ISRG Journal of Arts, Humanities and Social Sciences (ISRGJAHSS)

ISRG PUBLISHERS

Abbreviated Key Title: ISRG J Arts Humanit Soc Sci

ISSN: 2583-7672 (Online)

Journal homepage: https://isrgpublishers.com/isrgjahss

Volume – IV Issue - IV (July – August) 2026

Frequency: Bimonthly

Implementing Consumer Protection Policy in Digital Financial Services: Evidence from Indonesia's Financial Services Authority

Bilqis Islach Waffrodah[1], Agus Sholahudin[2], Dwi Suharnoko[3]

[1, 2, 3] Universitas Merdeka Malang, Indonesia

| **Received:** 20.07.2026 | **Accepted:** 25.07.2026 | **Published:** 30.07.2026

***Corresponding author:** Bilqis Islach Waffrodah

Abstract

This study examines the implementation of Financial Services Authority Regulation No. 22 of 2023 on Consumer and Public Protection in the Financial Services Sector at the OJK Malang Regional Office, a regulation enacted pursuant to Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector. Previous studies have repeatedly concluded that consumer protection policies in Indonesia are not yet optimal, but have not yet applied an implementation framework capable of pinpointing the root of the problem. This study employs a qualitative approach using a case study design, applies the six variables of the implementation model proposed by Van Meter and Van Horn (1975), and triangulates the perspectives of three stakeholder groups: regulators, fintech lending providers, and consumers. Data were collected through in-depth interviews, field observations, and document analysis, and were subsequently analyzed using the interactive model proposed by Miles et al. (2014). The results reveal an uneven configuration. Four variables related to the implementer side namely, policy standards and objectives, interorganizational communication, characteristics of implementing agents, and the attitudes of implementers demonstrated supportive performance, and no resistance was found among industry actors. Conversely, the variables of resources and the economic, social, and political environment acted as limiting factors. This configuration indicates that implementation issues do not stem from regulatory design or implementers' commitment, but rather from institutional capacity and the readiness of the target group. This study also identifies the paradox of digitalization: digital complaint channels do not reduce institutional workload because low consumer digital literacy redirects service requests back to in-person assistance. Theoretically, this study argues that consumer literacy is not a passive element within environmental variables but rather a cross-variable constraining factor that limits the effectiveness of all other implementation variables.

Keywords: policy implementation; financial services consumer protection; fintech lending; financial literacy; Financial Services Authority; Van Meter and Van Horn

DOI: 10.5281/zenodo.21700681

1. Introduction

The digital transformation of the financial services sector has changed the way people access financial products and services. The emergence of financial technology, particularly fintech lending, has expanded financial inclusion while simultaneously creating new vulnerabilities for consumers in the form of intimidating debt collection, unclear product information, misuse of personal data, and the proliferation of illegal operators. The gap between levels of financial inclusion and financial literacy exacerbates this situation, as the public has been using digital financial products on a massive scale without understanding their characteristics and risks (OECD, 2020; Herawati, 2024; Pramudita, 2024). In response to these dynamics, the OJK issued POJK No. 22 of 2023 as an umbrella regulation stemming from the mandate of Law No. 4 of 2023 on P2SK, which governs the entire lifecycle of the relationship between financial service providers and consumers and expands the OJK's mandate from that of a regulator to that of a consumer advocate (Government of Indonesia, 2023; OJK, 2023). However , the quality of regulatory provisions does not guarantee the achievement of policy objectives, as success is actually determined at the implementation stage (Van Meter & Van Horn, 1975; Wahab, 2017).

A number of previous studies have examined the OJK's role in consumer protection. Syafaat (2019) found that the OJK's authority to resolve disputes out of court is in place, but its effectiveness depends on strengthening alternative dispute resolution institutions. Firmansyah et al. (2024) concluded that the concerns of online loan victims in Kediri stem from a mismatch between debt collection norms and practices. Solekhani & Zahra (2024) found that easy access to online loans has not been accompanied by comprehensive consumer protection. Beda (2025) found that the implementation of oversight is hampered by limited human resources, low levels of consumer education, and resistance from fintech operators. Anisa et al. (2023) concluded that the implementation of POJK No. 6/POJK.07/2022 in Pekanbaru has not been optimal due to low public financial literacy, while Khadafi et al. (2024) found that the digitization of complaint channels via mobile apps has not been matched by user readiness.

