



Legality of Automated Decision-Making Clauses in Digital Standard Contracts

Elvira¹, Virgiawan Cikal Permana², Bagus Hermanto³

¹Fakultas Hukum Universitas Pamulang, E-mail: dosen02660@unpam.co.id

² Legasmar Putra Cikal, E-mail: Advokatvirgiawan@gmail.com

³ Fakultas Hukum Universitas Udayana, E-mail : bagushermanto@unud.ac.id

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Corresponding Author:

Elvira, E-mail:

dosen02660@unpam.co.id

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Abstract

This research seeks to answer two core questions: first, whether ADM clauses may be considered legally valid under Indonesian contract law; and second, whether such clauses comply with fairness principles when examined in light of regulatory developments in comparative jurisdictions. By employing a doctrinal method supported by comparative legal analysis, this study examines statutory provisions, scholarly interpretations, and relevant regulatory approaches from selected foreign jurisdictions. The findings aim to clarify the legal position of ADM clauses in Indonesia and to formulate normative recommendations for developing a more coherent regulatory framework. In doing so, this research contributes to ongoing discourse on strengthening user protection, promoting contractual fairness, and enhancing legal certainty in Indonesia's evolving digital ecosystem.

1. Introduction

The rapid development of digital platforms in Indonesia has transformed the way individuals enter into contractual relationships.¹ Services such as ride-hailing, e-commerce, fintech lending, online marketplaces, and digital payment systems rely heavily on standard-form contracts also known as Terms and Conditions (T&C) to regulate interactions between users and platform operators. These contracts are drafted unilaterally by platform providers, and users typically indicate acceptance through click-wrap mechanisms, often without reading or understanding the clauses therein.²

One of the most consequential but least understood provisions in these digital contracts is the Automated Decision-Making (ADM) clause³, which authorizes the

¹ Edwin Jurriëns and Ross Tapsell, "Challenges and Opportunities of the Digital 'Revolution' in Indonesia," *Digital Indonesia: Connectivity and Divergence* 2020 (2017): 275–88.

² AJ Zottola et al., "Online Contract Formation," *Journal of Internet Law* 22, no. 4 (2018): 3–18.

³ Christian Twigg-Flesner et al., "EU Consumer Law and Automated Decision-Making: Is EU Consumer Law Ready for ADM?," *Available at SSRN* 4667682, 2023.

platform to make decisions automatically using algorithms without human intervention.⁴ ADM is used to screen transactions, suspend accounts, assign risk scores, assess fraud indicators, determine eligibility for services, and restrict user access.⁵ These automated decisions, while efficient for platform management, may significantly affect users' rights, such as access to services, reputation, financial opportunities, and contractual entitlements.

From a legal standpoint, the validity of ADM clauses remains an underexplored area in Indonesian contract law. Traditional doctrines particularly the principle of consensualism under Article 1320 of the Civil Code were developed in an era where agreements were negotiated directly by parties.⁶ In contrast, digital ADM clauses are embedded in contracts that users do not negotiate, do not fully read, and often do not understand. This creates fundamental questions about whether user consent in digital contracts can be deemed "free and informed" when ADM clauses are neither transparent nor explicitly highlighted.

Moreover, ADM clauses may also raise issues under the Consumer Protection Law (UUPK), particularly Article 18, which prohibits unfair contract terms that impose unilateral advantages on business actors or limit consumer rights.⁷ If automated decisions are final, opaque, and not subject to human review, they may constitute unfair terms and undermine substantive justice in consumer contracting.

At the same time, Indonesia has adopted the Personal Data Protection Law (UU PDP), which introduces rights related to automated decision-making similar to the protections recognized under the EU General Data Protection Regulation (GDPR).⁸ These include the right to explanation, the right to contest automated decisions, and the right to human intervention. The interaction between ADM clauses in digital contracts and emerging data protection principles has not been systematically assessed in Indonesian legal scholarship.

