

Consumer Legal Protection Against the Collection of Land Surplus Fees by Housing Developers in Home Ownership Credit Agreements (KPR)

Dwi Ulfiani Saputri ^{a*}, Widiya N Rosari ^b, Emelia Kontesa ^c

^{a,b,c} Master of Laws, Faculty of Law, Universitas Bengkulu, Bengkulu, Indonesia

*Corresponding Author: dwiulfianisaputri15@gmail.com

ABSTRACT

Fulfilling housing needs is one of the basic needs of the community whose fulfillment is increasingly difficult as land prices increase, so the government encourages the Home Ownership Credit (KPR) scheme, including subsidized houses for Low-Income People (MBR), as a more affordable financing instrument. In practice, mortgages often cause disputes between consumers and developers due to unagreed fee collection from the beginning. This article examines the case of mortgage consumers who at the survey stage agreed on a building area of 6×6 meters and a land area of 7×12 meters, but at the time of the credit contract it was known that the actual land area was 10×12 meters, so the developer charged consumers IDR 21,000,000.00 as a fee for the excess area. This study uses a normative juridical method with a legislative approach and a case approach to answer two problems: first, what is the form of legal protection for mortgage consumers against the collection of excess land costs by housing developers; and second, what is the dispute resolution mechanism that consumers can take if the billing is considered detrimental. The results of the study show that legal protection for consumers comes from the principle of good faith in Article 1338 of the Civil Code and consumer rights guaranteed by Law Number 8 of 1999 concerning Consumer Protection, so that the collection of fees for the difference in size arising purely due to the developer's mistake, without new consent from the consumer, has the potential to have no legal basis. Consumers have several dispute resolution channels, ranging from negotiations and summonses, mediation through the Consumer Dispute Resolution Agency (BPSK), complaints to mortgage distribution banks, to civil lawsuits to the court if non-litigation efforts do not yield results.

Keywords: Consumer Legal Protection, Cost Collection, Land Overage, Housing Developers, Home Ownership Loans.

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1. INTRODUCTION

Housing is widely recognized as a fundamental human need and an essential component of individual well-being, social inclusion, and sustainable urban development. Access to adequate housing extends beyond the availability of physical shelter, encompassing affordability, security of tenure, habitability, accessibility, and access to essential services. However, the increasing cost of housing and land continues to constrain the ability of many households, particularly those with limited incomes, to obtain adequate accommodation. The Organisation for Economic Co-operation and Development (OECD, 2021) identifies rising housing prices, land scarcity, and increasing construction costs as important factors affecting housing affordability. Similarly, UN-Habitat (UN-Habitat, 2022) emphasizes that housing affordability is closely connected to broader challenges of inequality, poverty, and access to essential services. These challenges demonstrate that housing provision requires not only policies that expand access to homeownership but also effective legal and institutional mechanisms to protect prospective homeowners throughout the housing acquisition process.

In Indonesia, the government has established various policy instruments to facilitate access to adequate and affordable housing, particularly for low-income communities (*masyarakat berpenghasilan rendah*, MBR). One

of the principal legal foundations is Law Number 1 of 2011 concerning Housing and Residential Areas, which provides a framework for housing provision and the development of residential areas. Housing subsidy programs and government-supported financing mechanisms are intended to reduce financial barriers to homeownership. Nevertheless, the implementation of housing policies involves coordination among government institutions, financial institutions, and private housing developers. Simbolon et al. (2023) identify recurring implementation challenges in Indonesia's subsidized housing policy, including weaknesses in beneficiary targeting and the need for stronger oversight. Accordingly, the effectiveness of housing policy should not be assessed solely by the number of houses provided or the availability of financing facilities, but also by the extent to which consumers receive the housing and contractual terms that were initially agreed upon.

One of the mechanisms through which eligible Indonesian households can acquire residential property is the Home Ownership Credit (*Kredit Pemilikan Rumah*, KPR), including financing provided by Bank Tabungan Negara (BTN). This arrangement generally involves a legal relationship among the consumer, the housing developer, and the financing bank. The consumer enters into a transaction with the developer concerning the house and land, while the bank evaluates the financing application and the relevant collateral before entering into the credit agreement. Consequently, the accuracy and consistency of information concerning the property's physical specifications, land area, building area, and price are important to the transaction. Consumers must be able to make informed decisions based on reliable information about the property and the financial obligations associated with its acquisition. Research by Syarief et al. (2022) concerning consumer protection in apartment transactions highlights the legal problems that can arise when facilities or property-related information provided by developers do not correspond to the conditions promised to consumers. Although apartment transactions differ from subsidized landed-house purchases, this research illustrates the broader relevance of information accuracy and contractual consistency in property transactions.

