Consumer Protection in Muamalah Transactions

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Abstract: Consumer protection in muamalah transactions is a critical aspect that emphasizes the principles of justice and balance in Islamic law. This article examines the mechanisms of consumer protection in muamalah transactions, focusing on both the rights of consumers and the responsibilities of producers or sellers. The study employs a qualitative approach through literature review, referring to Islamic legal sources such as the Quran, Hadith, and scholarly fatwas. The findings reveal that fiqh muamalah includes several provisions explicitly designed to protect consumers, such as prohibitions against gharar (uncertainty), riba (interest), and tadlis (fraud). Additionally, the principles of honesty (sidq) and transparency in transactions are strongly emphasized to ensure that consumers receive clear and complete information about the products or services they purchase. The implications of this study highlight the need for increased awareness and enforcement of laws in muamalah transactions to safeguard consumers from harmful practices. This article also recommends strengthening regulations and educating business practitioners to adhere to sharia principles in their operations.

Keywords: Consumer Protection, Muamalah Transactions, Fiqh

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Introduction

Fiqh of Muamalah consists of two words: fiqh and muamalah. Linguistically, the word fiqh originates from the term al-fiqh, which means understanding or comprehension. Terminologically, fiqh initially referred to religious knowledge encompassing all aspects of the religion, including aqidah (creed), akhlak (morals), and ibadah (worship). However, over time, fiqh has often been understood as a part of Islamic Shariah that pertains to the actions of mature and sane individuals, derived from detailed evidence.¹

Muamalah holds significant importance in human life, as it facilitates interactions between individuals, resulting in the emergence of rights and obligations, thereby enabling the fulfillment of various life needs. This aligns with the definition of muamalah itself, which encompasses the laws governing human actions in worldly aspects.²

Simply put, a transaction can be defined as the transfer of rights and ownership from one party to another. This is a method within the Islamic muamalah system for acquiring wealth, in addition to obtaining it oneself before it becomes one’s property, and it is the most common way of obtaining rights.³

Historically, consumer protection in Islam began prior to the time when Prophet Muhammad SAW was appointed as a Messenger. He carried the merchandise of Khadijah binti Khuwailid and received compensation or wages for his services. Although literature discussing consumer protection aspects from that period is limited, consumer protection principles can be identified from the business practices conducted by Prophet Muhammad SAW. His honesty, fairness, and integrity were unquestioned by the people of Mecca, thereby enhancing his reputation and capabilities in business.⁴

After being appointed as a Messenger, Muhammad SAW placed significant emphasis on consumer protection within Islamic teachings, both in the Qur’an and Hadith. According to the Qur’an, fair and honest business practices are those that do not wrong others and are not wronged in return. Allah SWT states in Surah Al-Baqarah, verse 279: "But if you do not do it (abandon the remaining usury), then be informed of a war against you from Allah and His Messenger. But if you repent, you may have your principal - [thus] you do no wrong, nor are you wronged" (Surah Al-Baqarah, verse 279).

At first glance, this verse indeed discusses usury, but it implicitly contains messages of consumer protection. The ending of the verse mentions neither to oppress nor to be oppressed (neither to wrong nor be wronged). In the business context, this phrase commands the protection of consumers, indicating that business operators and consumers are prohibited from wronging or harming each other. This relates to the rights of consumers as well as the rights of business operators (producers). The concept of business in Islam must be based on values and ethics that uphold honesty and justice.

Consumer protection is a crucial aspect of

the modern economic system, including in the context of *muamalah* transactions governed by Islamic law. In Islamic teachings, the principles of justice, honesty, and transparency are highly emphasized in every business transaction. 5 *Fiqh muamalah* provides clear guidelines on how transactions should be conducted to ensure balance and fairness for all parties involved. This includes prohibitions against practices that harm consumers, such as *gharar* (uncertainty), *riba* (interest), and *tadlis* (fraud).6

However, despite the clear provisions in *fiqh muamalah*, consumers often still face various challenges in practice. Information uncertainty, fraud, and exploitation by economically stronger parties remain prevalent issues. 7 Furthermore, in many cases, consumers lack adequate knowledge about their rights and how to protect themselves in transactions.

