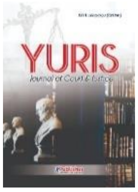

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Legal Protection regarding PT Shopee International Indonesia Sellers in Cash on Delivery (COD) Online Transactions

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ABSTRACT

COD is a popular payment method in our society nowadays. However, this payment method may present additional risks for sellers, particularly related to the uncertainty of receiving payment and goods. This study aims to analyze legal protection for sellers in online transactions using the Cash on Delivery (COD) payment method at PT Shopee International Indonesia. The research employs a normative approach by examining relevant regulations, including the Consumer Protection Law and Shopee's policies. The findings indicate that legal protection for sellers in the COD method is still suboptimal. A major challenge is the unclear responsibility between the platform, courier, and buyer. Additionally, there is a risk of loss for sellers when buyers refuse to accept goods or return them without valid reasons. Although Shopee provides some protective measures, such as complaint services and guarantees, the implementation and oversight of these protections need to be strengthened to minimize seller losses. This study recommends the need for clearer regulatory enforcement and closer cooperation among e-commerce platforms, the government, and sellers to ensure adequate legal protection for sellers in COD transactions.

Keywords: *Cash on Delivery (COD), Legal Protection, Online Transactions, Shopee*

INTRODUCTION

The development of information and communication technology has significantly transformed the landscape of commerce. One of the most notable changes is the emergence of e-commerce, which enables buying and selling transactions to be conducted online. In this context, the Cash on Delivery (COD) payment method has become one of the most popular options in Indonesia. COD allows buyers to pay for goods upon receipt, providing convenience and a sense of security for consumers, particularly for those hesitant to make upfront payments.[1] However, this method also presents various challenges and risks for sellers, who require adequate legal protection.

In Indonesia, e-commerce platforms such as PT Shopee International Indonesia play a crucial role in facilitating online transactions. Shopee, as one of the leading platforms, offers COD as one of its payment options.[2] While the COD method offers many benefits from the consumer's perspective, sellers often face significant risks, such as the rejection or non-acceptance of goods after they have been shipped.[3]

Legal protection for sellers under the COD scheme is an important issue that warrants thorough examination. In many cases, sellers suffer losses due to buyers rejecting goods or returning them without clear justification, which is often not explicitly regulated in existing legal frameworks.[4] In the context of Indonesian law, several regulations are relevant, including the Consumer Protection Act[5], which primarily safeguards consumer rights but does not specifically address the protection of sellers in COD transactions.[6]

Moreover, e-commerce platforms such as Shopee have their own internal policies and procedures to address issues related to COD transactions. Although Shopee provides some protective mechanisms, such as complaint services and guarantees, the implementation and effectiveness of these protections are frequently debated.[7] Sellers often encounter difficulties in asserting their rights when issues

[1] Fahrul Arifin, "Pengaruh Promosi, Penilaian Produk, Dan Layanan COD (Bayar Di Tempat) Terhadap Keputusan Pembelian Pada Marketplace Shopee Di Sidoarjo," *Jurnal Lentera Bisnis* 13, no. 2 (2024): 498–505.

[2] Andi Kurniawan, "Perbandingan Perlindungan Hukum Dalam Berbagai Metode Pembayaran E-Commerce," *Jurnal Hukum Dan Teknologi* 21, no. 1 (2023): 14–29.

[3] Mayangsari Sari and Aminah S., "Pengaruh Penilaian Produk, Promosi Dan Layanan COD (Bayar Di Tempat) Terhadap Keputusan Pembelian Pada Marketplace Shopee Di Sidoarjo," *Ekonomis: Journal of Economics and Business* 6, no. 2 (2024): 498–505.

[4] Agus Hidayat, *Perlindungan Hukum Dalam Transaksi E-Commerce Di Indonesia*, *Rajawali Pers*, 2023.

[5] Indonesia, "Law of the Republic of Indonesia Number 8 of 1999 Concerning Consumer Protection," Jakarta: State Gazette of the Republic of Indonesia § (1999).

[6] Budi Sutrisno, *Hukum Perlindungan Konsumen Di Indonesia* (Yogyakarta: Gadjah Mada University Press, 2022).

[7] Rina Yani, *Perlindungan Hukum Bagi Penjual Dalam Transaksi COD Di E-Commerce* (Jakarta: Pustaka Media, 2021).

arise in COD transactions, especially due to a lack of clarity regarding the responsibilities among the platform, courier services, and buyers.[8]

Therefore, it is essential to conduct an in-depth study of the legal protection available to sellers in COD transactions on e-commerce platforms such as Shopee. This study aims not only to identify the shortcomings in the existing legal protections but also to provide recommendations for improving the current protection systems. It will examine applicable laws and regulations, Shopee's internal policies, as well as the practical experiences and challenges faced by sellers in COD transactions.