A significant legal issue arises when the physical specifications of a property differ from those agreed upon during the initial survey and the developer subsequently imposes additional charges on the consumer. This issue becomes particularly important when the discrepancy originates from the developer's measurement, planning, or administrative processes rather than from a request made by the consumer. In such circumstances, the difference between the initially agreed specifications and the actual property conditions raises questions concerning contractual consent, the allocation of financial responsibility, the duty to act in good faith, and the consumer's right to receive accurate information. These questions are relevant to the implementation of consumer protection principles under Law Number 8 of 1999 concerning Consumer Protection and the contractual principles established in the Indonesian Civil Code. In particular, the legal assessment must distinguish between an additional payment arising from a change voluntarily requested and validly agreed upon by the consumer and a charge imposed because of a discrepancy attributable to another party. The existence of a larger land area does not, by itself, resolve whether the additional charge has an adequate contractual and legal basis.

This issue is illustrated by the case examined in this study. During the initial survey, the consumer and the developer agreed on a house with a building size of 6 × 6 metres and a land plot measuring 7 × 12 metres. However, when the mortgage agreement was to be implemented, the land area was identified as 10 × 12 metres, exceeding the dimensions previously communicated to the consumer. The developer subsequently demanded an additional payment of IDR 21,000,000 on the grounds that the actual land area differed from the initial specifications. The consumer objected to the charge because the additional land area had not been requested by the consumer and was allegedly attributable to an error in the developer's measurement or land-planning process. This case raises a specific question of legal responsibility: whether a developer may transfer the financial consequences of a property-specification discrepancy to a consumer without establishing the contractual basis for the additional payment and obtaining the consumer's valid agreement to the revised terms.

Although previous studies have addressed housing affordability, subsidized housing policy implementation, and consumer protection in property transactions, the specific issue of additional land charges arising from discrepancies between initially agreed specifications and the actual land area requires further legal examination. Existing discussions of housing affordability primarily concern access to housing, financing mechanisms, and policy implementation (OECD, 2021; Simbolon et al., 2023), while research on property-related consumer protection has examined discrepancies between promised and delivered facilities (Syarief et al., 2022). The present study addresses this issue from a more specific contractual perspective by examining the legal basis for imposing additional land charges, the allocation of responsibility for measurement discrepancies, and the

available mechanisms for resolving disputes between consumers and housing developers. Its contribution lies in connecting the principles of consumer protection and contractual good faith with the practical problem of unexpected financial obligations arising during the implementation of a home ownership credit transaction.

Accordingly, this study addresses two research questions. First, how does Indonesian law protect home ownership credit consumers against additional land charges imposed by housing developers when the actual land area differs from the initially agreed specifications? Second, what non-litigation and litigation mechanisms are available to consumers seeking to resolve disputes arising from such charges? To answer these questions, the study examines the relevant statutory provisions and contractual principles in conjunction with the facts of the case. The analysis is intended to clarify the legal considerations governing additional charges, identify the respective responsibilities of consumers and developers, and explain the available avenues for dispute resolution. In doing so, the study seeks to contribute to the legal discussion on consumer protection in subsidized housing transactions and the importance of contractual certainty in the implementation of home ownership credit agreements.

2. RESEARCH METHODS

This study employs normative legal research, also referred to as doctrinal legal research, to examine the legal rules, principles, and doctrines governing consumer protection in home ownership credit (*Kredit Pemilikan Rumah*, KPR) transactions. This approach is appropriate because the research focuses on determining the legal basis for additional land charges imposed by housing developers, interpreting the obligations arising from contractual relationships, and identifying the legal remedies available to consumers. Doctrinal legal research systematically identifies, interprets, and synthesizes legal materials to formulate reasoned answers to legal problems (Majeed et al., 2023; Setia Negara, 2023).

The research applies a statutory approach and a case-based analytical approach. The statutory approach examines the relevant legal provisions, particularly the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*), Law Number 8 of 1999 concerning Consumer Protection, and Law Number 1 of 2011 concerning Housing and Residential Areas. The analysis focuses on the legal requirements for contractual consent, the binding force and good-faith performance of agreements, consumers' rights to accurate information, and the obligations of housing developers. Relevant provisions are interpreted in conjunction with one another to identify their scope, legal implications, and applicability to the disputed additional charge. The case-based analysis examines the factual chronology of the transaction, including the initially agreed property specifications, the subsequent identification of a different land area, and the developer's demand for an additional payment of IDR 21,000,000. These facts serve as an analytical framework for assessing the application of the identified legal norms. This approach does not constitute an analysis of judicial precedent unless a relevant court decision is specifically identified and examined.

The legal materials consist of primary and secondary legal materials. Primary legal materials include the applicable statutory provisions and other relevant binding legal instruments governing contractual obligations, consumer protection, housing transactions, and dispute resolution. Secondary legal materials comprise peer-reviewed journal articles, academic books, and scholarly publications addressing doctrinal legal research, consumer protection, contract law, and housing-related disputes. The materials are collected through documentary research by identifying, retrieving, and examining relevant legislation and scholarly literature. Selection is based on legal relevance to the research questions, authority of the source, and its contribution to interpreting the applicable legal framework.