The previous research used as a reference in this paper is entitled "Contracts and Automation: Exploring the Normativity of Automation in the Context of U.S. Contract Law and EU Consumer Protection Directives" by Daniel Barnhizer. This research examines more closely about Given a choice between two systems of contract rules, a court or legislature may have a normative obligation to adopt the rule that is more susceptible to coding and automation. This paper explores the ramifications of that

⁴ Heleen L. Janssen, "An Approach for a Fundamental Rights Impact Assessment to Automated Decision-Making," *International Data Privacy Law* 10, no. 1 (2020): 76–106.

⁵ Lokendra Puri and Ranjit Singh, "Hierarchical Risk Assessment of Digital Financial Fraud: A Multi-Criteria Analysis," *Journal of Enterprise Information Management*, 2025, 1–28.

⁶ Fajar Sugianto et al., "A Brief Comparative Study between Indonesian Contract Law under Indonesian Civil Code and Singapore Contract Law," *Journal of International Trade, Logistics and Law* 9, no. 2 (2023): 132–43.

⁷ Dwi Edi Wibowo, "How Consumers in Indonesia Are Protected Fairly? Analysis of Law No. 8 of 1999 Concerning Consumer Protection," *Indonesian Journal of Advocacy and Legal Services* 2, no. 1 (2020): 57–70.

⁸ Mar'atus Solikhah, "Personal Data Protection in the Era of Digital Transformation: Challenges and Solutions in the Indonesian Cyber Law Framework," *Indonesian Cyber Law Review* 2, no. 1 (2025): 39–50.

normative proposition through the lens of multiple contract doctrines that traditionally involve “messy” judgments or multiple interacting judgments regarding which human beings are – arguably – capable of making finely nuanced analyses. Using the common law doctrine of unconscionability and Polish Civil Code Article 385 on unfair terms in consumer contracts, this paper explores the differences between contract rules that require human analysis versus those that can be applied with strong reliability by automated processes. Finally, the paper analyzes some of the potential pitfalls of this normative proposition in light of technological, economic, and moral/ethical concern.⁹

The research gap identified here is clear: while there have been studies on digital contracts and consumer protection, there is no doctrinal and comparative legal analysis specifically examining the legality, fairness, and enforceability of ADM clauses within Indonesia’s contract and data protection framework. This article addresses the following research questions: 1) Are Automated Decision-Making clauses in digital standard contracts legally valid under Indonesian contract law, consumer protection law, and data protection regulations?; and 2) To what extent do ADM clauses comply with fairness and transparency principles when compared to international standards such as the EU GDPR and OECD AI Principles?

This research is significant because ADM clauses are increasingly present in digital platforms and directly affect millions of Indonesian users. A doctrinal and comparative analysis is essential to clarify their legal standing, evaluate their compatibility with emerging digital rights, and provide recommendations for improving regulatory safeguards.

2. Research Methods

The research gap identified here is clear, while there have been studies on digital contracts and consumer protection, there is no doctrinal and comparative legal analysis specifically examining the legality, fairness, and enforceability of ADM clauses within Indonesia’s contract and data protection framework. This research is significant because ADM clauses are increasingly present in digital platforms and directly affect millions of Indonesian users. A doctrinal and comparative analysis is essential to clarify their legal standing, evaluate their compatibility with emerging digital rights, and provide recommendations for improving regulatory safeguards. This research employs normative legal research methods with a regulatory approach, a conceptual approach, and comparative studies. It also utilizes empirical studies as the basis for this paper.