Through this research, it is expected that effective solutions will be identified to enhance legal protections for sellers within the COD scheme. The study employs a normative approach with document analysis, including legislation, platform policies, and related literature. The findings are expected to contribute to the development of improved policies governing COD transactions and seller protection in Indonesia.

LITERATURE REVIEW

Legal protection in the context of e-commerce is a critical issue due to the complexity of transactions conducted online. E-commerce, or electronic commerce, refers to a system that facilitates buying and selling through digital media, presenting unique challenges regarding legal protection for all parties involved.[9] In e-commerce transactions, various payment methods exist, one of which is Cash on Delivery (COD), allowing buyers to pay for goods upon receiPT[10] While this method offers benefits to consumers by reducing the risk of fraud, it also poses risks for sellers, who often do not receive adequate legal protection.

Consumer protection regulations in Indonesia are governed by Law Number 8 of 1999 concerning Consumer Protection. This law aims to safeguard consumers' rights and establish a fair relationship between consumers and business actors.[11] Although the law provides comprehensive protection for consumers, it does not specifically regulate the protection of sellers within the COD framework. This

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[8] Annisa Widilia Rahmawati, "Analisis Transaksi Jual Beli Online Di Shopee Dalam Perspektif Hukum Ekonomi Syariah: Studi Kasus Pada Masyarakat Wamena," *Saqifah: Jurnal Hukum Ekonomi Syariah* 9, no. 2 (2024): 21–34.

[9] Mohammad Eka Putra, "Legal Protection in the Context of E-Commerce in Indonesia," *Jurnal Hukum & Pembangunan* 48, no. 3 (2018): 651–669.

[10] Marlina, "Restorative Justice in the Investigation, Prosecution, and Trial Process: Making the Law Sharp to the Top and Humanist to the Bottom," *SDGsReview* 5 (2025): 1–19, https://doi.org/https://doi.org/10.2524/sdgsreview.v5.e0.2524.

[11] Arifin, "Pengaruh Promosi, Penilaian Produk, Dan Layanan COD (Bayar Di Tempat) Terhadap Keputusan Pembelian Pada Marketplace Shopee Di Sidoarjo."

regulatory gap can lead to legal uncertainty for sellers when facing issues in COD transactions, such as product rejection by buyers after delivery.[12]

E-commerce platforms such as PT Shopee International Indonesia have implemented policies and procedures to manage COD transactions. Shopee, as a leading platform in Indonesia, offers protection mechanisms such as complaint services and guarantees to safeguard both sellers and buyers.[13] However, the implementation and effectiveness of these policies are often questioned. Sellers frequently face challenges in asserting their rights when problems arise in COD transactions, particularly due to ambiguities regarding the responsibilities of the platform, couriers, and buyers.[14]

The COD system entails specific risks for sellers, including financial losses when buyers refuse to accept or return goods without valid reasons. Sellers also bear shipping costs that are often unrecoverable if the transaction fails.[15] Research by Putra (2020) indicates that although COD provides convenience to consumers, sellers often face substantial losses due to the lack of adequate legal protection within this scheme.[16]

Research on legal protection for sellers in the COD system in Indonesia remains limited. Several studies show that while e-commerce platforms offer certain protective mechanisms, these measures are often ineffective in resolving issues encountered by sellers.[17] For instance, complaint services provided by Shopee may not always offer satisfactory solutions for sellers facing problems in COD transactions.[18] Therefore, it is important to evaluate the effectiveness of existing protection mechanisms and identify areas that need improvement.

Based on these findings, there is an urgent need to enhance legal protection for sellers within the COD system. Research by Marlina (2025) suggests the necessity of clearer regulations regarding the responsibilities of e-commerce platforms, couriers, and buyers in COD transactions.[19] In addition, improvements in the implementation of current protection policies are needed, including the development of more transparent and fair procedures to resolve disputes between

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[12] Sari and S., "Pengaruh Penilaian Produk, Promosi Dan Layanan COD (Bayar Di Tempat) Terhadap Keputusan Pembelian Pada Marketplace Shopee Di Sidoarjo."

[13] Kurniawan, "Pengaruh Harga Dan Layanan Cash on Delivery (COD) Terhadap Keputusan Pembelian Dengan Kepuasan Pelanggan Sebagai Moderasi," *SEIKO: Journal of Management & Business* 5, no. 1 (2022): 140–149.

[14] Yani, *Perlindungan Hukum Bagi Penjual Dalam Transaksi COD Di E-Commerce*.

[15] Hidayat, *Perlindungan Hukum Dalam Transaksi E-Commerce Di Indonesia*.

[16] Putra, "Legal Protection in the Context of E-Commerce in Indonesia."

[17] Sutrisno, *Hukum Perlindungan Konsumen Di Indonesia*.

[18] Rahmawati, "Analisis Transaksi Jual Beli Online Di Shopee Dalam Perspektif Hukum Ekonomi Syariah: Studi Kasus Pada Masyarakat Wamena."