The analysis is conducted through a structured doctrinal process comprising four stages. First, the relevant legal issues are identified by distinguishing the initially agreed property specifications from the actual conditions and the subsequent demand for additional payment. Second, the applicable legal provisions and principles are identified and interpreted using grammatical and systematic interpretation, with purposive interpretation applied where necessary to clarify the objectives of the relevant provisions. Third, the interpreted legal norms are applied to the factual circumstances to assess the contractual basis of the additional charge, the allocation of responsibility for the discrepancy, and the potential legal consequences for the parties. Fourth, the findings are synthesized into normative legal arguments concerning consumer protection and the available dispute resolution mechanisms, including negotiation, proceedings before the Consumer Dispute Settlement Agency (*Badan*

Penyelesaian Sengketa Konsumen, BPSK), and civil litigation, subject to the applicable legal requirements. This analytical procedure follows the doctrinal research principle of systematically examining and synthesizing legal materials to formulate a reasoned response to a defined legal problem (Majeed et al., 2023; Taekema, 2021).

The findings are presented through descriptive-analytical legal reasoning. Rather than measuring consumer experiences or establishing statistical relationships, the study evaluates the consistency between the relevant legal norms, the contractual circumstances, and the developer's demand for additional payment. The resulting conclusions are limited to the interpretation of the legal materials and the factual circumstances described in the case. Accordingly, the study does not claim to establish the prevalence of similar disputes or to determine factual liability beyond what can be supported by the available documentary evidence.

3. RESULTS AND DISCUSSION

3.1. Consumer Legal Protection Against Additional Land Charges Imposed by Housing Developers

a. The Legal Significance of the Discrepancy Between Agreed and Actual Land Specifications

The dispute examined in this study concerns a discrepancy between the property specifications initially communicated to a prospective homebuyer and the land area identified when the Home Ownership Credit (*Kredit Pemilikan Rumah*, KPR) agreement was to be implemented. During the initial survey, the consumer and the developer agreed on a house with a building area of 6×6 metres and a land plot measuring 7×12 metres. At a subsequent stage, the land area was identified as 10×12 metres, and the developer demanded an additional payment of IDR 21,000,000. The consumer objected because the additional land area had not been requested and was allegedly attributable to an error in the developer's measurement or planning process.

The difference is legally significant because the specifications of the property may determine the consumer's decision to purchase, the agreed price, the financing application, and the description of the property used in subsequent contractual documentation. In a property transaction, the object of the agreement should be sufficiently identifiable, and the parties' respective obligations should be assessed by reference to the contractual documents and the circumstances in which the agreement was concluded. The discrepancy therefore cannot be resolved solely by comparing the physical dimensions of the land. It is necessary to determine which specifications were incorporated into the parties' agreement, whether the agreement permitted adjustments to the land area or purchase price, and whether the consumer subsequently consented to any modification.

The distinction between the initial survey and the formal contractual stage is particularly important. A survey document, property brochure, booking form, correspondence, or preliminary agreement may provide evidence of the representations made by the developer and the specifications on which the consumer relied. However, the legal effect of each document depends on its contents, the parties' intentions, and its relationship to the subsequent sale and purchase and credit agreements. The initial survey should therefore not automatically be treated as the final binding agreement without examining the documentary record. Conversely, the absence of the initial specifications from a later document does not necessarily eliminate their evidentiary relevance when determining what information was communicated to the consumer and whether the subsequent transaction was conducted consistently with the parties' prior dealings.

This analysis is consistent with the broader discussion of contractual good faith in comparative contract law. Giliker (2022), examining developments in English and Canadian contract law, explains that good faith may be relevant to honesty, cooperation, and the protection of legitimate contractual expectations, although its precise legal operation varies across jurisdictions and contractual contexts. The comparative discussion does not itself determine the outcome under Indonesian law, but it illustrates why contractual disputes involving changed specifications require attention to the parties' agreed expectations and conduct rather than an exclusively literal examination of isolated documents.

In the present case, the initially agreed land dimensions correspond to an area of 84 square metres (7×12 metres), whereas the subsequently reported dimensions correspond to 120 square metres (10×12 metres). The difference is therefore 36 square metres. Nevertheless, the increase in land area does not, by itself, establish either the existence of an enforceable obligation to pay an additional IDR 21,000,000 or the absence of such an obligation. The analysis must establish whether the additional land was included in the property to be

transferred, whether the agreed price was fixed or calculated by reference to the land area, and whether the consumer accepted a contractual amendment or a revised price. It must also establish whether the reported dimensions reflect an officially verified land measurement or merely a preliminary measurement that remains subject to confirmation.

Accordingly, the central legal issue is not simply whether the consumer received a larger plot of land. It is whether the developer has demonstrated a valid contractual and legal basis for imposing the additional charge, taking into account the original agreement, the verified property specifications, the applicable consumer protection rules, and the circumstances in which the additional payment was demanded.

b. Contractual Consent, the Binding Force of Agreements, and the Principle of Good Faith

The legal assessment begins with Articles 1320 and 1338 of the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*). Article 1320 establishes the requirements for the validity of an agreement, including the consent of the parties and the existence of a sufficiently specified object. Article 1338 recognizes the binding force of agreements lawfully concluded by the parties and requires that such agreements be performed in good faith. These provisions must be read together when evaluating whether a developer may demand additional payment because the actual land area differs from the specifications previously communicated to the consumer.