This mapping reveals three research gaps. First, a regulatory gap, as all previous studies have focused on the old regulatory regime, whereas POJK No. 22 of 2023 which marks a paradigm shift from a reactive, corrective approach toward a preventive, market-conduct-based approach has not yet been empirically examined. Second, an analytical gap, as previous research was either legally normative or descriptive-evaluative without an explicit theoretical framework for implementation; consequently, the finding that implementation has not been optimal cannot be traced to the specific variables where the actual issues lie. Third, a contextual gap, as studies on regional OJK offices with multi-district jurisdictions and high volumes of fintech lending complaints are not yet available. The OJK office in Malang, which oversees seven administrative regions and recorded 1,028 complaint cases as of March 31, 2026 with 44.94% related to fintech lending represents an empirical context that has not yet been explored (Ozili, 2021; Rahim et al., 2023).

The novelty of this study lies in three aspects. From a regulatory perspective, this study constitutes an initial empirical examination of the implementation of OJK Regulation No. 22 of 2023 in the post-P2SK Law era. Theoretically, this study employs Van Meter and Van Horn's policy implementation model with six variables policy standards and objectives, resources, interorganizational communication, characteristics of implementing agents, the socioeconomic and political environment, and the attitudes of implementers as an analytical framework to systematically diagnose the root causes of implementation issues (Akbar et al., 2025; Hamdi, 2014). Contextually, this study triangulates the perspectives of three groups of actors simultaneously namely, regulators, fintech lending businesses, and consumers an approach rarely employed in similar studies in Indonesia.

Based on the above, this study aims to describe and analyze the implementation of OJK policies on consumer protection under OJK Regulation No. 22 of 2023 at the OJK Malang Regional Office using the Van Meter and Van Horn model, as well as to identify the internal and external factors that support and hinder its implementation. The research results are expected to provide a theoretical contribution to studies on policy implementation in the financial regulation sector, as well as practical recommendations for strengthening the consumer protection system.

2. Literature Review

2.1 Public Policy and Policy Implementation

Public policy, by its very nature, is an expression of the state's authority in carrying out its duties and functions to regulate communal life, both in its relations with society and the business sector (Mustari, 2015). Eyestone (1971) broadly defines it as the relationship between a government unit and its environment, while Nasucha (2004) asserts that public policy is the government's authority embodied in legal regulations to address social dynamics within society. Suharto (2008) adds that public policy must be formulated by political authorities who have received a mandate from the public. In the Indonesian context, Nugroho (2006) classifies public policy into macro, meso, and micro levels, with sectoral regulations such as POJK falling at the meso level as they elaborate on the implementation of higher-level norms.

The quality of a policy formulation does not in itself guarantee the achievement of policy objectives. Implementation is a critical stage that determines whether a policy remains merely a normative text or transforms into action that produces tangible impacts. Van Meter & Van Horn (1975) define policy implementation as actions taken by individuals, officials, or groups whether in the government or private sector aimed at achieving the objectives established in the policy decision. Wibawa, as cited in Tahir (2014), emphasizes that the purpose of implementation is to set a direction so that public policy objectives can be realized as the outcome of government activities. The gap between policy design and on-the-ground results known in the literature as the "implementation gap" is a recurring issue, particularly regarding regulatory policies in developing countries (Ozili, 2021).

2.2 Van Meter & Van Horn's (1975) Policy Implementation Model

Various implementation models have been developed to analyze this issue. Edwards III, as cited in Winarno (2007), emphasizes four variables: communication, resources, disposition, and bureaucratic structure. Grindle, as cited in Tahir (2014), views implementation as a political and administrative process determined by the content of the policy and the context of its implementation. Mazmanian & Sabatier, as cited in Tahir (2014), developed an analytical framework that distinguishes between

DOI: 10.5281/zenodo.21700681

independent variables, intervening variables, and variables outside the policy. Matland, as cited in Hamdi (2014), categorizes implementation based on the degree of conflict and ambiguity into administrative, political, symbolic, and experimental types.