One crucial aspect that requires examination is consumer protection in *muamalah* transactions. 8 This is significant because the majority of Indonesia’s population is Muslim, and thus, Islamic values should serve as the foundation for legislation governing economic activities. Consequently, such regulations would impact societal behavior across various domains.9 Therefore, it is essential to investigate whether Islam provides guidelines on consumer protection and whether these guidelines align with *Sharia* principles.10

This research aims to explore the mechanisms of consumer protection in *muamalah* transactions, focusing on identifying challenges and opportunities in its implementation. By analyzing Islamic legal provisions, this study hopes to provide recommendations that can strengthen regulations and education for both business practitioners and consumers. This is crucial for creating a more equitable and sustainable business environment, in accordance with the ethical and moral values taught by Islam.

**Literature Review**

The discussion on consumer protection in *muamalah* transactions necessitates a comprehensive review of existing literature, including books and journal articles pertinent to the subject. One key source is the journal article by Putery Asyifa Octavia Apandy et al., titled "The Importance of Consumer Protection Law in Sales Transactions," published in the *Journal of Management and Business*, Volume 3, No. 1, July 2021. This article emphasizes the critical role of

consumer protection laws in sales transactions. It aims to prevent business operators from engaging in legally prohibited activities and helps consumers or buyers understand their rights to avoid adverse situations.

Another significant source is the journal article by Amanda Tikha Santriati and Dwi Runjani Juwita, titled "Consumer Rights Protection from the Perspective of Islamic Law and Consumer Protection Law No. 8 of 1999," published in Opinia De Journal, Vol. 2, No. 2, December 2022. This article explores the legal certainty in ensuring consumer rights protection in economic transactions. It provides a comparative analysis of consumer protection regulations in Islamic law and statutory legislation, highlighting the differences and intersections between these frameworks.

Additionally, the journal article by M. Yusri, titled "A Study of Consumer Protection Law from the Perspective of Islamic Law," published in Jurnal Ulumuddin, Volume V, Year III, July-December 2009, offers a critical examination of consumer protection regulations as outlined in the Consumer Protection Law from an Islamic law perspective. This study sheds light on the application and relevance of Islamic legal principles in contemporary consumer protection issues.

The novelty of this research lies in its comprehensive analysis of consumer protection mechanisms in muamalat transactions within the context of Islamic law. While previous studies have addressed consumer protection from either a statutory or Islamic law perspective, this research uniquely integrates both viewpoints, offering a holistic understanding of the subject. By identifying the challenges and opportunities in implementing consumer protection in muamalat transactions, this study provides valuable recommendations to strengthen regulations and education for business practitioners and consumers. This integration is crucial for creating a more equitable and sustainable business environment, aligned with the ethical and moral values taught by Islam.

**Method**

This study employs a library research methodology, relying on bibliographic data, primarily books, as the main source of data. The research process involves reading, reviewing, and analyzing various existing literature, including books, journal articles, and relevant websites. A qualitative research approach is utilized, which is a systematic method used to examine or study an object in its natural context without manipulation or hypothesis testing.

Qualitative research is often referred to as "naturalistic research" because it is conducted in natural settings. It is also known as ethnographic research due to its initial application in cultural anthropology, and as qualitative research because the data collected and analyzed are qualitative in nature. The object of qualitative research is

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a natural setting, meaning that the conditions when the researcher enters, during their presence, and after leaving the object remain relatively unchanged. This ensures that the object remains as it is, unmanipulated by the researcher, maintaining the integrity of the natural context throughout the research process.\(^\text{16}\)

**Results and Discussion**

**Philosophical Foundations of Transactions in Contemporary Fiqh Muamalah**

The term foundation is synonymous with asas, derived from the Arabic word asastun, meaning foundation, basis, or cornerstone. Philosophically, landasan refers to a principle that serves as the fundamental basis or core truth in thinking and acting. Mohammad Daud Ali explains that in the context of law, landasan is the truth used as a basis for reasoning and opinions regarding contracts, particularly in the enforcement and execution of muamalah transactions. The philosophical foundations of transactions in muamalah activities are as follows: \(^\text{17}\)

1. **Foundation of Tawhid (Divinity):**

Every human action and behavior is inseparable from the decrees of Allah SWT, as mentioned in the Qur'an, Surah Al-Hadid, verse 4: "He is with you wherever you are. And Allah is Seeing of what you do." Muamalah activities, including contractual actions, are always based on the values of Tawhid, which encompass responsibility towards oneself, society, the second party, and Allah SWT. Consequently, individuals will not act arbitrarily because every action has legal implications and will be rewarded or punished by Allah SWT. \(^\text{18}\)