The principle of *pacta sunt servanda*, reflected in Article 1338, requires the parties to respect their legally binding commitments. Where the relevant contractual documents establish that the purchase price was agreed for a specified property with a defined land area, a material change to the property specifications or the price requires a legal assessment of the contractual basis for that change. A developer's unilateral assertion that the actual land area is larger does not, by itself, establish that the consumer has accepted a corresponding increase in the purchase price. The developer must identify the relevant contractual clause, amendment, or other legal basis supporting the additional demand.

However, this principle should not be interpreted as meaning that every discrepancy automatically invalidates the additional charge. The contractual terms may provide for price adjustments based on verified measurements, the final land area, or other expressly agreed conditions. If a clear and valid clause governs such adjustments, its applicability must be assessed in light of the contract as a whole, the relevant consumer protection provisions, and the circumstances in which the clause was applied. The decisive question is whether the demand follows an agreed and legally permissible mechanism or introduces a new financial obligation without an adequate contractual basis.

The requirement of good faith under Article 1338(3) is also relevant. In this dispute, good faith requires more than the formal existence of a contract. It provides a basis for examining whether the parties communicated material information accurately, acted consistently with the agreement, and dealt fairly with the discrepancy once it became apparent. Giliker (2022) notes that comparative contract law has increasingly examined the relationship between honest contractual performance and the protection of legitimate expectations, while also recognizing that good faith cannot be applied without regard to the contractual framework and the requirements of legal certainty.

Applied to the present case, the developer should be able to explain the origin of the discrepancy, the method used to establish the actual land area, and the contractual basis for the amount demanded. The consumer, in turn, should have a reasonable opportunity to examine the supporting documents and determine whether the revised specifications and payment obligations are consistent with the original agreement. If the discrepancy resulted from a measurement or planning error attributable to the developer, and the consumer neither requested the additional land nor agreed to a corresponding price adjustment, the demand may raise substantial concerns under the principles of contractual consent and good-faith performance.

Nevertheless, the attribution of responsibility requires supporting evidence. It should not be presumed that the developer caused the discrepancy merely because the additional area was discovered during the transaction. The difference could arise from preliminary measurement inaccuracies, an administrative discrepancy, an inaccurate initial description, a change in the proposed plot, or another circumstance requiring verification. The legal analysis must therefore distinguish between the established fact that the reported dimensions differ and the still-to-be-established question of who is responsible for that difference.

This distinction strengthens the legal argument because it separates the existence of a discrepancy from its

legal consequences. The former is a factual matter requiring documentary verification; the latter depends on contractual interpretation, the allocation of responsibility, and the applicable statutory provisions.

c. Consumer Protection and the Developer's Duty to Provide Accurate Information

In addition to the Indonesian Civil Code, Law Number 8 of 1999 concerning Consumer Protection provides a statutory framework for examining the developer's conduct. Article 4 recognizes consumer rights, including the right to accurate, clear, and honest information concerning goods and services and the right to receive goods in accordance with the agreed conditions and value. Article 7 establishes obligations for business actors, including good-faith conduct and the provision of correct, clear, and honest information. Article 8 addresses prohibited conduct involving goods that do not conform to specified standards or information and promises made by business actors.

These provisions are relevant because property specifications and the purchase price are material information in a housing transaction. Consumers rely on such information when deciding whether to purchase a property and whether to undertake the long-term financial commitments associated with a mortgage. A discrepancy in the land area may consequently affect not only the physical object of the transaction but also the consumer's understanding of the financial and legal obligations involved.

Research by Syarief et al. (2022) concerning consumer protection in apartment transactions in Batam City identifies legal issues arising when facilities promised by developers do not correspond to the information provided to consumers. Although that study concerns apartment facilities rather than additional land charges in subsidized landed housing, it illustrates the relevance of examining the consistency between developers' representations and the property-related conditions ultimately delivered. The present case extends the inquiry to the relationship between property specifications, contractual consent, and demands for additional payment.

The application of consumer protection law must nevertheless be based on the specific conduct established in the case. Article 8 should not be invoked merely because the land area differs from an earlier description; the relevant statutory elements and the precise representations or contractual specifications must be examined. Similarly, a breach of the duty to provide accurate information should be assessed by determining what the developer communicated, whether the information was materially inaccurate or incomplete, and whether the subsequent conduct was inconsistent with the consumer's statutory rights.

The developer's demand for IDR 21,000,000 therefore requires examination of at least three related issues. First, was the original land area accurately disclosed and documented? Second, did the developer subsequently communicate and substantiate the actual land area and explain the reason for the difference? Third, did the developer establish a lawful contractual basis for requiring the consumer to pay for the additional area?