This study uses the model by Van Meter & Van Horn (1975) because it provides the most appropriate framework for top-down regulatory policies that have relatively clear objectives and are implemented by enforcement agencies with well-established bureaucratic structures, such as the OJK. Van Meter & Van Horn (1975) identified six variables that influence policy implementation performance. First, policy standards and targets, which concern the clarity of objectives and measures of success so as to avoid multiple interpretations at the implementation level. Second, resources, which include the availability of human resources, budgets, facilities, and supporting technology. Third, interorganizational communication and coordination of activities, namely the effectiveness of information transmission and coordination among implementing agencies. Fourth, the characteristics of implementing agencies, which include organizational structure, division of tasks, competencies, and institutional capacity. Fifth, the economic, social, and political environment, which reflects the external conditions of the target group as well as the environment's support for or resistance to the policy. Sixth, the attitudes of implementers, namely their level of understanding, acceptance, and commitment to the policy. Akbar et al. (2025) demonstrated that this model is effective in diagnosing weaknesses in public policy implementation at the local operational level because its six variables can be examined separately yet remain interrelated.

2.3 Consumer Protection in the Digital Financial Services Sector

Consumer protection is a cornerstone of financial sector regulation, aimed at ensuring consumers' rights to information, security, choice, and the right to be heard. In the context of digitalization, the scope of protection extends to include cybersecurity, personal data protection, and the availability of accessible complaint mechanisms and dispute resolution processes (Pramudita, 2024). The OJK, as an independent agency established under Law No. 21 of 2011, is mandated to regulate, supervise, and protect consumers in the financial services sector. The issuance of OJK Regulation No. 22 of 2023, implementing the provisions of Law No. 4 of 2023 on P2SK, marks a strengthening of this mandate through regulations on product information transparency, personal data protection, a ban on exculpatory clauses in standard contracts, complaint-handling mechanisms with strict deadlines, and compliance reporting obligations for financial service providers (Government of Indonesia, 2023; Financial Services Authority, 2023).

The effectiveness of these regulations depends heavily on the readiness of the target group. The literature indicates that financial literacy is a key determinant of consumers' ability to recognize risks and utilize available protective measures (OECD, 2020). Rahim et al. (2023) found that financial literacy levels significantly influence the use of fintech services, while Ozili (2021) emphasizes that increased financial inclusion not accompanied by financial literacy actually increases consumers' exposure to losses. This situation is consistent with Herawati's (2024) findings regarding the trend of consumer complaints to the OJK, which have continued to rise alongside the expansion of digital financial services.

2.4 Previous Research and Research Position

Empirical studies on the OJK's implementation of consumer protection policies have yielded convergent results. Syafaat (2019) found that while the OJK's authority to resolve disputes out of court is in place, it depends on the strengthening of alternative dispute resolution institutions. Firmansyah et al. (2024) identified discrepancies between debt collection norms and practices in online lending services. Solekhani & Zahra (2024) concluded that the ease of access to online loans has not been accompanied by comprehensive protection. Beda (2025) identified limitations in human resources, low levels of consumer education, and resistance from fintech players as barriers to implementation. Anisa et al. (2023) found that the implementation of POJK No. 6/POJK.07/2022 has not been optimal due to low public literacy, while Khadafi et al. (2024) demonstrated that the digitization of complaint channels via mobile apps has not been matched by user readiness.

All of these studies agree that the implementation of consumer protection policies has not been optimal; however, none have focused on POJK No. 22 of 2023 as the subject of their analysis, none have explicitly used an implementation theory framework to pinpoint the root causes of the issues, and none have considered the context of regional OJK offices with multi-district jurisdictions. This study addresses these three gaps by analyzing the implementation of POJK No. 22 of 2023 at the OJK Malang Regional Office using the six variables proposed by Van Meter & Van Horn (1975), and by triangulating the perspectives of regulators, fintech lending businesses, and consumers as data sources.