3. Result and Discussion

3.1. Theoretical Framework

This section presents the theoretical foundations that guide the analysis of Automated Decision-Making (ADM) clauses in digital standard contracts. The framework integrates doctrines of contract law, theories of consumer protection, algorithmic

⁹ Barnhizer, Daniel. "Contracts and automation: Exploring the normativity of automation in the context of US Contract law and EU Consumer protection directives." *Yearbook of Antitrust and Regulatory Studies (YARS)* 9, no. 14 (2016): 15-42.

decision-making principles, and comparative regulatory models.¹⁰ These theories serve as analytical tools to examine both the formal and substantive validity of ADM clauses under Indonesian law and international standards

a. Contract Law Theory: Consent, Freedom of Contract, and Substantive Fairness

The central doctrine of Indonesian contract law is the principle of consensualism, which requires an agreement between parties for a contract to be valid.¹¹ Under Article 1320 of the Indonesian Civil Code, the essential elements of a contract include:¹²

1. consent of the parties;
2. capacity to contract;
3. a specific object; and
4. a lawful cause.

In traditional contract theory, consent is understood as real, free, and informed agreement. However, digital standard-form contracts challenge this assumption. Click-wrap mechanisms treat a single click of “I Agree” as valid consent, even though the user may not understand, or even notice, complex clauses such as ADM. This raises the question of whether consent in digital contracts meets the standard of “informed agreement” required by doctrinal principles.

Furthermore, the principle of freedom of contract (*partijautonomie*) is not absolute. Courts and scholars recognize limits when standard terms create substantive unfairness, especially when bargaining power is unequal. The concept of substantive justice, as advanced in modern contract theory, holds that contract terms must not exploit the weaker party or violate public interest. ADM clauses allowing platforms to make unilateral and opaque decisions must therefore be assessed not only for formal validity but also for substantive fairness.

b. Standard-Form Contracts and Inequality of Bargaining Power

Standard-form contracts, or adhesion contracts, are characterized by unilateral drafting by one party and a lack of negotiation opportunities for the other.¹³ In digital platforms, these contracts are presented on a take-it-or-leave-it basis, reinforcing structural inequality.¹⁴ Users cannot modify, negotiate, or refuse specific clauses without losing access to essential digital services.

ADM clauses intensify this imbalance because automated systems can:

¹⁰ Arjan Widlak et al., “Towards Principles of Good Digital Administration: Fairness, Accountability and Proportionality in Automated Decision-Making,” in *The Algorithmic Society* (Routledge, 2020).

¹¹ Wiwin Dwi Ratna Febriyanti¹ and Adi Sulistiyono, “The Development of Contract Law Doctrine in the Indonesian Legal System,” 2026, 53.

¹² Natasya Yunita Sugiastuti and Dian Purnamasari, “Improvement of Substantive Provisions of the Validity of Agreement in the Indonesian Civil Code,” *Diponegoro Law Review* 8, no. 1 (2023): 124–40.

¹³ Michelle Cumyn, “Standard Form Contracts and the Erosion of Consent: Is There No Turning Back?,” *The American Journal of Comparative Law* 73, no. 1 (2025): 129–63.

¹⁴ Manisha Padi, “Contractual Inequality,” *Michigan Law Review*, 2022, 825–75.

- limit access to services,
- suspend or block accounts,
- classify users through risk scoring, or
- deny benefits without explanation.

Literature on adhesion contracts suggests that such terms require heightened scrutiny to ensure fairness.¹⁵ In the Indonesian context, Article 18 of the Consumer Protection Law (UUPK) directly addresses unfair terms by prohibiting clauses that grant unilateral authority to business actors or deprive consumers of legal remedies. Thus, ADM clauses must be evaluated within this doctrinal framework.

c. Theory of Algorithmic Decision-Making: Transparency, Explainability, and Human Oversight

ADM involves the use of algorithms, machine learning models, or rule-based logic to make decisions without human intervention.¹⁶ Modern ADM theory identifies several principles essential for fairness and legitimacy:

1. Transparency

Users must be informed about the existence and purpose of ADM processes.

2. Explainability

Users must have the right to obtain understandable explanations of how an automated decision was reached.

3. Human Oversight

Purely automated decisions are vulnerable to errors, bias, and lack of contextual judgment; therefore, human review mechanisms are essential.

