

ABSTRACT

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LEGAL PROTECTION FOR *DIGITAL* INVESTORS FROM LOSSES CAUSED BY ILLEGAL INVESTMENT MANAGERS AS REVIEWED FROM THE CONSUMER PROTECTION ACT

The rise of digital investment platforms has revolutionized the financial landscape, creating economic opportunities while presenting new legal challenges, especially in protecting consumer rights from unauthorized investment managers. This study examines the legal framework under Indonesia's Consumer Protection Law (Law No. 8 of 1999) and the role of the Financial Services Authority (OJK) in addressing illegal investment activities. Using a normative juridical method, the research evaluates statutory regulations, court decisions, and doctrinal perspectives to assess the effectiveness of current consumer protection mechanisms. The findings highlight the complexities of regulating digital investment platforms, where rapid technological advancements and sophisticated fraudulent schemes often surpass traditional regulatory approaches. Illegal investment managers exploit regulatory loopholes, low consumer awareness, and promises of high returns, causing financial losses and eroding trust in the financial system. Despite a robust legal framework, enforcement challenges persist due to limited public financial literacy, inadequate regulatory oversight technology, and insufficient penalties for offenders. OJK's initiatives, including licensing, public education, and proactive monitoring, have shown partial success but require significant improvements to keep pace with evolving digital investment dynamics. This study underscores the need for a multi-faceted approach to strengthen consumer protection. Key recommendations include closing regulatory loopholes, enhancing public financial literacy through extensive education programs, and imposing stricter penalties for violations. Collaboration among regulatory authorities, law enforcement, and financial institutions is essential to safeguard the digital investment ecosystem. Addressing these challenges can help Indonesia foster a secure and trustworthy investment environment, balancing the benefits of digital financial innovation with robust consumer protection.

Keywords: *consumer protection, Indonesia's consumer protection law, unauthorized investment managers*

Reference : *84 (1980-2024)*