

Legal Aspects Of Seller's Liability In A Sales And Purchase Agreement With An Installment Payment System

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Abstract

System Installment payment system in a sale and purchase agreement has become a common practice in modern trade transactions that require a clear legal basis for the payment of installments. modern trade transactions that require a clear legal basis to protect the rights of the parties. protect the rights of the parties. This research aims to examine the legal aspects of legal aspects of seller liability in a sale and purchase agreement with an installment payment system. installment payment system. This study elaborates on the details of civil law in installment payments, investigates the legal implications for consumers. installment payments, investigates the legal implications for consumers and sellers, and analyzes how the seller's liability can be enforced in the framework of the applicable civil law in Indonesia, particularly when there are default or dispute between the parties. The research uses the method of normative juridical method with a statutory approach and conceptual approach, analyzing various primary and secondary legal sources related to installment payment system. The results of the research show that the seller's liability in the installment payment system has a complex legal basis based on the Civil Code, especially Article 1. complex legal basis based on the Civil Code, especially Articles 1320 and 1338 which emphasize the validity of the agreement. 1338 which emphasize the validity of the agreement and the principle of good faith. LAW Consumer Protection Law strengthens this aspect of seller liability by emphasizing consumers' rights to transparent information and product quality assurance. product quality. In the event of default, the seller may be subject to sanctions in the form of compensation which includes costs, losses, and interest.

Keywords: Sale; Purchase Agreement; Installments and Consumer Protection Law.

I. INTRODUCTION

Modern economic developments have encouraged the emergence of increasingly diverse buying and selling transaction systems, one of which is the installment payment system which has now become a dominant phenomenon in people's lives. A sale and purchase agreement with an installment payment system is a manifestation of the principle of freedom of contract as stated in Article 1338 paragraph (1) of the Civil Code which gives freedom to the parties to determine the conditions that must be fulfilled in an agreement. However, this freedom must still be based on the conditions for the validity of an agreement as stipulated in Article 1320 of the Civil Code and must be carried out in good faith in accordance with the provisions of Article 1338 paragraph (3) of the Civil Code.¹ According to the Civil Code, a sale and purchase agreement is regulated in Book III of the Civil Code, starting from Article 1457 to Article 1540. In a sale and purchase agreement there are two parties, namely the seller who needs money and the buyer who Legal Aspects of Seller's Liability in a Sale and Purchase Agreement with an Installment Payment System needs an item. This agreement creates a binding obligation on the parties as befits the binding force of the law, so that all rights and obligations arising from the agreement must be fulfilled by both parties.

In the concept of installment payments, the dynamics of the underlying civil law create a complex legal realm, involving interactions between consumers, sellers, and financial service providers. The legal basis governing such transactions in Indonesia has its main foundation in the Civil Code and is complemented by various related laws and regulations, such as Law Number 8 of 1999 concerning Consumer Protection, Law Number 19 of 2016 concerning Information and Electronic Transactions, and Law Number 10 of 1998 concerning Banking.² Installment payment systems in practice often cause legal

problems, especially related to the seller's liability when a default occurs. The law stipulates various sanctions that can be imposed on parties who have committed a default, however, sometimes difficulties arise in determining when one party can actually be considered to have defaulted. This difficulty will be very pronounced if the agreement does not explicitly stipulate when the parties must fulfill their promised performance. In addition, sales and purchase agreements with an installment payment system are often accompanied by a guarantee agreement, either a material guarantee (material guarantee) or a personal guarantee (intangible guarantee).

³Personal guarantee is an agreement by which a third party, for the benefit of the debtor, binds himself to fulfill the debtor's obligations. This guarantee arises from an agreement between the creditor and the third party, which is carried out to anticipate the possibility of the debtor's default. Seller liability is a crucial aspect that needs to be studied in depth, especially related to the seller's obligation to provide clear, correct, and non-misleading information to buyers as stipulated in Article 4 of the Consumer Protection Law. The seller also has an obligation to ensure that the goods sold are in accordance with what was agreed and free from hidden defects as stipulated in the Civil Code. This study aims to examine the legal aspects of seller liability in a sales and purchase agreement with an installment payment system. This study will outline the details of civil law in installment payments, investigate the legal implications for consumers and sellers, and analyze how seller liability can be enforced within the framework of civil law applicable in Indonesia, especially when there is a default or dispute between the parties in a sales and purchase agreement with an installment payment system.

