

Legal framework for protecting bank customers against personal data leakage in the digital era: A study of Indonesian regulations

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ABSTRACT

Keywords:

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In the digital era, the protection of personal data is crucial due to the growing privacy of individuals and the potential for security risks, including cyber threats. This research aims to provide a deeper understanding of the Indonesian legal regulations in safeguarding personal data and how this can affect public trust in financial institutions, especially banks, in maintaining the security of their customers' data from data leaks. The author uses a normative juridical research method by taking an approach that is carried out based on the main legal materials by examining the laws and regulations related to this research. The focus of this research is legal protection for bank customers in protecting personal data leakage in the era of rapid technology. The research contribution lies in exploring and analyzing the effectiveness of Indonesian law regulations in protecting the personal data, and how these measures influence public confidence in the banking sector.

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INTRODUCTION

Personal data leakage in the digital era has become one of the most concerning issues in recent years. Most recently, in June 2024, data at the Temporary National Data Center (PDN, *Pusat Data Nasional Sementara*) was breached by a hacker group, the ransomware attack reportedly locked data in 282 ministries and institutions. As information technology and internet penetration continue to grow, the amount of personal data stored and processed digitally has also increased significantly. However, along with the benefits, the exposure of such personal data also increases the risk of data leakage, misuse, or theft.

With more and more people using the internet network in Indonesia, cybercrime related to computers and devices or networks called cybercrime is a crime committed online, the more victims will certainly result in losses. A study from Surfshark, a digital security institution from the Netherlands, states that Indonesia ranks 3rd in the world as the country with the highest data leakage (Dancor, 2023). In this case, protecting personal data is becoming increasingly important (Murdoch, 2021; Nissenbaum, 2020; Richards, 2022; Sumner, 2015; Yang et al., 2020). Individually identifiable information included in personal data such as name, address, identification number, financial information, and so on (Andrew & Baker, 2021; Carvalho et al., 2020; Finck & Pallas, 2020; Huang et al., 2021). The security of personal data is vital to ensure that individual privacy is protected and to prevent potential financial losses or even identity misuse (Burnes et al., 2020; Kröger et al., 2021; Piquero et al., 2021; Sule et al., 2021; Umar et al., 2023).

However, cyberattacks continue to occur while using them, threatening the security of customer data. For example, in May 2023, customer data information of one of the banks in Indonesia has been leaked, experiencing problems with digital services. Customers cannot use digital or non-digital services. In the 1945 Constitution, article 28G paragraph (1) is also written that every citizen has the right to personal data protection, and a sense of security from threats. Personal data is protected in order to prevent unauthorized or unwanted access, use, and disclosure of individual personal data (Kusnadi, 2021). Through this protection, the right to privacy becomes a strong foundation for sustainability and justice in the increasingly advanced digital era. The

organizer has the obligation to protect the personal data of users/consumers, the owner of personal data has legal rights because it is a right to privacy/human rights (Karo & Prasetyo, 2020).

With the enactment of these regulations, it is hoped that more complete data related to customer data protection will be available, with the aim of reducing the risk of misuse of personal data. One of the latest regulations is Law of the Republic of Indonesia Number 27 of 2022 on Personal Data Protection. While this regulation emphasizes the importance of protecting personal data, it increases capacity to manage and protect personal data to minimize the risk of such breaches.

Referring to the explanation above, the main problem is the many leaks of bank customers' personal data, namely how to protect bank customers in the event of a personal data leak. Thus, the research aims to provide a deeper understanding of the legal regulations in Indonesia that regulate the protection of personal data in protecting data leaks in the era of rapid technology and how this can affect public trust in financial institutions, especially banks, in maintaining the security of their customers' data from data leaks. The research contribution lies in exploring and analyzing the effectiveness of Indonesian legal regulations in safeguarding personal data and how these measures influence public trust in the banking sector.

METHOD

In this study, the author uses a normative juridical research method by taking an approach that is carried out based on the main legal materials by examining the laws and regulations related to this research. The focus of this research is legal protection for bank customers in protecting personal data leakage in the digital era. Judging from the primary legal materials, namely Law No. 8 of 1999 concerning Consumer Protection, Law No. 27 of 2022 concerning Personal Data Protection and Law No. 1 of 2024 concerning Electronic Transaction Information. Secondary legal materials are in the form of books and journals of previous research. Thus, the analysis design made by the author will be related to the applicable laws and regulations. Thus, this analysis can be the basis for answering the problem of legal protection for bank customers in protecting personal data leaks in the digital era as a form of consumer protection

RESULTS AND DISCUSSION

Legal Protection of Personal Data in the Digital Era Based on Regulations

Satjipto Rahardjo argued that legal protection is an effort to protect interests by giving them the authority to play a role for these interests. Authority refers to rights, which are only granted by law to certain individuals (Rahardjo, 2012). Human rights are the main foundation in the formation of law, where everyone has the right to rights without distinction to be recognized, respected, and protected without discrimination. In the Indonesian context, the principle of legal protection is related to Pancasila, which emphasizes the importance of protecting human dignity.