[19] Marlina, "Restorative Justice in the Investigation, Prosecution, and Trial Process: Making the Law Sharp to the Top and Humanist to the Bottom."

sellers and buyers.[20] These improvements are expected to minimize risks for sellers and enhance their trust in the COD system.

This literature review reveals that although the COD system offers convenience for consumers, legal protection for sellers under this scheme remains inadequate. Existing regulations, platform policies, and current legal protection practices are not yet fully effective in safeguarding sellers from the risks and challenges they face. Thus, more intensive efforts are required to reform regulations and policies to ensure sufficient legal protection for sellers in COD transactions. Further research is needed to evaluate the effectiveness of existing policies and to formulate more robust policy recommendations.

RESEARCH METHODOLOGY

This research methodology aims to outline the steps undertaken in examining the legal protection of sellers in online transactions using the Cash on Delivery (COD) payment method at PT Shopee International Indonesia. This study employs a qualitative approach using document analysis and interviews to obtain an in-depth understanding of the available legal protections and the challenges faced by sellers in COD transactions.

The research adopts a qualitative approach, aiming to explore and understand the phenomenon of legal protection within the COD context in depth. Qualitative approach enables researchers to explore complex issues through a detailed analysis of qualitative data.[21] This approach was chosen to investigate the perspectives of sellers, the e-commerce platform, and relevant policies regarding COD transactions.

This study is descriptive qualitative research, which seeks to provide a systematic and detailed description of the phenomena under study[22]. It focuses on analyzing legal protection policies, Shopee’s practices, and the experiences of sellers engaging in COD transactions.

Data collection in this research was carried out through two primary techniques: document analysis and interviews.

1. Document Analysis: The research analyzes documents related to consumer protection regulations, the internal policies of PT Shopee International Indonesia, as well as relevant reports and publications. These documents include the Consumer Protection Law, Shopee's policies regarding COD, and related academic literature.[23] Document analysis was conducted to

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[20] Arifin, “Pengaruh Promosi, Penilaian Produk, Dan Layanan COD (Bayar Di Tempat) Terhadap Keputusan Pembelian Pada Marketplace Shopee Di Sidoarjo.”

[21] J W Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (SAGE Publications, 2017), https://books.google.co.id/books?id=4uB76IC_pOQC.

[22] Lexy J. Moleong, *Metodologi Penelitian Kualitatif* (Bandung: Remaja Rosdakarya, 2018).

[23] Sutrisno, *Hukum Perlindungan Konsumen Di Indonesia*.

understand the existing legal framework and how Shopee's policies are implemented.

2. Interviews: Interviews were conducted with sellers who use the COD method, as well as representatives from Shopee and legal experts in e-commerce. The purpose of these interviews is to gain first-hand insights into the challenges and experiences involved in COD practices.[24] Semi-structured interviews were used to allow respondents the freedom to express their views while maintaining a focus on relevant topics.

The population in this study includes all sellers who use the COD method on PT Shopee International Indonesia, as well as representatives from Shopee and legal experts in e-commerce. The sample was selected using purposive sampling, which involves selecting participants based on specific criteria relevant to the research.[25] The interview sample consisted of 10 active COD sellers, 2 Shopee representatives, and 2 experienced e-commerce legal experts.

The research instruments included an interview guide and a document analysis questionnaire. The interview guide was designed to gather information about legal protection in COD practices, challenges faced by sellers, and the effectiveness of Shopee’s policies. The document analysis questionnaire was used to collect data on relevant regulations and policies.[26] These instruments were pilot-tested to ensure their validity and reliability.

The research procedure began with the collection of documentary data, including a literature review on consumer protection regulations and Shopee policies. Subsequently, interviews were conducted with sellers and Shopee representatives in accordance with the interview guide. Interview data were recorded and transcribed for further analysis. Data from both document analysis and interviews were analyzed thematically to identify patterns and themes related to legal protection in COD transactions.[27]

Data analysis was conducted using thematic analysis techniques. Data from the interviews and documents were analyzed to identify key themes concerning the legal protection of sellers in COD transactions. This process involved coding the data, grouping codes into themes, and interpreting the main themes.[28] The results of the analysis were then compared with the existing legal framework to assess the alignment of policies and practices.

To ensure validity and reliability, several measures were taken, including data triangulation, which involved comparing information from multiple sources such

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[24] Moleong, *Metodologi Penelitian Kualitatif*.

[25] Sugiyono, *Metodologi Penelitian Kuantitatif, Kualitatif Dan R & D*, 2020.

[26] John W. Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 5th ed. (Thousand Oaks: CA: Sage Publications, 2018).

[27] Braun, Virginia, and Victoria Clarke, *Successful Qualitative Research: A Practical Guide for Beginners*, 2nd ed. (Los Angeles: Sage Publications, 2019).