If the evidence establishes that the developer provided materially inaccurate specifications and subsequently imposed an additional charge without a valid contractual basis, the conduct may engage the consumer's rights under Law Number 8 of 1999. If, however, the agreement expressly provides for a price adjustment based on verified final measurements and that provision is legally enforceable, the analysis must determine whether the adjustment complies with the agreed mechanism and the applicable consumer protection requirements.

The distinction is important because consumer protection does not eliminate contractual obligations that have been validly assumed. Rather, it provides a framework for ensuring that the obligations imposed on consumers are supported by adequate information, lawful contractual terms, and conduct consistent with statutory protections.

A further question concerns the form of the agreement to revise the specifications or price. Written documentation is particularly important in a property transaction involving substantial financial commitments. A written amendment, revised price schedule, official measurement record, or other reliable document can help establish whether the parties agreed to the change and what obligations followed from it. The absence of such documentation may weaken the evidentiary basis for the additional demand, although the legal effect of that absence depends on the applicable contractual requirements and the evidence as a whole.

Consequently, the protection afforded by consumer law in this case has both preventive and remedial dimensions. Preventive protection concerns the accuracy of property information, the clarity of contractual terms, and the disclosure of the basis for any price adjustment. Remedial protection concerns the consumer's ability to challenge an unsupported charge and seek an appropriate resolution when the developer's conduct is inconsistent

with the agreement or applicable law.

d. Potential Civil Liability and the Allocation of Responsibility for Measurement Errors

The dispute may also raise questions of civil liability if the discrepancy resulted from the developer's conduct and caused legally recognizable loss to the consumer. Article 1365 of the Indonesian Civil Code provides the general basis for liability arising from an unlawful act. However, its application requires examination of the relevant elements, including the unlawful act, fault where required, loss, and the causal relationship between the conduct and the loss.

It is therefore necessary to distinguish between a contractual dispute and a claim based on an unlawful act (*perbuatan melawan hukum*). If the principal complaint is that the developer failed to comply with an existing agreement, the analysis may primarily concern contractual non-performance or breach. If the complaint concerns conduct independently violating a legal duty and causing loss, Article 1365 may also become relevant. The appropriate legal basis depends on the facts, the documents, and the nature of the remedy sought; it should not be assumed that every disputed additional charge automatically constitutes an unlawful act.

In the present case, the consumer's objection is that the additional area was not requested and that the discrepancy may have originated in the developer's measurement or planning process. If this explanation is established by reliable evidence, the allocation of responsibility becomes central. A party should not automatically be permitted to transfer the financial consequences of its own legally attributable error to another party without a valid contractual or statutory basis. Nevertheless, whether the developer bears responsibility must be established rather than presumed.

Relevant evidence may include the initial property survey, the booking or sale documentation, the land certificate, official measurement records, correspondence concerning the plot dimensions, the developer's explanation of the discrepancy, and any document supporting the calculation of the additional charge. Where necessary, an official measurement or clarification from the competent land authority may help determine the actual dimensions and boundaries of the property. The purpose of this evidence is to establish both the factual discrepancy and its relationship to the alleged conduct of the developer.

The amount demanded also requires independent examination. Even if the final land area is verified as 120 square metres, this fact does not by itself demonstrate that IDR 21,000,000 is the contractually payable amount. The calculation should be assessed against the agreed price structure, any valid price-adjustment clause, the treatment of additional land in the transaction, and the documents supporting the demand. Without this assessment, the physical difference and the monetary claim remain separate issues.

The legal implications therefore depend on the interaction of three matters: the content of the original agreement, the cause of the discrepancy, and the contractual or statutory basis for the additional payment. This framework avoids treating the larger land area as conclusive proof either of consumer benefit or of developer liability.

e. Preventive and Remedial Legal Protection

Consumer protection in the present dispute can be examined through preventive and remedial mechanisms. Preventive protection seeks to reduce the likelihood of disputes by ensuring that property specifications, prices, payment obligations, and procedures for revising contractual terms are disclosed clearly before the consumer becomes bound by the transaction. In the context of subsidized housing, this requires consistency between the information provided during the initial survey, the documents used in the financing application, the sale and purchase documentation, and the final property specifications.

Developers can reduce the risk of disputes by maintaining reliable measurement records, explaining any discrepancy before requesting additional payment, and documenting the legal and contractual basis for a price adjustment. Consumers should receive sufficient information to assess the proposed change and its financial implications. Where a revised agreement is required, its terms should be documented clearly so that the parties can distinguish an agreed adjustment from a unilateral demand.

Remedial protection becomes relevant when a disagreement has already arisen. Consumers may request a written explanation and supporting documents, challenge the contractual basis of the additional charge, and pursue the dispute through negotiation, the Consumer Dispute Settlement Agency (*Badan Penyelesaian*

Sengketa Konsumen, BPSK), or the courts, subject to the jurisdictional and procedural requirements applicable to the claim. The appropriate mechanism depends on the nature of the dispute, the relief sought, and the evidence available.