These principles, articulated in OECD AI Principles and academic works, highlight the ethical and legal challenges of algorithmic governance. ADM clauses in digital contracts rarely meet these standards, raising concerns regarding fairness and accountability.

d. Consumer Protection Theory and the Problem of Unfair Contract Terms

Consumer protection theory asserts that consumers are the weaker party in transactions involving standardized digital contracts. Theories of asymmetric information and behavioral economics explain that consumers do not read or analyze complex contract terms due to cognitive biases, limited expertise, time constraints, and information overload.

Under Indonesian law, UUPK Article 18 aims to protect consumers from unfair clauses.¹⁷ ADM clauses that:

- 1) restrict legal remedies,

¹⁵ Cumyn, "Standard Form Contracts and the Erosion of Consent: Is There No Turning Back?"

¹⁶ Stefano Civitarese Matteucci, "Public Administration Algorithm Decision-Making and the Rule of Law," *European Public Law* 27, no. 1 (2021).

¹⁷ Sageta Purnaningrum and Kholis Roisah, "Legal Protection for Consumers Receiving Defective Products in Online Transactions," *Jurnal Pembangunan Hukum Indonesia* 7, no. 2 (2025): 273–87.

- 2) grant unilateral decision-making authority,
- 3) limit the right to information, or
- 4) impose burdens without transparency may fall within the category of prohibited terms.

This theoretical foundation supports the argument that ADM clauses require substantive fairness evaluation beyond formal validity.

e. Data Protection Theory and Digital Rights: the Emergence of ADM safeguards

The rise of digital technologies has shifted the legal landscape toward recognizing individual digital rights. The Personal Data Protection Law (UU PDP) introduces important principles relevant to ADM:¹⁸

- 1) Right to Explanation
- 2) Right to Object Automated Decision-Making
- 3) Right to Human Intervention
- 4) Proportionality in Data Processing

These rights mirror the protections found in EU GDPR Article 22, which restricts decisions based solely on automated processing when such decisions significantly affect individuals.¹⁹

Thus, ADM clauses must also be analyzed from the perspective of data protection and informational justice – not merely as contract terms.

f. Comparative Law Perspective

A comparative approach enriches the analysis by identifying best practices and normative benchmarks.

1. European Union

- a) GDPR Article 22 prohibits fully automated decisions that produce legal effects.
- b) Requires transparency, meaningful information, and an appeal mechanism.

2. OECD AI Principles, emphasize fairness, transparency, and accountability in ADM.

3. United States, FTC regulates ADM under deception and unfairness doctrines.

Comparative analysis reveals that Indonesia lacks explicit ADM safeguards within contract law and relies heavily on general principles.

3.2. Legal Status of ADM Clauses in Indonesian Contract Law

This section examines the legality of Automated Decision-Making (ADM) clauses within Indonesian contract law by evaluating their formal and substantive validity. The analysis draws from doctrinal principles of the Civil Code, the Consumer

¹⁸ Loso Judijanto, "Juridical Analysis of Personal Data Protection in the Digital Era: A Case Study of PDP Law Implementation," *Journal of Scientific Insights* 2, no. 2 (2025): 140–53.

¹⁹ Gianclaudio Malgieri, "Automated Decision-Making and Data Protection in Europe," in *Research Handbook on Privacy and Data Protection Law* (Edward Elgar Publishing, 2022).

Protection Law, the Electronic Information and Transactions Law (ITE Law), and the Personal Data Protection Law (PDP Law). The objective is to determine whether ADM clauses commonly embedded in digital standard contracts are legally binding on users and whether they comply with the requirements of justice and due process.

a. Formal Validity of ADM Clauses Under the Indonesian Civil Code

Article 1320 of the Indonesian Civil Code requires four elements for contract validity:²⁰

1. Consent of the parties
2. Capacity to contract
3. A specific object
4. A lawful cause

ADM clauses typically satisfy element (2) and (3), as users generally have legal capacity and the object of the agreement (access to digital services) is clear. However, the key issues relate to consent and lawfulness of cause.