[28] Braun, Virginia, and Clarke.

as documents, interviews, and literature.[29] In addition, the data analysis process was conducted transparently and systematically to minimize bias and enhance the credibility of the findings.

This study also considered ethical aspects by obtaining informed consent from all participants before conducting interviews. Participants were informed about the purpose of the study and their rights during the interview process, including the right to withdraw from the study at any time without consequence.[30] Data obtained from interviews and documents were managed confidentially and used solely for research purposes.

This methodology was designed to provide a comprehensive understanding of legal protection for sellers within the COD system at PT Shopee International Indonesia. Through the use of a qualitative approach and systematic analysis techniques, this study is expected to contribute significantly to the understanding and improvement of legal protection in e-commerce transactions in Indonesia.

RESULT AND DISCUSSION

In-Depth Evaluation of Legal Protection for Sellers in Cash on Delivery (COD) Transactions at PT Shopee International Indonesia

Online sales using the Cash on Delivery (COD) method have become a popular mode of transaction in Indonesia, especially on e-commerce platforms such as PT Shopee International Indonesia. The COD method allows buyers to pay for goods upon receipt, offering a sense of security for consumers who may be skeptical of online transactions. However, this method also presents significant challenges concerning legal protection for sellers. This section evaluates the legal protection provided in COD transactions on Shopee, identifies the various challenges faced by sellers, and assesses the effectiveness of the existing protection policies.

Under the COD system, sellers face distinct risks compared to other payment methods. According to the Consumer Protection Law, legal protection should encompass the rights and obligations of all parties involved in online transactions.[31] PT Shopee International Indonesia has implemented several legal protection policies for sellers in COD transactions, including protection guarantees through verification systems and dispute reporting mechanisms.[32] Nevertheless, the extent to which these policies effectively protect sellers and mitigate risks requires a more thorough evaluation.

One of the main challenges faced by sellers in COD transactions is the risk of fraud. Buyers who refuse to make payment or falsely claim that the goods do not

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[29] Sugiyono, *Metodologi Penelitian Kuantitatif, Kualitatif Dan R & D*.
[30] Moleong, *Metodologi Penelitian Kualitatif*.
[31] Indonesia, Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection.
[32] Budi Wijaya, "Kebijakan Perlindungan Seller Di Platform E-Commerce," *Jurnal Teknologi Informasi Dan Hukum* 15, no. 4 (2021): 102–16.

match the order can cause significant financial losses for sellers.[33] This risk is exacerbated in high-value transactions, where sellers may suffer considerable losses if payment is not completed. Furthermore, the return process in the COD system is often poorly regulated, adding an additional burden on sellers if returned items are not in acceptable condition.[34] Hence, clearer regulations regarding product returns and shipping costs are necessary to better protect sellers.

Shopee's legal protection policies include a seller protection guarantee system that allows sellers to file complaints in the event of disputes with buyers.[35] However, the effectiveness of this policy is often undermined by delays in dispute resolution, which can lead to dissatisfaction among sellers.[36] Improvements in the dispute resolution procedures are essential to ensure that sellers receive justice efficiently and promptly.

A comparison between legal protections in COD systems and other payment methods reveals that COD offers convenience for consumers but often lacks robust legal safeguards for sellers compared to methods such as bank transfers or digital payments.[37] In other payment methods, fraud risks can be mitigated since payment is made before shipment, eliminating the financial risk for sellers if buyers default. Therefore, legal protection policies for COD need to be adjusted to match the level of security offered by other payment methods.[38]

Based on this evaluation, several recommendations can be proposed to enhance legal protection for sellers in COD systems. First, policy updates are needed regarding product returns and dispute resolution processes to ensure greater transparency and efficiency.[39] Shopee should ensure that sellers have improved access to dispute resolution mechanisms and that these processes are conducted fairly and promptly. Second, increasing training and awareness programs on the rights and responsibilities of sellers in the COD system is essential to help sellers understand their rights and minimize risks associated with COD transactions.[40] Third, periodic evaluations of legal protection policies should be conducted to align

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[33] Syahrul Hadi, "Risiko Dan Tantangan Dalam Transaksi Cash on Delivery," *Jurnal Bisnis Online* 19, no. 4 (2021): 56–67.

[34] Efraim Turban et al., *Electronic Commerce 2018: A Managerial and Social Networks Perspective* (Springer, 2018).

[35] Irfan Gunawan, "Efektivitas Sistem Perlindungan Dalam Transaksi Cash on Delivery," *Jurnal Manajemen E-Commerce* 17, no. 3 (2022): 44–59.

[36] Prasetyo Nugroho, "Kebijakan Penyelesaian Sengketa Di E-Commerce," *Jurnal Hukum Bisnis* 18, no. 2 (2021): 93–105.