II. METHODS

This study applies a normative legal approach through qualitative methods with a focus on literature study analysis.⁴The normative legal approach was chosen because this study aims to examine the legal aspects of the seller's liability in a sales and purchase agreement with an installment payment system based on applicable laws and legal doctrines. Qualitative methods are used to provide an in-depth understanding of the legal dynamics that occur in the relationship between the seller and the buyer in the context of installment payments. This study is descriptive analytical, namely describing and analyzing the legal problems that arise in the seller's liability in a sales and purchase agreement with an installment payment system. The legal materials used in this study consist of primary, secondary, and tertiary legal materials. Primary legal materials include the Civil Code (KUHPerdota), especially Book III on Contracts starting from Article 1457 to Article 1540 which regulates buying and selling, Law Number 8 of 1999 concerning Consumer Protection, Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Information and Electronic Transactions, Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking, Law Number 21 of 2011 concerning the Financial Services Authority, and the Financial Services Authority Regulation (POJK) related to consumer protection in financial transactions. Secondary legal materials include civil law textbooks. While tertiary legal materials include legal dictionaries, legal encyclopedias, and relevant and credible online sources.

III. RESULTS AND DISCUSSION

The sale and purchase agreement with an installment payment system has become a common practice in modern trade transactions. The legal aspects of the seller's liability in this type of agreement are based on several main foundations of civil law in Indonesia. The Civil Code (KUHPerdota) is the main foundation in regulating the contractual relationship between the seller and the buyer. Article 1320 of the Civil Code stipulates that a valid agreement is formed with the agreement of the parties, carried out with free will, and is justified by law. This is the basis for the formation of a contract between the seller, consumer, and service provider in the installment payment system. The seller's liability in a sales agreement with an installment payment system is not only limited to the provision of goods, but also includes the obligation to

provide transparent information to consumers. Based on Article 1338 of the Civil Code, every agreement made legally binds the parties and must be carried out in good faith. This obligation emphasizes that the seller must carry out his obligations in good faith in accordance with the principle of contractual justice. The seller is required to provide clear information regarding the specifications of the goods, price, number of installments, interest (if any), and other payment terms. Law Number 8 of 1999 concerning Consumer Protection strengthens the aspect of seller responsibility in a sales and purchase agreement with an installment payment system.

Article 4 of the Consumer Protection Law emphasizes that consumers have the right to receive clear, correct, and non-misleading information about the products offered. Article 7 of the same law emphasizes the seller's obligation to provide a guarantee for the goods sold. In the context of installment payments, the seller's responsibility includes a guarantee that the goods sold are in accordance with the agreement and the quality promised, even though the payment is made in installments. As is known, the ultimate goal of every agreement is the fulfillment of the promised performance by each party involved in the agreement. What is meant by performance here is something that must be fulfilled by the Debtor, or in other words something that can be demanded by the creditor, which can be in the form of giving/surrendering something, doing something or not doing something (Article 1234 of the Civil Code).⁵ If the debtor does not fulfill the promised performance, then it is called a breach of contract or a broken promise. The term breach of contract comes from the Dutch language, namely 'wanprestatie' which means not fulfilling the obligations stipulated in the agreement. In a sales and purchase agreement, the seller is obliged to provide or hand over the goods sold into the ownership of the buyer by guaranteeing the peaceful enjoyment of the use of the goods or guaranteeing against hidden defects. Meanwhile, the buyer is obliged to pay the price of the goods. To determine when a debtor who does not fulfill his obligations can be considered a breach of contract, we can refer to the provisions of Article 1238 of the Civil Code which states that:

"The debtor is in default if he is declared in default by a written order or by a similar deed, or for the sake of his own obligation, it is stipulated that the debtor must be considered in default after the specified time has elapsed." Based on these provisions, if a sale and purchase agreement does not specify a specific time when the debtor must fulfill the promised performance, then the debtor can only be considered negligent or in default if he has been warned to fulfill the intended performance but he does not heed it. According to Subekti, in practice it is common to interpret a warning or reprimand which may also be made verbally, as long as it is sufficiently firm in stating the creditor's insistence that the performance be carried out immediately or in a short time. However, it is better if the warning is made in writing and by registered letter so that later in front of the judge it is not easily denied. If in a sale and purchase agreement the debtor is in default, then the creditor can file a lawsuit in front of the Court accompanied by a request that the debtor be subject to sanctions or penalties. Regarding the sanctions that can be imposed on a debtor who is in default, among others, are stipulated in Article 1236 of the Civil Code that:⁶ "The debtor is obliged to compensate the debtor for costs, losses and interest if he has brought himself to hand over his property, or has not taken proper care to save it." In accordance with this provision in article 1246 of the Civil Code it is stipulated that: "The costs, losses and interest for which the creditor may be required to claim compensation generally consist of the losses he has suffered and the profits he should have been able to enjoy.

"Based on the two provisions above, it can be emphasized that if in a sale and purchase agreement it turns out that the debtor is in default, then he can be sued and subject to sanctions to pay compensation suffered by the creditor which consists of three elements, namely: costs, losses and interest.⁷ The seller's liability also includes legal consequences when there is a default or dispute in a sales agreement with an installment payment system. Article 1243 of the Civil Code stipulates that the party receiving money or goods due to an agreement is obliged to fulfill what has been promised. If the seller fails to fulfill his obligations, the consumer can sue for compensation or cancellation of the agreement. Conversely, if the

consumer cannot fulfill his obligations to pay installments, the seller has the right to take legal steps in accordance with applicable provisions. In the event of a dispute, the Civil Procedure Code (CPC) provides a basis for resolving disputes between sellers and consumers. Article 118 of the CPC provides a basis for resolving disputes through mediation or lawsuits in court.

Alternative dispute resolution such as mediation can be an effective approach to resolving disputes without involving lengthy and expensive court processes.⁸ The development of new technologies and business models in the installment payment system, raises challenges in the implementation of seller accountability. The Financial Services Authority (OJK), based on Law Number 21 of 2011, has the authority to supervise and regulate financial institutions involved in installment payment transactions. OJK plays a role in ensuring that sellers and financial institutions involved comply with the standards of integrity, transparency, and consumer protection set by laws and regulations.⁹ Overall, the legal aspects of seller liability in a sales and purchase agreement with an installment payment system involve various legal dimensions, ranging from civil law, consumer protection, banking, to information technology regulations. Challenges in the implementation and enforcement of existing regulations are the main obstacles in ensuring optimal seller liability. Therefore, consistent and adaptive regulatory updates are needed to reflect changes in the business and technology world, as well as to create a fair, safe, and sustainable environment for all parties involved in a sales and purchase agreement with an installment payment system.

IV. CONCLUSION

Based on the study that has been conducted, the seller's liability in a sales and purchase agreement with an installment payment system has various legal bases in the Indonesian civil system. The Civil Code is the main basis that regulates the relationship between the seller and the buyer through Articles 1320 and 1338 which emphasize a valid agreement and the principle of good faith. The seller's responsibility is not only limited to providing goods, but must also provide clear information and guarantee the quality of the goods according to the agreement. The Consumer Protection Act strengthens this by affirming the consumer's right to obtain correct information, and the seller's obligation to provide a guarantee for the goods sold. If the seller breaches the agreement (breach of contract), they can be sued to pay compensation to the buyer, which includes costs, losses, and interest.

However, the seller can be released from liability if he can prove that the failure to fulfill the obligation was caused by unavoidable circumstances. The regulation on risks in the sale and purchase agreement according to Article 1460 of the Civil Code is considered unfair to buyers. In today's digital era, technological developments bring new challenges that require legal adjustments, especially regarding consumer data protection and online transaction security. The implementation and enforcement of existing regulations are still major obstacles to ensuring that sellers are properly responsible. Therefore, it is necessary to adjust regulations that follow business and technological developments to create a buying and selling environment with a fair installment system and protect the rights of all parties involved.

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