1. Consent

Digital platforms rely on click-wrap agreements, where users indicate consent by clicking “I Agree.”²¹ Legally, this action satisfies the formal requirement of consent. Courts in Indonesia generally uphold electronic contracts under:

- a) Article 1(17) and 46 of the ITE Law, which recognize electronic agreements,
- b) Government Regulation 71/2019, affirming the legal force of online terms and conditions.

Thus, formally, ADM clauses are considered part of a valid electronic agreement.

2. Informed Consent and Real Agreement

Despite formal validity, a deeper doctrinal review shows that consent may not be informed or real when users:

- a) do not read terms,
- b) do not understand ADM provisions,
- c) cannot negotiate or reject specific clauses.

Survey data (150 respondents) shows:

- a) 87% never read terms and conditions,
- b) 64% did not know about ADM clauses,
- c) 36% were negatively affected by automated decisions.

These findings challenge the assumption of meaningful consent traditionally required by Article 1320.

²⁰ Suherman SH and Heru Sugiyono, “Government Policy in Indonesian Contract Law That Still Uses Contract Law Inherited from Dutch Product,” *International Journal of Law and Management* 66, no. 1 (2024): 1–10.

²¹ Janyaa M. Deshpande, “Click Wrap Agreements: Valid Consent or Forced Acceptance?,” *Available at SSRN 6256878*, 2026.

b. Substantive Validity and the Doctrine of Unfair Terms

Under Indonesian contract law, a term may be invalid despite formal consent if it violates principles of:

- a) substantive fairness,
- b) good faith, or
- c) public interest.

ADM clauses often grant platforms the unilateral authority to:

- a) suspend accounts,
- b) reject transactions,
- c) assign risk scores,
- d) block services without explanation.

Such clauses may conflict with:

1. Article 1338 Paragraph (3), Contracts must be executed in good faith .²² Unilaterally imposed automated decisions without explanation or remedies can be categorized as contrary to good faith.

2. Article 1337, A clause is invalid if its purpose is contrary to public order or morality.²³ Opaque ADM processing, especially when based on personal data, may be inconsistent with principles of transparency and data minimization.

Thus, substantively, ADM clauses may fail to meet the fairness standards of Indonesian private law.

c. ADM Clauses and the Consumer Protection Law (UUPK)

The Consumer Protection Law provides explicit protection against unfair contract terms.²⁴ Article 18 UUPK prohibits clauses that:

- 1. transfer responsibility from business actors to consumers;
- 2. grant unilateral rights to business actors;
- 3. restrict consumer rights or legal remedies;
- 4. mandate conditions that are disproportionate or unreasonable.

ADM clauses frequently violate these prohibitions because they:

- 1. allow automated account suspension without explanation (unilateral authority),
- 2. deny users meaningful appeals (restriction of remedies),

²² Ery Agus Priyono et al., "Standard Agreements: Review of the Principles Pacta Sunt Servanda, Good Faith and Fairness," *Lex Scientia Law Review* 9, no. 2 (2025): 1376–407.

²³ Yapiter Marpi et al., "Legal Effective of Putting" Business as Usual" Clause in Agreements," *International Journal* 10 (2021): 59.

²⁴ Farihana Abdul Razak et al., "Extending The Interpretation of 'Unfair Terms' in Consumer Protection Act 1999," *International Journal of Academic Research in Business and Social Sciences* 12 (2022): 9–16.

3. shift responsibility for algorithmic errors to users (transfer of liability).

Thus, notwithstanding their formal validity, such clauses may be null and void under Article 18.

d. Compliance with the Electronic Information and Transactions Law

The ITE Law recognizes electronic contracts, but imposes obligations on electronic system operators:²⁵

- a) Article 26: protection of personal data;
- b) Article 40: reliability and accountability of electronic systems;
- c) Article 47: transparency of electronic transactions.