The broader legal significance of this distinction is that consumer protection must operate both before and after a contractual dispute develops. The preventive dimension promotes transparency and contractual certainty, while the remedial dimension provides avenues for challenging conduct that may violate contractual obligations or statutory rights. In this case, the effectiveness of legal protection depends on whether the consumer can obtain reliable information about the property, scrutinize the basis of the additional charge, and access an appropriate dispute resolution mechanism.

f. The Position and Responsibilities of Bank Tabungan Negara (BTN) as the Financing Bank

The KPR transaction involves distinct but interconnected legal relationships among the consumer, the housing developer, and the financing bank. The consumer and the developer are parties to the property transaction, whereas the consumer and BTN are parties to the credit relationship. Depending on the contractual arrangements and the stage of the transaction, the bank may also have an interest in the land and building as collateral for the credit facility.

These relationships should be distinguished because a dispute concerning the developer's additional charge does not automatically establish liability on the part of the bank. The developer's obligation to provide accurate information about the property and the consumer's obligation to repay the credit arise from different legal relationships. At the same time, where the property's specifications are relevant to the financing application or collateral documentation, discrepancies may also raise questions about the information considered by the bank during its assessment.

Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking establishes the general framework for banking activities, including the principles of prudence under Article 2 and the requirements governing banking activities under Article 29. These provisions provide relevant context for examining the bank's handling of credit and collateral. However, they should not be interpreted as automatically making the bank responsible for every error in a developer's land measurement. The extent of the bank's obligations must be assessed by reference to the applicable banking rules, the credit documentation, the bank's actual role in the transaction, and the nature of the alleged deficiency.

Law Number 4 of 1996 concerning Mortgage Rights over Land and Land-Related Objects (*Hak Tanggungan*) is also relevant where the land and building are legally encumbered as collateral. The accuracy of the collateral's identification and supporting documentation matters because the security arrangement must relate to the legally identifiable property. Nevertheless, the precise legal effect of a discrepancy depends on the status of the land rights, the relevant certificates, the credit agreement, and the security documents. It should not be assumed that every difference between preliminary survey dimensions and the final recorded land area automatically invalidates the credit agreement or the security arrangement.

In the case under examination, the bank's role should therefore be assessed through two separate questions. First, did BTN receive or rely on property specifications that were materially inconsistent with the relevant documentation when assessing the financing application or preparing the credit and collateral documents? Second, if a discrepancy was identified, what action was required under the applicable rules and contractual arrangements to clarify or correct the relevant information?

If the bank's records reveal inconsistent property specifications, the consumer may request clarification concerning the data used in the credit assessment and the identification of the collateral. Whether any deficiency in the bank's handling of the matter constitutes a breach of an applicable obligation requires examination of the bank's actual conduct and the relevant regulatory requirements. The bank should not be assigned responsibility for the developer's alleged measurement error solely because it provides financing for the property.

A further distinction concerns the bank's role in the dispute resolution process. BTN may be approached to clarify the financing documentation or facilitate communication concerning collateral information. Such involvement does not make the bank a neutral adjudicator of the contractual dispute between the consumer and the developer. Any substantive determination of the developer's obligation to impose or withdraw the additional charge must be made through the appropriate contractual or dispute resolution mechanism.

The regulatory position is reinforced by Financial Services Authority Regulation Number 22 of 2023 concerning Consumer and Community Protection in the Financial Services Sector. The Financial Services Authority (*Otoritas Jasa Keuangan*, OJK) explains that the regulation addresses financial-service providers' conduct in product design, information provision, marketing, contracting, service delivery, complaint handling, and dispute resolution (OJK, 2023). These requirements are relevant to complaints concerning the bank's own products or services, but they do not automatically transfer the developer's property-sale obligations to the bank.

Accordingly, consumers may need to distinguish between a complaint against the developer concerning the additional land charge and a complaint against the bank concerning its own financing or collateral-related conduct. The former should be assessed primarily under the relevant property contract and consumer protection framework; the latter requires a separate assessment under the applicable financial-services regulations and credit documentation. This distinction identifies the parties' respective responsibilities without assuming that the bank is either entirely responsible for the dispute or necessarily exempt from obligations arising from its own conduct.

3.2. Consumer Dispute Resolution Mechanisms

a. Negotiation and a Formal Written Demand

Negotiation is a possible initial mechanism for addressing the dispute because the disagreement concerns the contractual basis of a specific additional payment. The consumer may request that the developer explain the origin of the land-area discrepancy, provide the documents establishing the actual dimensions, identify the contractual provision supporting the charge, and disclose the calculation used to arrive at IDR 21,000,000.

The request should distinguish the factual issue from the contractual issue. The factual issue concerns whether the land area is accurately recorded as 120 square metres and how that measurement was established. The contractual issue concerns whether the difference creates an enforceable obligation to pay additional consideration. Addressing these issues separately may help the parties determine whether the dispute arises from a measurement error, a difference in contractual interpretation, or an agreed price-adjustment mechanism.

