

## **EVALUATION OF THE TRANSPARENCY OF LEGAL ONLINE LENDING PLATFORMS IN TERMS OF COSTS: A LITERATURE REVIEW OF INTEREST RATES, TERMS, AND PENALTIES**

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### **Abstract**

The development of legal online lending services in Indonesia has opened up quick and easy access to financing for the public, but on the other hand, it has raised challenges related to the transparency of loan cost information. This study aims to evaluate the transparency of the main cost components on legal online lending platforms, which include interest rates, loan terms, and late fees through a literature review and analysis of current regulations. The results of the study show that although the regulations of the Financial Services Authority (OJK) and the guidelines of the Indonesian Joint Funding Fintech Association (AFPI) set limits and disclosure obligations, implementation in the field is still varied and not yet fully transparent to consumers. The lack of information transparency has the potential to pose financial risks to borrowers and affect public trust in legal online lending services. This study recommends strengthening regulations, supervision, and consumer education as strategic steps to improve transparency and consumer protection in the fintech lending ecosystem in Indonesia.

**Keywords:** Transparency, Legal Online Lending, Interest Rates, Term, Late Fees, Fintech Lending, OJK Regulations, Consumer Protection.

### **Introduction**

The development of financial technology has brought significant changes to financial services in Indonesia, one of which is the emergence of online lending platforms. These platforms offer easy access and speed in obtaining loans for people in need. As the number of users increases, it is important to ensure that the online lending services provided are legal and accountable in order to protect consumer interests (CNBC Indonesia, 2025). Transparency in loan cost components, such as interest rates, terms, and penalties, is a crucial aspect that platform operators must pay attention to so that users can make the right decisions and avoid harmful practices (Disemadi et al., 2020).

In the context of regulation, the Financial Services Authority (OJK) as the institution that oversees online lending services seeks to introduce rules governing various aspects of these services to ensure consumer protection. One of the most relevant regulations is POJK Number 40 of 2024 concerning Information Technology-Based Joint Funding Services, which sets legal standards and operational mechanisms for legal online lending platforms. This regulation limits interest rates, clarifies rules on