[37] Rizki Ilham, "Perlindungan Hukum Dan Implementasinya Dalam Sistem Pembayaran COD," *Jurnal Manajemen Dan Hukum* 17, no. 4 (2021): 88–103.

[38] Kurniawan, "Perbandingan Perlindungan Hukum Dalam Berbagai Metode Pembayaran E-Commerce."

[39] Risa Amalia, "Perlindungan Konsumen Dalam E-Commerce: Kebijakan Dan Implementasi," *Jurnal Hukum Dan Keadilan* 25, no. 1 (2023): 32–48.

[40] Andi Prabowo, *E-Commerce Law and Consumer Protection in Indonesia* (Jakarta: Rajawali Press, 2020).

with technological developments and current e-commerce trends.[41] This is important to ensure that protection policies remain relevant and effective in addressing emerging challenges in the future.

In conclusion, although Shopee has implemented legal protection policies for sellers in COD transactions, significant challenges remain. A comprehensive evaluation of these legal protections highlights the need for policy and procedural improvements to enhance security and fairness for sellers. By implementing the aforementioned recommendations, it is hoped that legal protection for sellers can be strengthened, enabling them to engage in transactions with greater safety and confidence.

Identification and Analysis of Key Challenges Faced by Sellers in the Cash on Delivery (COD) Payment System and Their Implications for the Effectiveness of Online Trade

The Cash on Delivery (COD) payment system in online commerce offers convenience for consumers by allowing them to pay for goods upon receiPT However, this method also presents various challenges for sellers that must be analyzed to understand their impact on the effectiveness of online trade. This discussion identifies the primary challenges faced by sellers in the COD system and evaluates their implications for the efficiency of online transactions.

One of the main challenges encountered by sellers in the COD system is the risk of fraud. Fraud in COD transactions frequently occurs when buyers fail to pay after receiving the goods or do not appear at all to collect the delivered items.[42] This risk is heightened in transactions involving high-value goods, where sellers bear the shipping costs and suffer financial losses if buyers refuse to pay. Such fraud can result in significant financial damage, particularly in the absence of adequate protection mechanisms.[43] To mitigate this risk, sellers need to enhance buyer verification systems and consider implementing shipping insurance.

Another challenge is the issue of product returns. In the COD system, the return process is often unclear and may impose additional burdens on sellers.[44] Sellers must handle returned goods that may be in unsatisfactory condition, leading to extra costs and disruptions to operational efficiency. This issue is exacerbated by the lack of consistent policies regarding return shipping costs and procedures for handling returned items.[45] Thus, clearer regulations on returns are necessary, including rules regarding product conditions and associated costs.

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[41] Siti Dewi, "Analisis Kebijakan Perlindungan Seller Dalam E-Commerce," *Jurnal Ekonomi Digital* 30, no. 2 (2022): 78–93.
[42] Hadi, "Risiko Dan Tantangan Dalam Transaksi Cash on Delivery."
[43] Turban et al., *Electronic Commerce 2018: A Managerial and Social Networks Perspective*.
[44] Gunawan, "Efektivitas Sistem Perlindungan Dalam Transaksi Cash on Delivery."
[45] Kurniawan, "Perbandingan Perlindungan Hukum Dalam Berbagai Metode Pembayaran E-Commerce."

Furthermore, the COD system adds complexity to logistics and inventory management. Sellers must carefully manage the shipping process to ensure that products are delivered to buyers on time and in good condition.[46] This requires effective coordination with logistics providers and efficient inventory management systems. Sellers lacking robust management systems may struggle with stock control and delivery scheduling, which in turn can affect customer satisfaction and the overall effectiveness of online commerce.[47]

From the perspective of online trade effectiveness, these challenges can negatively impact customer satisfaction and the seller's reputation. When sellers face issues such as fraud, product returns, and logistical difficulties, the quality of service delivered to customers may decline.[48] Low customer satisfaction can affect seller ratings and reviews on e-commerce platforms, ultimately reducing their appeal and sales volume.[49] Therefore, it is essential for sellers to implement effective strategies to address these challenges, including leveraging technology to track shipments and improve return systems.

In analyzing these challenges, the role of e-commerce platforms such as PT Shopee International Indonesia must also be considered. E-commerce platforms can play a crucial role in mitigating challenges by providing adequate protection systems, such as buyer verification, payment guarantees, and support in dispute resolution.[50] Additionally, platforms can offer training and guidance to help sellers manage risks and optimize their operational processes.

Overall, the key challenges faced by sellers in the COD system require special attention to ensure the effectiveness of online trade. Fraud, product returns, and logistical complexity are critical issues that must be addressed to enhance the shopping experience and customer satisfaction. By implementing clear policies, effective management systems, and receiving support from e-commerce platforms, sellers can better manage risks and improve the effectiveness of their online business operations.