If informal negotiations do not resolve the matter, the consumer may send a written demand setting out the objection, the relevant contractual specifications, the supporting documents, and the remedy requested. Depending on the circumstances, the consumer may seek withdrawal of the charge, a written explanation, correction of inconsistent documentation, or another resolution supported by the agreement and applicable law.

Written communication also creates a documentary record of the parties' positions. This may be important if the dispute subsequently proceeds to BPSK or the courts. However, negotiation does not itself determine the legal merits of the dispute, and a refusal to withdraw the charge should not be treated as conclusive proof of unlawful conduct without examining the contractual and factual evidence.

b. Proceedings Before the Consumer Dispute Settlement Agency (BPSK)

Law Number 8 of 1999 provides a framework for resolving consumer disputes through mechanisms involving the Consumer Dispute Settlement Agency (*Badan Penyelesaian Sengketa Konsumen*, BPSK) and the courts. Article 45 addresses consumers' rights to pursue dispute resolution through the available legal channels, while Articles 49–52 govern the establishment, functions, and authority of BPSK.

A consumer considering this mechanism should first establish that the dispute falls within BPSK's statutory competence and satisfies the applicable procedural requirements. The consumer may organize the relevant documents, including the initial survey record, property brochure, booking form, sale and purchase agreement, credit documentation where relevant, correspondence with the developer, and evidence supporting the disputed amount. These materials can help clarify the contractual terms and the factual basis of the claim.

The consumer should also identify the specific remedy sought. Depending on the evidence and the applicable law, the claim may concern the contractual basis of the additional payment, the developer's compliance with consumer protection obligations, or the correction of information relating to the transaction. The precise form of relief should be assessed against BPSK's statutory authority rather than assumed in advance.

BPSK proceedings must be distinguished from complaints concerning the bank's own financial products or services. Where the principal dispute concerns the developer's additional charge, the consumer protection framework governing the property transaction is central. Where a separate complaint concerns the bank's

handling of its credit product or related services, the relevant financial-services complaint mechanism may also be applicable. The availability and suitability of either route depend on the nature of the claim and the institution's legal competence.

c. Complaints to BTN and Financial Services Dispute Resolution

Where the consumer has concerns about the bank's handling of the financing documentation, collateral information, or related services, a separate complaint may be submitted to BTN through its applicable internal complaint-handling procedures. The complaint should identify the specific conduct being questioned and explain its relationship to the credit agreement or collateral documentation.

For example, the consumer may request clarification of the property dimensions recorded in the bank's documents, the source of the information used in the financing process, and the procedure for addressing any inconsistency in the relevant records. The purpose is not to presume that the bank caused the land-area discrepancy, but to establish whether its own documentation and handling of the transaction complied with the applicable obligations.

Financial Services Authority Regulation Number 22 of 2023 provides the relevant consumer protection framework for financial-service providers, including complaint handling and dispute resolution (OJK, 2023). If the consumer's complaint concerns a financial product or service and cannot be resolved through the relevant internal process, the consumer may examine whether an external financial-sector dispute resolution mechanism is available under the applicable regulations.

The Financial Services Sector Alternative Dispute Resolution Institution (*Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan*, LAPS SJK) may be relevant to disputes within its jurisdiction involving financial services. However, its competence should not be assumed to extend automatically to a property-sale dispute between a consumer and a developer merely because the property was financed through a bank. The subject matter of the complaint and the legal relationship from which it arises must be identified before selecting the appropriate forum.

Consequently, parallel complaints may be appropriate where they concern genuinely distinct issues: the developer's contractual demand and the bank's own handling of the financing relationship. The existence of separate complaint channels does not establish that either party is liable; liability must be assessed independently under the relevant legal framework.

d. Complaints to Relevant Government Institutions

Depending on the nature of the discrepancy, the consumer may also seek clarification from the competent land or housing authorities. If the principal uncertainty concerns the actual area or boundaries of the plot, the consumer may seek the relevant land records and determine whether an official measurement or clarification is required through the competent land authority. Where the dispute concerns the developer's housing activities or compliance with applicable housing requirements, the relevant government agency may also be able to clarify the applicable administrative framework.

This step is particularly important because a preliminary measurement and an officially recorded land area may not have the same evidentiary status. Before drawing a conclusion about responsibility, the consumer should establish which measurement is authoritative for the relevant legal purpose and whether the discrepancy concerns the physical boundaries, the preliminary sales description, or the transaction documents.

Administrative clarification may assist the parties in establishing the facts, but it should not automatically be treated as a substitute for a legal determination of the additional payment obligation. The contractual consequences must still be assessed under the applicable agreement and statutory provisions.

e. Civil Litigation Before the District Court

If the dispute cannot be resolved through an appropriate non-litigation mechanism, civil proceedings may be considered, subject to the applicable jurisdictional and procedural requirements. The legal basis of the claim should be selected according to the nature of the alleged violation.