2. **Foundation of Freedom (al-Hurriyah):**

Islam grants freedom to the parties involved in transactions. The parties have the freedom to conduct muamalah activities, particularly in forming agreements regarding the object and its conditions. Once the form and content of the agreement are agreed upon, it becomes binding, and all stipulated rights and obligations must be fulfilled. This freedom must be exercised as long as it does not contradict Islamic Shari`ah, ensuring no injustice occurs between individuals through transactions. This principle prevents coercion (ikrah), pressure, and fraud, which would harm the legality of the Shari`ah regarding that transaction, rendering it invalid. \(^\text{19}\)

3. **Equality and Equity (al-Musawah):**

This foundation ensures that both parties involved in a transaction have equal standing, crucial for determining the rights and obligations that must be fulfilled by both parties. Discriminatory treatment based on differences in skin color, religion, customs, or race is not justified. \(^\text{20}\)

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4. **Foundation of Justice (al-'Adalah):**

The implementation of justice requires the parties involved to act honestly, fulfill mutually reached agreements, meet all rights and obligations, avoid wrongdoing, and conduct transactions in a balanced manner without harming any other party involved.\(^{21}\)

5. **Foundation of Permissibility (Mabda' al-Ibahah):**

In *muamalah*, there is a principle stating, "Essentially, everything is permissible until there is evidence prohibiting it." This principle is based on hadiths of the Prophet Muhammad (SAW), indicating that, in principle, everything is permissible or mubah to do, limited until there is a legal basis that prohibits it. This allows the development of new forms and types of transactions in accordance with the times and societal needs.

6. **Foundation of Consent (Mabda' al-Rada'iyah):**

Consent (*rida al-taradhi*) is an abstract inner attitude. Indicators reflecting this consent are necessary, such as the formulations (*sighat*) of offer (*ijab*) and acceptance (*qabul*), which must be made clearly and in detail.\(^{22}\)

7. **Written Documentation (al-Kitabah):**

Another foundation in conducting transactions is the necessity of doing so in writing to avoid future problems. Written documentation serves as evidence in case of future disputes.\(^{23}\)

Additionally, the foundations of benefit and honesty (*ash-shiddiq*) imply that all forms of transactions must provide benefits and welfare for the parties involved and the surrounding community.

**Consumer Protection in Muamalah Transactions**

Consumer protection in Islamic economics refers to efforts ensuring that Islamic economics meets consumer needs (the Muslim community) in consuming various goods. This encompasses how Islamic economics regulates producers to ensure the quality of goods consumed, achieved through market principles aligned with Islamic values and strict monitoring.\(^{24}\)

Consumer protection ensures legal certainty in safeguarding consumer rights, enhancing consumer awareness, knowledge, concern, skills, and independence, and fostering responsibility among business operators. According to Law No. 8 of 1999 on Consumer Protection of the Republic of Indonesia, consumer rights include the right to comfort, security, and safety in consuming goods and/or services, the right to choose goods and/or services and receive them according to the promised exchange value, conditions, and guarantees, among other rights.\(^{25}\)

The Consumer Protection Act (UUPK) regulates consumer and business operator rights and obligations. Based on the nine rights granted to consumers in Article 4 of the UUPK, consumer comfort, safety, and security are the primary priorities in


consumer protection. Consumers have the right to choose goods or services based on accurate, clear, and honest information. If harmful deviations occur, consumers have the right to be heard, receive advocacy, guidance, fair treatment, and compensation, including indemnification.26

Article 4 of the Consumer Protection Act (UUPK) outlines consumer rights, including:

- The right to comfort, security, and safety in consuming goods and/or services.
- The right to choose goods and/or services and to obtain them according to the exchange value and conditions as well as the guarantees promised.
- The right to accurate, clear, and honest information regarding the conditions and guarantees of goods and/or services.
- The right to be heard regarding opinions and complaints about the goods and/or services used.
- The right to advocacy, protection, and proper dispute resolution efforts in consumer protection.
- The right to consumer guidance and education.
- The right to be treated or served properly, honestly, and non-discriminatorily.
- The right to compensation, redress, or replacement if the goods and/or services received are not in accordance with the agreement or not as they should be.
- Other rights as regulated by the provisions of other laws and regulations.

Consumers possess various rights in the purchasing process and are entitled to legal protections. According to Article 5 of the Consumer Protection Act (UUPK), consumer obligations include:

- Reading or following the instructions and procedures for the use or utilization of goods and/or services for safety and security.
- Acting in good faith in transactions involving the purchase of goods and/or services.
- Paying according to the agreed-upon exchange value.
- Participating in proper legal dispute resolution efforts concerning consumer protection.