Law Number 27 of 2022 concerning Personal Data Protection is the government's effort to provide security and protect against financial and reputational losses. Any information related to the life of an individual that is identified both systematically electronic and non-electronic is considered personal data. So, if based on the ITE Law, cracking is included in Article 30 paragraph (3) of the ITE Law, Every Person intentionally and without rights or unlawfully accesses the Computer and/or Electronic System in any way violates, breaks, exceeds, or breaks the security system.

According to Article 4 Paragraph 1 of Law No. 27 of 2022 on personal data protection, personal data is divided into 2 types, specific and general personal data. Specific Personal Data as referred to in paragraph (1) letter a includes health data and information, biometric data, genetic data, crime records, child data, personal information data; and/or other data in accordance with the provisions of laws and regulations. Personal Data that is general in nature as referred to in paragraph (1) b includes full name, gender, nationality, religion, marital status; and/or Personal Data that is combined to identify an individual.

Chairman of the Indonesian Data Protection Practitioners Association (APPDI), Raditya Kosasih, expressed his opinion in a seminar themed Personal Data Protection Masterclass, about the right which can also be referred to as privacy is related to individuals or individuals to obtain data, while personal data protection is related to preventing illegal access (Wahyuni, 2023). It is explained in the Consumer Protection Law No. 8 of 1999 concerning consumer rights. Article 39, paragraphs (1) and (2) of personal data protection mandates that the data control mechanism must prevent illegal access by using a security system that is tested safely, and responsibly.

Personal data leaks have the potential to have a negative impact. Against the loss of consumer trust in Banks involved in data leaks, which can result in a decrease in the number of customers and revenue. In addition, data leaks are also a threat to individual privacy, which can damage a company's reputation and trigger lawsuits.

Based on the 2023 incident of leaking personal data of a customer of one of the banks, the Chairman of the CISSReC Cybersecurity Research Institute, Pratama Persadha said that the regulation had been passed, if

a bank is proven guilty, then the bank could be subject to administrative sanctions in accordance with Article 57 of the PDP Law. The bank can be subject to sanctions in the form of administrative sanctions written in Article 57 Paragraph 2 of the Personal Data Protection Law No. 27 of 2022 Administrative sanctions. With a warning, stop the personal data processing activities.

The Bank can be subject to sanctions in the form of administrative sanctions written in Article 57 paragraph 2 in the form of: a. written warning; b. temporary suspension of Personal Data processing activities; c. deletion or destruction of Personal Data; and/or d. administrative fines. Paragraph (3) Administrative sanctions in the form of administrative fines as referred to in paragraph (2) d up to 2 (two) percent of annual income or. Annual Receipt of Violation Variables

In addition, it is also explained in article 67 of the Personal Data Protection Law Every Person who intentionally and unlawfully obtains or collects Personal Data that does not belong to him or herself with the intention of benefiting himself or others which may result in losses to the Personal Data Subject as referred to in Article 65 paragraph (1) shall be sentenced to imprisonment for a maximum of 5 (five) years and/or a maximum fine of Rp5,000,000,000, 00 (five billion Rupiah)

OJK's Efforts Against Customer Data Leaks

When information leaks occur, according to Financial Services Authority Regulation No. 22 of 2023 discussing Consumer and Community Protection Article 24 Paragraph 1 reads In the implementation of business activities, Financial Services Business Actors (PUJK) ensure cyber security and resilience to maintain consumer security. If there is a problem, customers are encouraged to complain about the violations they have committed to the authorities such as the Financial Services Agency (OJK).

For cases that have the potential to cause customer data leaks that cause losses, the OJK itself has reduced the risk by issuing a Circular Letter of the Financial Services Authority of the Republic of Indonesia Number 29/SEOJK.03/2022 concerning Cybersecurity Resilience and Security for Commercial Banks and also Financial Services Authority Regulation Number 11/POJK.03/2022 concerning the Implementation of Information Technology by Commercial Banks.

Based on these rules, OJK requires banks to be able to maintain system security from cyber attacks, the ability to detect and recover after cyber incidents. Banks must also implement governance and risk management by utilizing Information Technology by maintaining resilience and cybersecurity.

The OJK is responsible for supervising banking activities, including Islamic banks, and can file enforcement actions against illegal actions carried out by banks using digital banking services (Muchlis, 2023). The disruption of digital services due to irresponsible hacker attacks or what is called hackers is related to the importance of aspects in the banking world, namely security and trust.

CONCLUSION

In the digital era, protecting personal data is crucial due to the growing privacy of individuals and the potential for security risks, including cyber threats. The May 2023 service disruption incident highlights the need for increased resilience in digital banking services. The Financial Services Authority's role in supervising business activities is essential, and legal protection is crucial under Consumer Protection Law No. 8 of 1999 and Personal Data Protection Law No. 27 of 2022. Indonesian banks must strengthen their IT systems, shut down service systems, and implement excellent security technology to prevent data leaks and maintain public trust in banking.

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