Assessment of the Effectiveness of Legal Protection Policies and Procedures Implemented by PT Shopee International Indonesia in Handling COD Transaction Disputes

The legal protection policies and procedures implemented by PT Shopee International Indonesia in managing disputes related to Cash on Delivery (COD) transactions play a crucial role in maintaining fairness and balance in online commerce. The effectiveness of these policies is essential to ensure that both sellers and buyers can resolve disputes in a fair and transparent manner. This discussion

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[46] Dewi, "Analisis Kebijakan Perlindungan Seller Dalam E-Commerce."
[47] Nugroho, "Kebijakan Penyelesaian Sengketa Di E-Commerce."
[48] Amalia, "Perlindungan Konsumen Dalam E-Commerce: Kebijakan Dan Implementasi."
[49] Wijaya, "Kebijakan Perlindungan Seller Di Platform E-Commerce."
[50] Prabowo, *E-Commerce Law and Consumer Protection in Indonesia*.

evaluates the effectiveness of Shopee's legal protection mechanisms, identifies the strengths and weaknesses of the system, and offers recommendations for improvement.

PT Shopee International Indonesia has developed various policies and procedures to address COD disputes, including a dispute resolution mechanism and a buyer verification system.[51] A key component of these policies is the establishment of a dedicated team responsible for resolving disputes between sellers and buyers. This team is tasked with assessing evidence submitted by both parties and making decisions based on established policies.[52] In addition, Shopee provides a dispute reporting feature on its platform, enabling sellers to file complaints directly when issues arise with COD transactions.[53]

However, the effectiveness of these policies is often influenced by several factors. First, the dispute resolution timeframe can be problematic. In some cases, the resolution process may take a considerable amount of time, leading to dissatisfaction among both sellers and buyers.[54] Delays are often caused by complex verification processes or a lack of sufficient evidence to support claims. Therefore, efforts should be made to expedite the resolution process, such as by improving case management systems and accelerating verification procedures.

Second, the legal protection policies need to be strengthened to address situations in which sellers incur financial losses due to COD transactions. Although Shopee provides a seller protection guarantee system, in practice, the enforcement of this protection is not always consistent.[55] For instance, in some cases, sellers may face difficulties in receiving fair compensation when goods are not received or when buyers fail to make payment. To enhance this protection, Shopee must ensure that compensation policies are applied consistently and transparently.

It is also important to assess the accessibility of the legal protection procedures for sellers. Some sellers may find it difficult to use the dispute reporting features or to understand the applicable procedures.[56] Therefore, Shopee should increase outreach and training efforts for sellers regarding their rights and obligations within the COD system, as well as how to effectively use the dispute reporting features. Such training can help sellers better understand the existing procedures and minimize errors when submitting dispute claims.

Additionally, the evaluation of legal protection policies should include an analysis of seller and buyer satisfaction. Reviews and user feedback can provide valuable insights into the effectiveness of existing policies and procedures. Through surveys and data analysis, Shopee can identify areas that need improvement and

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[51] Gunawan, "Efektivitas Sistem Perlindungan Dalam Transaksi Cash on Delivery."
[52] Hadi, "Risiko Dan Tantangan Dalam Transaksi Cash on Delivery."
[53] Turban et al., *Electronic Commerce 2018: A Managerial and Social Networks Perspective*.
[54] Nugroho, "Kebijakan Penyelesaian Sengketa Di E-Commerce."
[55] Wijaya, "Kebijakan Perlindungan Seller Di Platform E-Commerce."
[56] Dewi, "Analisis Kebijakan Perlindungan Seller Dalam E-Commerce."

develop more effective policies.[57] This includes improving the dispute reporting and resolution system as well as reinforcing the protection guarantees for sellers.

Recommendations to improve the effectiveness of legal protection policies include several key actions. First, Shopee should accelerate the dispute resolution process by enhancing operational efficiency and improving case management systems.[58] Second, there is a need for more transparent and consistent compensation policies to ensure fair protection for sellers. Third, increased training and outreach for sellers on legal protection procedures can help reduce confusion and errors in the dispute resolution process.[59] Finally, Shopee should conduct regular evaluations of its legal protection policies and adapt them to meet evolving needs and emerging challenges in online commerce.

In conclusion, the legal protection policies and procedures implemented by PT Shopee International Indonesia play a vital role in resolving COD transaction disputes. However, the effectiveness of these policies must be enhanced through improvements in dispute resolution processes, strengthened compensation policies, and greater outreach to sellers. By implementing the proposed recommendations, Shopee is expected to improve legal protection and ensure a more equitable and effective online trading environment.

A Comprehensive Comparison of Legal Protection Provided in the Cash on Delivery (COD) Payment System and Other Payment Methods in the Context of E-Commerce in Indonesia

In the context of e-commerce in Indonesia, various payment methods are employed for online transactions, including Cash on Delivery (COD), bank transfers, e-wallet payments, and credit/debit cards. Each payment method has different legal protection mechanisms, which affect the security and satisfaction levels of both sellers and buyers. This discussion provides a comprehensive comparison between the legal protections offered by the COD system and other payment methods, as well as their implications for online commerce in Indonesia.

