving intent, authenticity, and data integrity, create additional barriers for consumers seeking legal protection.³⁵

d. Legal and Policy Measures to Strengthen Good Faith and Online Consumer Protection

Strengthening the application of good faith in electronic contracts requires comprehensive legal and policy measures. Enhancing consumer education and digital literacy is essential to empower consumers to recognize unfair practices and protect their rights.³⁶ At the regulatory level, clearer and more detailed rules governing electronic contracts are needed, particularly concerning transparency

²⁹ Muhammad Rizki Aulia, 2023. *Ibid.*

³⁰ Ahmad Refi Dzuhriyan, et al., 2024. *Ibid.*

³¹ Achmad Zulfa Andikatama & Bambang Eko Turisno, 2024. *Ibid.*

³² Nindyo Pramono Hulman Panjaitan, 2023. *Ibid.*

³³ Supriyanto, et al., 2025. *Ibid.*

³⁴ Sujeet Kumar Pathak, 2024. *Legal and Commercial Dynamics of E-Consumer Protection: Navigating Challenges in India's Digital Economy*. International Journal For Multidisciplinary Research 6, no. 5, p. 1 – 26. <https://doi.org/10.36948/ijfmr.2024.v06i05.28398>.

³⁵ Duaa Hijazi, et al., 2024. *Ibid.*

³⁶ Achmad Zulfa Andikatama & Bambang Eko Turisno, 2024. *Ibid.*

standards, standard clauses, and dispute resolution mechanisms.³⁷ State supervision and institutional oversight must also be reinforced to ensure effective enforcement of consumer protection norms.³⁸ International cooperation is increasingly important to address cross-border disputes and jurisdictional challenges in electronic commerce. In addition, the adoption of technological tools, such as secure transaction systems and fraud detection mechanisms, can support the preventive function of good faith by reducing opportunities for abuse.³⁹ The development of certification or standardization systems for online business actors who comply with ethical standards and consumer protection requirements may further enhance trust in digital markets.⁴⁰ Ultimately, the principle of good faith serves as a central normative instrument for ensuring fairness, balance, and justice in electronic contracts, bridging traditional contract law with the evolving realities of digital commerce.

IV. CONCLUSION

The principle of good faith is formally recognized and embedded within the Indonesian legal framework governing contractual relations, including the Civil Code, the Consumer Protection Law, and legislation on electronic information and transactions. These instruments collectively establish good faith as a foundational norm in electronic contracts. However, the absence of a clear and explicit doctrinal formulation of good faith in the context of online transactions continues to generate legal uncertainty, particularly in evidentiary assessment and the enforcement of consumer rights in digital environments. The findings of this study demonstrate that the application of good faith significantly influences the balance of rights and obligations between business actors and online consumers. Good faith requires business actors to act transparently, provide accurate and complete information, and refrain from incorporating unfair standard clauses that undermine consumer protection. In practice, however, the persistent use of non-transparent and one-sided standard clauses places consumers in a structurally disadvantaged position, highlighting the need for stricter oversight and more effective enforcement mechanisms to ensure contractual fairness.

³⁷ Muhammad Rizki Aulia, 2023. *Ibid.*

³⁸ Supriyanto, et al., 2025. *Ibid.*

³⁹ Muhammad Rizki Aulia, 2023. *Ibid.*

⁴⁰ Muhammad Rizki Aulia, 2023. *Ibid.*

This research further identifies several key challenges that hinder the effective implementation of good faith in electronic contracts, including limited digital and legal literacy among consumers, weak law enforcement, jurisdictional constraints in cross-border transactions, and difficulties in proving violations in electronic evidence. These challenges underscore the complex nature of protecting consumers in an increasingly borderless digital marketplace. To address these issues, this study emphasizes the importance of comprehensive legal and policy measures aimed at strengthening the role of good faith in electronic contracts. Such measures include enhancing consumer education and legal awareness, developing clearer and more specific regulations on electronic contracting, reinforcing supervisory institutions, promoting international cooperation, and utilizing technological tools to support consumer protection. Ultimately, the principle of good faith functions as a central normative instrument for promoting fairness, balance, and justice in electronic contractual relationships, serving as a bridge between traditional contract law and the evolving realities of digital commerce.

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