Article 6 of the UUPK outlines business operator rights, including the right to receive payment in accordance with the agreement, legal protection from actions by consumers who act in bad faith, and the right to defend oneself in legal consumer dispute resolutions. Business operator obligations include acting in good faith, providing accurate information, treating consumers properly, ensuring product quality, allowing product testing, and providing compensation for losses resulting from product use.

From the perspective of Islamic law, the term hak (right) encompasses meanings such as decree, certainty, explanation, truth, share or portion, reality, and obligation. According to Islamic legal scholars, hak refers to "a specific characteristic whereby Sharia establishes an authority for its owner or an obligation on its object."

In Islamic economic law, consumer rights violations can occur before, during, or after the transaction. Legal protection needs to be applied at each of these stages. In Islamic jurisprudence, the accuracy and truthfulness of information provided by business operators when promoting their products are crucial. Islam upholds the principle of balance, requiring both parties—consumers and business operators—to exercise due diligence.

According to Islamic jurisprudence, highlights

consumer rights, including the right to accurate information, fair exchange value, product safety, advocacy, protection from misuse of circumstances, and compensation for product-related losses. Consumer protection is a right that should be afforded to all consumers. Unfortunately, not all consumers are aware of the laws governing consumer protection. To safeguard consumers, Islamic law establishes several principles as guidelines for conducting transactions, including At-Tauhid (the oneness of Allah SWT), Al-Ihsan (benevolence), Al-Amanah (trustworthiness), Ash-Shiddiq (truthfulness), Al-Adl (justice), Ta’awun (mutual assistance), security and safety principles, and At-Taradhi (mutual consent).

Consumer protection encompasses principles and regulations that govern relationships and safeguard the interests and obligations of consumers. The application of these principles covers a broad scope, extending beyond civil matters to include relationships with Allah SWT and interactions among individuals. In Islam, consumer protection emphasizes preserving religion (hifz ad-din) and protecting property (hifz al-maal) for the collective benefit of society.

Table 1: Comparison of Consumer and Business Operator Rights According to UUPK and Islamic Law

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<tr>
<th>According to UUPK</th>
<th>According to Islam</th>
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<tr>
<td>Consumer and business operator rights are operator rights are not absolute and determined by law/UUPK</td>
<td>Sharia</td>
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<tr>
<td>Consumer rights information pertains to information pertains to</td>
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The table 1 compares consumer and business operator rights under Indonesia’s Consumer Protection Law (UUPK) with those under Islamic law. It highlights that while UUPK considers these rights as absolute and legally determined, Islamic law views them as relative and governed by Sharia. Additionally, UUPK focuses on product quality and quantity, whereas Islamic law also includes halal status. Furthermore, UUPK measures consumer choice based on fair exchange value, while Islamic law considers both fair exchange value and prior offers from others.

Islam emphasizes material protection, safeguarding what should not be violated or exploited. Allah provides prohibitions to help humans avoid transgressions, guiding individuals to ensure they remain on the right path. In fiqh muamalah, consumer rights protection encompasses both consumers and business operators, without differentiating between end consumers and intermediaries. This approach contrasts with the Consumer Protection Law, which exclusively safeguards end consumers.

In essence, consumer protection within fiqh muamalah involves creating a balance between the consumer’s rights and obligations as well as those of the business operators. Prohibited activities, such as usury...
(riba), gambling (maysir), and deception (gharar), must be avoided in trade transactions. This includes upholding transparency, honesty, fairness, and mutual benefit in all dealings, reflecting the ethical and moral standards prescribed by Islamic law for consumer protection in contemporary economic contexts.

Conclusion
Consumer protection in muamalah transactions is an integral aspect that encompasses not only legal considerations but also the ethical and moral values taught by Islam. Islamic law establishes principles such as At-Tauhid, Al-Ihsan, Al-Amanah, Ash-Shiddiq, Al-Adl, Ta’awun, security and safety, and At-Taradhi to ensure fair and transparent transactions. This protection is crucial for safeguarding the interests and obligations of both consumers and business actors. It applies not only in the context of civil relations but also in the relationship between humans and Allah SWT, as well as among individuals. Therefore, implementing consumer protection in accordance with Islamic principles can create a fair, balanced, and sustainable business environment, contributing to the common good.

Credit Authorship Contribution
Risfiana Mayang Sari: study design, investigation, draft preparation, supervision, resources provision, review, editing.

Declaration of Competing Interest
The authors declare no competing interests related to this study. No financial or personal conflicts of interest are present.

Data Availability
Data are not available for sharing.

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