The COD payment system allows buyers to pay for goods upon receipt of the product, offering convenience and trust for the buyer.[60] However, from a legal perspective, COD often faces challenges related to fraud risks and product returns. Fraud can occur when buyers fail to pay after receiving the goods or are absent during delivery.[61] To address these issues, several e-commerce platforms such as Shopee provide dispute reporting systems and protections for sellers, although the effectiveness of these measures is often questioned.[62] Legal protection for sellers in

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[57] Amalia, "Perlindungan Konsumen Dalam E-Commerce: Kebijakan Dan Implementasi."
[58] Prabowo, *E-Commerce Law and Consumer Protection in Indonesia*.
[59] Kurniawan, "Perbandingan Perlindungan Hukum Dalam Berbagai Metode Pembayaran E-Commerce."
[60] Gunawan, "Efektivitas Sistem Perlindungan Dalam Transaksi Cash on Delivery."
[61] Hadi, "Risiko Dan Tantangan Dalam Transaksi Cash on Delivery."
[62] Turban et al., *Electronic Commerce 2018: A Managerial and Social Networks Perspective*.

COD transactions usually involves complaint and mediation processes, which often require considerable time to resolve disputes.[63]

Bank transfer payments offer a relatively high level of security due to direct transactions between bank accounts that can be tracked and verified.[64] Legal protection in this method generally includes security guarantees from banks and regulations governing financial transactions. In the event of disputes, banks can assist in transaction verification and issue resolution.[65] However, a drawback of this method is the lack of guarantee that funds have been received before the shipment of goods, leaving sellers at risk of fraud if buyers do not fulfill their payment commitments.

Payments via e-wallets such as OVO, GoPay, or DANA are increasingly popular due to their ease and speed of transactions. E-wallets typically offer strong transaction protections with additional security features such as two-factor authentication.[66] Legal protection for e-wallet transactions often involves stringent consumer protection policies and support from e-wallet providers in case of transaction disputes. E-wallets also commonly provide refund mechanisms and fraud protection.[67] Nonetheless, as with other payment methods, sellers must ensure they understand the applicable policies and procedures to avoid potential disputes.

Credit and debit card payments provide significant protection because of rigorous verification processes by card issuers.[68] Credit card systems typically offer fraud and product return protections through chargeback policies, allowing buyers to claim refunds if transactions do not meet agreed terms. This protection offers guarantees for buyers; however, sellers may face chargeback risks that can affect their revenue.[69] Therefore, sellers need to carefully manage chargeback risks and understand card issuer policies.

The comparison between legal protections in the COD system and other payment methods indicates that each method has its own strengths and weaknesses. COD offers convenience for buyers but poses higher risks for sellers, particularly regarding fraud and product returns. Conversely, payment methods such as bank transfers, e-wallets, and credit/debit cards provide better legal protections but come with different types of drawbacks.

Seller satisfaction and the effectiveness of online commerce largely depend on how payment methods manage risks and legal protections. To enhance the shopping experience and seller satisfaction, e-commerce platforms need to integrate

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[63] Nugroho, "Kebijakan Penyelesaian Sengketa Di E-Commerce."
[64] Dewi, "Analisis Kebijakan Perlindungan Seller Dalam E-Commerce."
[65] Amalia, "Perlindungan Konsumen Dalam E-Commerce: Kebijakan Dan Implementasi."
[66] Kurniawan, "Perbandingan Perlindungan Hukum Dalam Berbagai Metode Pembayaran E-Commerce."
[67] Wijaya, "Kebijakan Perlindungan Seller Di Platform E-Commerce."
[68] Prabowo, *E-Commerce Law and Consumer Protection in Indonesia*.
[69] Gunawan, "Efektivitas Sistem Perlindungan Dalam Transaksi Cash on Delivery."

comprehensive protection policies and increase transparency in dispute resolution. Tailoring policies for each payment method, including additional protections and risk management, can help reduce problems and improve the effectiveness of online commerce in Indonesia.[70]

A Comprehensive Comparison of Legal Protection Provided in the Cash on Delivery (COD) Payment System and Other Payment Methods in the Context of E-Commerce in Indonesia

To enhance the legal protection system for sellers in Cash on Delivery (COD) transactions at PT Shopee Internasional Indonesia, several strategic measures can be implemented. First, it is crucial to improve and expedite the existing dispute resolution mechanisms. This can be achieved by introducing a more effective case management system that leverages technology for tracking and managing disputes. The use of technologies such as artificial intelligence (AI) for dispute data analysis and outcome prediction can accelerate the resolution process.[71] Additionally, Shopee must ensure clear communication channels between sellers and the dispute resolution team to speed up the process and provide transparency.