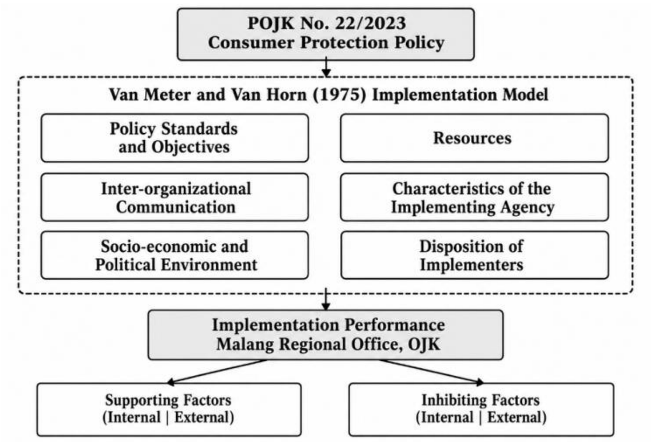

Figure 1. Conceptual framework of the study

Source: Adapted from Van Meter and Van Horn (1975)

3. Method

3.1 Research Design

This study employs a qualitative approach using a case study design. The qualitative approach was chosen because the research objective is to gain an in-depth understanding of the policy implementation process as experienced and interpreted by the involved actors, rather than to statistically measure relationships between variables. Sugiyono (2008) explains that qualitative methods position the researcher as the key instrument and generate descriptive data in the form of written or spoken words from people and observed behaviors (Bogdan & Taylor in Moleong, 2010). A case study design was used because the implementation of POJK No. 22 of 2023 is a contemporary phenomenon occurring

DOI: 10.5281/zenodo.21700681

within a specific institutional context the Malang Regional Office of the Financial Services Authority such that the boundary between the phenomenon and its context cannot be clearly separated.

3.2 Research Location and Scope

The research was conducted at the Malang Regional Office of the Financial Services Authority (OJK), East Java, Indonesia. The location was selected intentionally based on two considerations. First, the Malang OJK Regional Office oversees seven administrative areas the cities of Malang, Batu, and Pasuruan; the city of Probolinggo; and the regencies of Malang, Pasuruan, and Probolinggo thus representing the complexity of policy implementation at a regulatory representative office with a broad territorial scope. Second, the volume of consumer complaints in this region is relatively high, with 1,028 complaints recorded as of March 31, 2026, 44.94% of which were related to fintech lending. The scope of this study is limited to the implementation of POJK No. 22 of 2023, along with its supporting and inhibiting factors, and does not include a quantitative evaluation of the policy's impact.

3.3 Research Focus

The research focus was established to limit the scope of the study and select relevant data (Moleong, 2010). The first focus is on the implementation of OJK policies regarding consumer protection under POJK No. 22 of 2023, which is analyzed using six variables from the Van Meter & Van Horn (1975) model: policy standards and objectives, resources, inter-organizational communication and reinforcement of activities, characteristics of implementing agents, the socioeconomic and political environment, and the attitudes of implementers. The second focus is on the factors supporting and hindering policy implementation, which are categorized into internal and external dimensions, respectively.

3.4 Informants and Informant Selection Techniques

Informants were selected through purposive sampling, a technique for determining data sources based on the consideration that informants possess expertise and direct involvement with the subject under study (Sugiyono, 2010). Informants were grouped into three categories of actors to facilitate perspective triangulation. The regulator category consists of the Head of the OJK Malang Office; the Head of the Division of Conduct Supervision of Financial Institutions, Education, Consumer Protection, and Strategic Management Services; an Analyst for Public Communication, Financial Literacy, Regional Financial Inclusion, and Local Government Partnerships; and a Service Officer at the OJK Malang Office. The business operator category is represented by two licensed fintech lending providers. The consumer category is represented by two users of financial services who have previously filed complaints with the OJK Malang Office. The identities of informants in the business operator and consumer categories are disguised using initials to maintain confidentiality.

Table 1.