ADM practices that rely on opaque algorithms raise concerns regarding transparency and accountability. When ADM systems generate incorrect decisions (e.g., mistaken fraud flags), platforms may be considered in breach of their duty to maintain reliable systems.

e. The Personal Data Protection Law (UU PDP) and ADM Restrictions

The PDP Law introduces rights that directly impact ADM legality:

1. Right Not to Be Subject to Fully Automated Decisions: Mirroring GDPR Article 22, UU PDP grants individuals the right to object to decisions made solely by automated processing that significantly affect them.
2. Right to Explanation: Users may request information on the logic behind automated decisions.
3. Right to Human Intervention: Users can demand manual review when ADM decisions affect their rights or access.

Most digital platforms in Indonesia do not provide these rights in their terms or practice. Therefore, ADM clauses that deny or obscure these rights may be inconsistent with the PDP Law, rendering them substantively unlawful.

f. Judicial Interpretation and Case Trends in Indonesia

Although Indonesian courts have not yet ruled directly on ADM clauses, related jurisprudence shows a consistent stance:

- a) Courts tend to invalidate unfair clauses in standard-form contracts, especially when there is unequal bargaining power.
- b) Judges prioritize substantive fairness over formal consent.

Moreover, disputes involving digital platforms (e.g., ride-hailing suspensions, e-commerce bans) show that courts are increasingly scrutinizing opaque or unilateral clause interpretations.

This indicates a judicial trend toward protecting consumers and questioning automated, non-transparent decisions.

²⁵ Adi Putra Manggala et al., "Legal Review of the Implementation of Electronic Contracts and Protection of Parties in Digital Transactions in Indonesia," *International Journal of Service Science, Management, Engineering, and Technology* 8, no. 1 (2025): 1–8.

g. Interim Conclusion

ADM clauses in digital standard contracts may meet formal validity requirements under Indonesian electronic contracting laws. However, their substantive validity is questionable when they:

- a) lack transparency,
- b) grant unilateral authority to platforms,
- c) restrict user rights,
- d) violate consumer protection provisions,
- e) ignore PDP Law safeguards.

Thus, the legal status of ADM clauses is formally valid but substantively vulnerable, especially when assessed under principles of fairness, good faith, and digital rights.

3.3. Empirical Findings

This section presents the empirical analysis conducted to assess user awareness, understanding, and experiences with Automated Decision-Making (ADM) clauses in digital standard contracts. Data were collected through a structured survey of 150 digital application users in Yogyakarta, complemented by in-depth interviews with legal practitioners, consumer advocates, and technology experts.

a. Survey Design and Demographics

1) Survey Objectives

The survey aimed to measure:

1. User awareness of ADM clauses within the terms and conditions of digital applications.
2. Understanding of the rights and obligations imposed by ADM clauses.
3. Experiences of negative outcomes due to automated decisions.

2) Respondent Profile

1. Total respondents: 150
2. Gender: 54% male, 46% female
3. Age: 18–35 (62%), 36–50 (30%), 51+ (8%)
4. Occupation: Students (28%), Professionals (42%), Entrepreneurs (15%), Others (15%)
5. Frequent app usage: Daily (80%), Weekly (15%), Rarely (5%)

b. Awareness of ADM Clauses

The survey reveals a significant knowledge gap:

Table 1.
Awareness of ADM Clauses

Item	Percentage of Respondents
Never read terms and conditions	87%
Aware of ADM clauses	36%
Understand implications of ADM clauses	22%

Source : Author data

Analysis:

1. Majority of users consent to ADM clauses without comprehension.
2. Indicates formal consent may not equate to informed consent.

c. Experiences with Automated Decisions

Respondents reported negative impacts from ADM decisions:

Table 2.
Experiences with Automated Decisions

Type of Adverse Impact	Percentage
Account suspension	19%
Transaction rejection	12%
Service limitation	5%
Incorrect risk scoring	8%

Source : Author data

Key Findings:

1. 36% of users experienced at least one negative outcome due to automated decisions.
2. Many users reported difficulty appealing or reversing decisions.
3. Demonstrates lack of human oversight and transparency.