Compensation policies also need to be strengthened to guarantee fair protection for sellers in cases of disputes or fraud within COD transactions. Shopee can introduce an enhanced protection guarantee scheme that includes higher compensation for sellers who suffer losses due to fraud.[72] This protection should cover claims for product losses and return costs, as well as expedite compensation payments.

It is also important to increase outreach and training regarding sellers' rights and obligations within the COD system. Such training programs may include information on how to report disputes, understand protection policies, and the steps to take in case of issues.[73] Training could be conducted through webinars, online tutorials, or in-person sessions.

In order to mitigate fraud risks in the COD system, Shopee should strengthen verification and security systems. This includes enhancing buyer identity verification processes and employing technology to detect suspicious activities.[74] Shopee may adopt biometric technology or two-factor authentication systems to ensure transactions are conducted by legitimate buyers, thereby reducing the likelihood of fraud.

Shopee should regularly collect feedback from sellers regarding the legal protection system and COD policies. Through surveys and feedback data analysis,

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[70] Dewi, "Analisis Kebijakan Perlindungan Seller Dalam E-Commerce."
[71] Amalia, "Perlindungan Konsumen Dalam E-Commerce: Kebijakan Dan Implementasi."
[72] Kurniawan, "Perbandingan Perlindungan Hukum Dalam Berbagai Metode Pembayaran E-Commerce."
[73] Dewi, "Analisis Kebijakan Perlindungan Seller Dalam E-Commerce."
[74] Nugroho, "Kebijakan Penyelesaian Sengketa Di E-Commerce."

Shopee can identify shortcomings and areas requiring improvement.[75] Periodic evaluations of existing policies and procedures will enable Shopee to adjust and update the legal protection system to remain relevant with evolving e-commerce environments and sellers' needs.

Given that sellers often operate on multiple platforms, Shopee could introduce integrated cross-platform protection policies that facilitate sellers in managing risks and protections across various e-commerce platforms. This includes standardizing protection policies and uniform procedures applicable to all platforms used by sellers.[76]

Furthermore, Shopee should consider collaborating with third parties such as legal institutions or independent mediators to handle complex disputes. Such collaboration can assist in achieving more objective and equitable dispute resolutions.[77] In addition, enforcement against fraud and violations should be more stringent by working closely with legal authorities to take legal action against offenders.

By implementing these strategic measures, Shopee is expected to improve the legal protection system for sellers in COD transactions, enhance user experience, and increase trust and satisfaction among sellers on their e-commerce platform.

CONCLUSION

This study has conducted an in-depth evaluation of the legal protection afforded to sellers in Cash on Delivery (COD) transactions at PT Shopee Internasional Indonesia. The research reveals several key aspects related to the effectiveness of legal protection, the challenges faced by sellers, and the policies and procedures implemented by Shopee.

Firstly, the legal protection provided to sellers in COD transactions on Shopee has shown progress but still faces several shortcomings. The current protection system includes various mechanisms to handle disputes and potential losses; however, the resolution process is often inefficient and time-consuming. Compensation policies also need to be strengthened to provide better guarantees for sellers against risks of fraud or other losses.

Secondly, the primary challenges faced by sellers in the COD system include the risk of fraud and uncertainty in the transaction process. Sellers frequently feel inadequately protected when encountering cases of fraud or disputes related to product delivery. This highlights the need for improvements in verification and security systems to mitigate such risks.

Furthermore, the assessment of Shopee's legal protection policies and procedures indicates that regular evaluation and improvements are necessary.

[75] Wijaya, "Kebijakan Perlindungan Seller Di Platform E-Commerce."
[76] Gunawan, "Efektivitas Sistem Perlindungan Dalam Transaksi Cash on Delivery."
[77] Hadi, "Risiko Dan Tantangan Dalam Transaksi Cash on Delivery."

Collecting feedback from sellers and implementing policies responsive to their needs are crucial for enhancing the protection system. Additionally, developing faster and more efficient dispute resolution mechanisms can help reduce seller dissatisfaction.

Comparison with other payment methods shows that the COD system presents unique challenges compared to methods such as bank transfers or digital payments. Therefore, legal protection within the COD system must be tailored to the specific characteristics of this payment method to ensure fairness and security for sellers.

As strategic recommendations, Shopee is advised to strengthen compensation policies, enhance verification and security systems, and improve dispute resolution mechanisms. Moreover, collaboration with third parties such as legal institutions or independent mediators can assist in handling complex disputes more fairly and objectively. The implementation of these recommendations is expected to improve legal protection for sellers, enhance their experience within the COD system, and increase seller trust and satisfaction on the Shopee platform.

In conclusion, this study provides important guidance for PT Shopee Internasional Indonesia to improve the legal protection system and address the challenges faced by sellers in COD transactions. The adoption of the proposed recommendations will be a significant step toward enhancing the quality and security of the e-commerce platform for all parties involved.

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