Profile of Research Informants

Code	Actor category	Position / role	n
R1	Regulator	Head of the Malang Regional Office of the OJK	1
R2	Regulator	Head of the Division for PUJK Market Conduct Supervision, Education, Consumer Protection, and Strategic Management Services	1
R3	Regulator	Analyst for Public Communication, Financial Literacy, Regional Financial Inclusion, and Local Government Partnerships	1
R4	Regulator	Consumer Service Officer, OJK Malang Regional Office	1
B1–B2	Business entity	Licensed fintech lending providers	2
C1–C2	Consumer	Financial service users who filed complaints with the Malang Regional Office	2
Total			8

Source: Processed by the authors (2026)

3.5 Data Types and Sources

The data used is qualitative and comes from two categories. Primary data was obtained directly through in-depth interviews and field observations at the OJK Malang Office. Secondary data was obtained from regulatory documents, namely POJK No. 22 of 2023 and Law No. 4 of 2023 on P2SK, OJK Malang's consumer service reports and complaint data, reports on financial education and literacy activities, the office's organizational structure, and relevant scientific literature.

3.6 Data Collection Techniques

Data collection was conducted using three techniques. Observations were conducted by monitoring the consumer complaint handling process at the service office, as well as educational and outreach activities organized by the OJK Malang office, using a structured observation guide. In-depth interviews were conducted in a semi-structured manner using an interview guide based on the six variables proposed by Van Meter & Van Horn (1975), ensuring that each question could be traced back to the corresponding theoretical variable. Documentation was conducted by reviewing regulatory documents, institutional reports, complaint data , and OJK Malang's published materials. Data collection took place over a three-month period, from February through May 2026.

3.7 Data Analysis Techniques

Data analysis was conducted using the interactive model proposed by Miles et al. (2014), which took place simultaneously with the data collection process. The first stage was data condensation, which involved selecting, simplifying, and transforming raw data from interview transcripts, field notes, and documents into categories corresponding to the six implementation variables as well as the dimensions of enabling and hindering factors. The second stage involved presenting the data in the form of thematic narratives and matrices organized by variable, allowing patterns and interrelationships among findings to be identified. The third stage consisted of drawing conclusions and verifying them, a process carried out iteratively by testing preliminary findings

DOI: 10.5281/zenodo.21700681

against continuously collected data until data saturation was reached.

3.8 Data Validity

Data validity is ensured through source triangulation and methodological triangulation. Source triangulation is conducted by comparing information obtained from three distinct categories of actors—regulators, fintech lending operators, and consumers—ensuring that claims regarding the effectiveness of implementation are not based solely on the perspective of policy implementers. Methodological triangulation is conducted by verifying interview results against field observations and documentary data, particularly data from the OJK Malang's complaint handling services and reports on educational activities.

4. RESULTS

4.1 Overview of the Research Location

The Malang Office of the Financial Services Authority (OJK) is an OJK regional office that began operations in 2014 and is located in the city of Malang. Its jurisdiction covers seven administrative regions in East Java Province: the cities of Malang, Batu, Pasuruan, and Probolinggo; and the regencies of Malang, Pasuruan, and Probolinggo. The economic characteristics of the region are diverse. Urban areas are dominated by the trade, services, education, and industrial sectors, while other areas are based on agriculture and micro, small, and medium enterprises.

As of March 31, 2026, the OJK Malang Office had recorded 1,028 consumer complaint cases, 44.94% of which were related to fintech lending. Regarding financial education and literacy activities, there were 34 events with 12,552 participants in April 2025, increasing to 57 events with 16,532 participants in June 2025, and 100 events with 30,966 participants in September 2025. As of March 2026, the OJK Malang Office had organized 31 educational activities with a total of 81,195 participants.

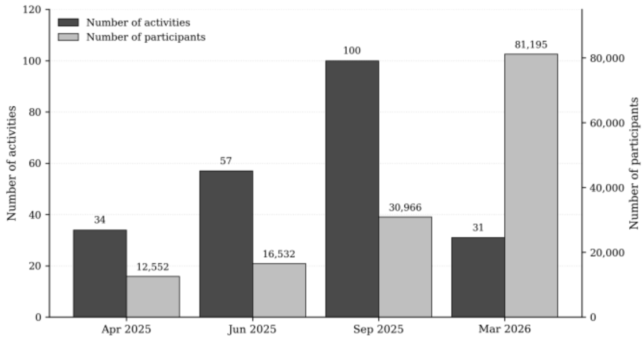

Figure 2. Trend of financial education and literacy activities at the Malang Regional Office of OJK, 2025–2026

