

Abstract

In 2001, Indonesia established the Consumer Dispute Resolution Body (CDRB) based on the instruction of the Consumer Protection Act (CPA) in 1999 to provide consumers protection in exercising their rights and to settle disputes quickly, simply, affordably, and professionally. Compared to the systems established by several countries that submit common law systems in which dispute-solving cases are terminated by the special courts called Small Claims Courts or Small Claims Tribunals, CDRB construction in Indonesia was quite vague. Although it uses arbitration terminology, the CDRB lacks an arbitration mechanism because, in practice, the body examines consumer disputes, working formally as a court. The root of this problem arose from the inconsistent regulation in the CPA. This article aims to review the CDRB construction problem compared to systems in other countries, to find recommendations for CPA amendments and discuss the future prospects. This study suggests two solutions: The first is the strict separation of litigation and non-litigation dispute resolution. The second is the formation of both online litigation and non-litigation systems. With these systems, the CDRB becomes a substitute institution, meaning that this body is the only system for small claim resolution for disputing parties.