Where the developer has failed to comply with a binding contractual obligation, the dispute may be analyzed as a potential breach of contract (*wanprestasi*). Where the claim concerns an unlawful act causing legally

recognizable loss, Article 1365 of the Indonesian Civil Code may be relevant. These grounds should not be treated as interchangeable without analysis: the claimant must identify the legal obligation allegedly violated and establish the elements required for the particular cause of action.

In this case, the principal questions for judicial examination would include the specifications incorporated into the agreement, the legal basis for the additional charge, the reliability of the evidence concerning the actual land area, the cause of the discrepancy, and the legal consequences of the developer's conduct. The amount demanded should also be assessed against the contract and the evidence supporting the calculation.

The bank's participation in the proceedings should likewise depend on the issues and relief involved. If the claim concerns only the developer's demand for additional payment, the developer may be the principal party against whom relief is sought. If the consumer also challenges the bank's own conduct or seeks relief directly affecting the financing or collateral documentation, the appropriate parties and procedural arrangements must be determined in light of the claim and applicable procedural law. The bank should not automatically be joined as a defendant or co-defendant merely because it financed the property.

Civil litigation may provide a forum for a binding judicial determination of the dispute, but its appropriateness depends on the evidence, the relief sought, the costs and time involved, and the availability of other legally suitable mechanisms. The consumer's legal position should therefore be assessed on the merits rather than on an assumption that one dispute resolution route is necessarily appropriate in every case.

f. Evidentiary Considerations and an Integrated Resolution Framework

The preceding analysis indicates that the resolution of additional land-charge disputes requires a structured assessment of both factual and legal questions. Before selecting a dispute resolution mechanism, the consumer and the relevant institutions should establish the following matters:

First, the original property specifications must be identified through the available documents. The initial survey, booking form, brochure, correspondence, and contractual instruments may help establish the information communicated to the consumer and the terms ultimately agreed upon.

Second, the actual land area and boundaries must be verified through reliable records. Where necessary, the consumer may seek clarification or measurement through the competent land authority. This step helps distinguish a genuine difference in physical dimensions from a discrepancy in preliminary or administrative information.

Third, the contractual basis of the additional payment must be examined. The developer should identify the relevant clause or other legal basis supporting the demand and explain how the amount was calculated. The analysis must determine whether the agreement provides for adjustments based on final measurements or whether the demand introduces a new obligation.

Fourth, the cause of the discrepancy must be assessed. Evidence may establish that the difference resulted from an error in preliminary measurement, an administrative issue, a change in the proposed property, or another circumstance. Responsibility should be allocated on the basis of the evidence and the applicable law rather than presumed from the difference in land area alone.

Fifth, the appropriate complaint or dispute resolution mechanism must be identified according to the legal relationship concerned. A property-sale dispute involving the developer, a complaint concerning the bank's financial services, and a question concerning official land measurements may require different institutional responses. These mechanisms can be complementary where they address distinct issues, but their respective legal competences must be respected.

The significance of this framework lies in its separation of factual verification, contractual interpretation, responsibility, and dispute resolution. Without this separation, the consumer may be required to respond to an additional charge before its contractual basis and factual foundation have been established. Conversely, a developer's legitimate claim under a valid and applicable contractual provision should not be rejected merely because the final land area differs from the initial description.

The legal protection of consumers therefore depends not only on the existence of statutory rights but also on the availability of reliable information, transparent contractual terms, and accessible mechanisms for resolving disagreements. In the present case, the central issue remains whether the developer can demonstrate that the

additional payment is supported by the agreement and applicable law, taking into account the verified property dimensions and the circumstances that produced the discrepancy.

4. CONCLUSION

This study concludes that consumer protection against additional land-area charges in subsidized housing transactions is grounded in the principle of good faith under Article 1338 of the Indonesian Civil Code and consumer rights under Law No. 8 of 1999 on Consumer Protection. Additional charges imposed unilaterally, without a clear contractual basis or the consumer's consent, may constitute a breach of contractual obligations and consumer rights. Accordingly, developers should bear responsibility for discrepancies arising from their own measurement or planning errors, subject to verification of the contractual terms and relevant evidence.

Disputes may be addressed through negotiation, complaints to the relevant institutions, mediation or other available non-litigation mechanisms, and civil litigation where necessary. Official land-measurement records and documents evidencing the original agreement are essential to establishing the parties' respective obligations. A mortgage bank, including BTN, is not automatically liable for a developer's additional charges; its responsibility must be assessed separately in light of its contractual role, collateral-verification duties, and applicable financial-services consumer-protection regulations. Therefore, resolving such disputes requires a clear distinction between the developer's responsibility for the land transaction and the bank's obligations concerning mortgage financing and collateral documentation.

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Availability of Data and Legal Materials

All legal materials, court rulings, or supporting data analyzed in this research are fully included in this manuscript.

Statement on AI Usage

The authors declare that no Generative AI technology or AI assistance tools were used during the preparation, drafting, or analysis of this manuscript.

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