Source: OJK Malang Regional Office (2026), processed by the authors

4.2 Implementation of OJK Regulation No. 22 of 2023

4.2.1 Policy Standards and Objectives

All regulatory informants stated that POJK No. 22 of 2023 was formulated as a regulatory adjustment to the increasingly digitized financial services industry, while also fulfilling the mandate of the Law on the Development and Strengthening of the Financial Sector. The Head of the OJK Malang Office stated, *"The regulation needs to be adapted to current developments in the financial services industry; the goal is to strengthen consumer protection."* This regulation serves as an umbrella regulation that is further detailed in Regulations of the Board of Commissioners and Circular Letters of the Board of Commissioners according to the characteristics of each sector. The scope of the regulations covers product design, product information disclosure, debt collection procedures, complaint handling, supervision of financial service providers' conduct, and the imposition of sanctions. The established operational standards include a ten-business-day deadline for resolving complaints, which may be extended to a maximum of twenty business days. Fintech lending operators state that the collection process has been regulated in detail, with prohibitions on intimidation, threats, and actions that humiliate consumers, as well as a ban on collecting from parties other than the obligated consumer.

4.2.2 Human Resources

The availability of human resources generally still supports service operations, but service capacity is limited during periods of high visitor volume. The Head of the PUJK Conduct Supervision Division stated, *"Basically, services can still run smoothly, but there are indeed capacity limitations when a large number of people arrive at the same time."* Consumers confirmed the existence of lines at the complaint service desk. To address this situation, the OJK Malang office has engaged interns to assist with administrative processes, data entry, and initial consumer guidance. The OJK's role in consumer protection is facilitative, educational, and mediatory. The OJK does not handle disputes directly but rather directs consumers to available channels, namely the Consumer Protection Portal app at and the Information System for Combating Illegal Financial Activities, while facilitating mediation from a neutral position. Digital service channels are available, but some members of the public still require assistance from staff because they are not yet able to file reports independently.

4.2.3 Inter-organizational communication and strengthening of activities

OJK Malang builds synergies with local governments, universities, schools, the media, communities, civil society organizations, and financial services providers through educational programs and coordination forums. A Public Communications Analyst stated, *"Improving financial literacy and consumer protection cannot be achieved by OJK alone."* The media is utilized as a channel for disseminating information through radio, social media, and other publications. Fintech lending providers stated that the activities facilitated by the OJK provide an opportunity to educate the public about the responsible use of fintech services and the risks of illegal online lending. Consumers stated that they previously assumed all online lending services were supervised by the OJK, and only came to understand the difference between legal and illegal providers after receiving explanations from staff and accessing information available at service offices.

4.2.4 Characteristics of the Field Office

The organizational structure of the OJK Malang Office features a clear division of core duties and functions across each unit, accompanied by a mechanism for designating substitute staff in the event that the responsible employee is unavailable. The OJK regularly conducts capacity-building programs for employees in the form of coaching clinics, training sessions, certifications, and awareness campaigns, particularly for staff responsible for consumer protection functions. Competency development materials cover mastery of regulations as well as an introduction to digital

DOI: 10.5281/zenodo.21700681

financial crime schemes, fraudulent practices, and illegal financial activities. Service officers are required to participate in orientation and certification programs covering service procedures and communication techniques with the public. Service officers stated that some of the complaints received relate to financial institutions (PUJK) whose supervisory authority falls outside the jurisdiction of the OJK Malang office, so they must be forwarded to other units or offices.

4.2.5 Economic, Social, and Political Environment

The Head of the OJK Malang Office stated that regional political dynamics do not affect the OJK's operations, and coordination with local governments is proceeding smoothly. The reported obstacles stem from social aspects of the community. A Public Communications Analyst noted that some members of the public still believe all financial services fall under OJK supervision, whereas the OJK only oversees legal and licensed providers. The Head of the PUJK Conduct Supervision Division stated, *"The level of financial inclusion is already higher than the level of financial literacy; many people are already using financial services but do not yet fully understand their characteristics."* Fintech lending providers reported a trend among the public driven by a desire to follow certain lifestyles and a need for quick access to funds, leading them to choose online lending services. This finding aligns with data from the OJK's consumer services office in Malang, which shows an increase in complaints regarding the fintech lending sector.