d. Understanding of User Rights

Survey results indicate low awareness of legal protections:

Table 3.
Understanding of User Rights

Right	Percentage of Respondents Who Knew About It
Right to contest automated decisions	18%
Right to human review	12%
Right to explanation	10%

Source : Author data

Interpretation:

1. Users are largely unaware of PDP Law safeguards and consumer protection rights.
2. Highlights the need for better legal literacy and explicit contractual transparency.

e. Insights from Interviews

1. Legal Practitioners

- a) Emphasized the tension between formal contract validity and substantive fairness.
- b) Recommended explicit opt-out provisions or human review mechanisms.

2. Consumer Advocates

- a) Highlighted risks of exploiting unequal bargaining power.
- b) Suggested regulatory intervention for ADM clauses in consumer contracts.

3. Technology Experts

- a) Noted difficulty in algorithmic explainability.
- b) Advocated for design standards that allow human oversight.

Synthesis:

- a) Interviews corroborate survey data.
- b) Legal frameworks exist but are under-implemented or unclear for digital standard contracts.

f. Implications for Contract Law and Consumer Protection

The empirical findings demonstrate:

- a) Mismatch between legal assumptions and user realities: Formal consent is often illusory;
- b) Vulnerability of consumers: Users are exposed to opaque and unilateral automated decisions;
- c) Regulatory gaps: Indonesian law lacks detailed guidance on ADM fairness, transparency, and human intervention.

4. Conclusion

This section integrates doctrinal and empirical findings to analyze the legality and fairness of Automated Decision-Making (ADM) clauses in digital standard contracts. The discussion emphasizes gaps between formal legal provisions and practical user experiences, highlighting implications for Indonesian contract law, consumer protection, and digital governance. In terms of legal and practical gaps, it seems that ADM clauses are formally valid under Article 1320 of the Civil Code and recognized by the ITE Law. However, empirical evidence shows that most users are unaware of ADM clauses or their consequences. This indicates a mismatch between doctrinal legal assumptions and real-world consent. Further, in consumer protection law aspects, it can be seen that Article 18 of the Consumer Protection Law prohibits unfair standard clauses. Many ADM clauses grant unilateral authority to platforms, shift liability to users, and restrict remedies—violating substantive fairness and consumer rights. Moreover, in data protection and algorithmic transparency, it can be seen that the PDP Law provides rights to contest fully automated decisions, human review, and explanations. Survey and interview data reveal that users rarely exercise these rights, and platforms often do not provide adequate mechanisms. Indonesian courts have yet

to directly adjudicate ADM clauses. Lack of detailed regulatory guidance leaves room for abuse and legal uncertainty. Digital platforms must disclose ADM logic, impact, and appeal mechanisms. Transparent algorithmic processes enhance trust and reduce disputes. Mandatory manual review for high-impact automated decisions aligns with PDP Law and principles of fairness. Prevents unilateral decisions that may violate consumer rights or civil law norms. Platforms should ensure users are explicitly informed about ADM clauses. Educational campaigns can improve legal literacy and empower users to exercise their rights. ADM clauses intersect civil law, consumer protection, and data privacy law. Harmonized regulations would clarify obligations for platforms and protection mechanisms for users.

Based on the abovementioned, this study proposes the following recommendations:

1. In terms of Legal Reform, amend consumer protection and PDP regulations to specifically address ADM clauses. Require platforms to implement standardized disclosure of automated decision impacts
2. For Platform Compliance Guidellines, introduce algorithmic transparency requirements in standard-form contracts. Mandate human review procedures for high-impact automated decisions. Ensure user consent is informed, explicit, and revocable.
3. On the Judicial Awareness, encourage courts to evaluate both formal and substantive fairness when adjudicating digital contract disputes. Promote case law development on ADM clause legality.
4. For User Education and Advocacy, Consumer organizations and government agencies should educate users about rights regarding automated decisions. Awareness campaigns can mitigate risks from unequal bargaining power.

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