4.2.6 Attitudes of the Participants

All informants expressed support for OJK Regulation No. 22 of 2023. From the regulator's perspective, a Service Officer stated that this regulation makes consumer protection provisions more comprehensive and clear, while reaffirming the OJK's position as a neutral party. The Head of the PUJK Behavioral Supervision Section expressed his support and hope that financial services institutions would be more active in providing outreach to their customers. From the business operators' perspective, fintech lending providers stated that this POJK serves as a guideline that provides clear direction regarding rights, obligations, and dispute resolution mechanisms. From the consumers' perspective, this regulation is seen as providing clarity regarding their rights as borrowers and how to file complaints. No statements indicating opposition to the policy were found among the three categories of informants.

Table 2.

Summary of findings based on the Van Meter and Van Horn (1975) implementation variables

Implementation variable	Key finding	Performance status
Policy standards and objectives	Objectives are consistently understood; the regulation functions as an overarching rule translated into sector-specific technical provisions; complaint resolution is subject to a measurable 10–20 working-day limit.	Supporting
Resources	Personnel are generally sufficient, but service capacity is limited during peak demand; interns are deployed as a mitigation measure; digital channels still require assistance from staff members.	Constraints
Inter-organizational communication and enforcement activities	Collaboration with local governments, educational institutions, the media, communities, and businesses expands the reach of financial education beyond internal capacity.	Supporting
Characteristics of the implementing agency	Clear division of duties, a mechanism for designating substitute officers, and periodic competency development; constrained by jurisdictional limits over certain financial institutions (PUJK).	Supporting
Socioeconomic and political environment	Local political dynamics exert no significant influence; the dominant barrier is low financial literacy and the gap between financial inclusion and literacy.	Constraints
Attitudes of implementers	Convergent positive attitudes among regulators, business actors, and consumers; no evidence of industry resistance.	Supporting

Source: Processed by the authors (2026)

4.3 Supporting and Hindering Factors

4.3.1 Internal supporting factors.

The study identified three internal supporting factors. First, human resource competence acquired through periodic training and mandatory certification for service officers. Second, the availability of work guidelines and standard operating procedures, including a ten- to twenty-business-day deadline for handling complaints. Service staff stated that compliance with these deadlines serves as a measure of whether implementation is proceeding in accordance with regulations. Third, information technology support in the form of digital service channels that expedite administrative processes and complaint tracking.

4.3.2 External Supporting Factors

External supporting factors include synergy between the OJK Malang office and local governments, educational institutions, communities, the media, and financial services providers ; compliance by financial services providers with the principle of product information transparency and the application of service operational standards; as well as advances in information

DOI: 10.5281/zenodo.21700681

technology that make it easier for the public to access complaint services, consultations, and information searches.

4.3.3 Internal barriers

The study identified four internal barriers. First, limited human resources and budget constraints, which result in educational programs being implemented in phases based on priority targets. Second, the extensive geographical coverage of the region spanning seven regencies and cities means that educational outreach has not been evenly distributed. Third, the limitations on the administrative authority of the Regional OJK Office, which require some complaints to be referred to other units or offices. Fourth, a gap in public expectations. Consumers stated that they initially expected all complaints to be handled directly at the OJK Malang Office, and only came to understand the division of authority after receiving an explanation from staff.

4.3.4 External barriers

External barriers include the ever-increasing complexity of financial products and services encompassing banking, fintech lending, “buy now, pay later” services, insurance, and cryptocurrency as well as low levels of financial and digital literacy among the public; the gap between the financial inclusion index and the financial literacy index; and the proliferation of illegal financial service providers operating outside the scope of OJK supervision.

Table 3.

Matrix of Supporting and Inhibiting Factors in the Implementation of OJK Regulation No. 22 of 2023

Dimension	Supporting factors	Inhibiting factors
Internal	Strengthened competence of human resources through periodic training and mandatory certification; clear working guidelines and standard operating procedures with a measurable time limit for complaint resolution; information technology support that streamlines administration and complaint tracking.	Limited human resources and budget, requiring education programs to be delivered in phases; a broad service area covering seven regencies and cities; administrative jurisdictional limits of the regional office; a gap between public expectations and the office’s actual authority.
External	Multi-stakeholder collaboration with local governments, educational institutions, communities, the media, and financial service providers; PUJK compliance with transparency principles and service standards; technological advancements that facilitate public access to complaint and consultation services.	Increasing complexity of financial products and services, spanning banking, fintech lending, “buy now, pay later” services, insurance, and crypto assets; low financial and digital literacy; gap between the financial inclusion index and the financial literacy index; proliferation of illegal financial service providers.

Source: Processed by the authors (2026)

5. Discussion

5.1 A Paradigm Shift in Consumer Protection

The regulatory framework in POJK No. 22 of 2023 marks a paradigm shift from a reactive, corrective approach toward a preventive approach based on market behavior. Previous regulations placed state intervention at a point after consumer losses occurred, while the new regulations move the point of intervention upstream, namely at the product design stage and the behavior of PUJK in interacting with consumers. Consequently, policy success is no longer measured solely by the number of resolved disputes but by service providers’ compliance with behavioral standards throughout the service cycle. This shift also expands the OJK’s mandate from that of a supervisor to an advocate for consumer interests—an expansion that demands institutional capacities distinct from those required for conventional oversight functions.

This shift explains why previous research critiques regarding the discrepancy between debt collection norms and practices (Firmansyah et al. 2024) as well as the weakness of dispute resolution mechanisms (Syafaat, 2019) have been addressed through normative measures. However, the findings of this study indicate that normative responses have not automatically led to changes in policy outcomes, as their effectiveness depends on implementation variables beyond the control of policymakers.

5.2 Implementation Issues Lie in Capacity, Not Design or Commitment

The primary analytical contribution of this study is its ability to pinpoint the source of implementation problems. Performance deficits occur only in variables related to institutional capacity and the conditions of the target groups, while variables under the control of policymakers and implementers actually perform well. This configuration confirms that the failure to achieve full effectiveness cannot be attributed to poor regulatory design or low commitment on the part of implementers. Van Meter & Van Horn (1975) assert that resources are variables that cannot be substituted by the clarity of standards or the positive attitudes of implementers; thus, deficits in these variables will continue to hinder implementation performance even if other variables function optimally. This study provides empirical evidence for this proposition in the context of financial sector regulatory policy.

This framework also corrects the conclusion of Beda (2025), who identified resistance from fintech players as an implementation barrier. This study, however, found a convergence of positive attitudes among regulators, business actors, and consumers. The absence of resistance can be explained by the characteristics of POJK No. 22 of 2023, which not only imposes obligations but also provides clarity regarding the boundaries of permissible behavior. This regulatory certainty reduces the uncertainty that has long been a source of resistance among business actors, so that the regulation is perceived as providing business certainty rather than merely imposing restrictions. Consequently, when regulatory policies are designed with a high degree of clarity, the attitudes of those responsible for implementation are less likely to become a source of implementation problems.

DOI: 10.5281/zenodo.21700681

5.3 Service Digitization Has Not Yet Led to Resource Efficiency

The need among some consumers for assistance from staff even though digital channels are available reveals a paradox. The digitization of complaint channels was designed to shift the service burden from staff to the system; however, users' lack of readiness shifts that burden back to in-person services. Consequently, investment in digital infrastructure has not yielded the assumed resource efficiency and has even added a new layer of work in the form of system usage support. This finding builds upon the study by Khadafi et al. (2024), which noted a gap in user readiness but did not explore its consequences for the workload of implementing agencies.

The theoretical implication is that technology cannot be treated as a substitute for human resources in implementing policies that serve target groups with uneven digital literacy. Technology only functions as a capacity multiplier if the target group possesses the prerequisite ability to access it. Mitigation strategies through the empowerment of temporary support staff are adaptive, but do not address the root of the structural problem namely, the imbalance between service workload and the capacity of permanent staff.

5.4 Consumer Literacy as a Limiting Factor in Policy Effectiveness

The gap between high levels of financial inclusion and lagging financial literacy has theoretical implications that go beyond simply identifying barriers. In the context of protective regulatory policies, target groups are not passive beneficiaries but rather active agents whose readiness determines whether the protective measures provided can be effectively implemented. Complaint channels, mediation mechanisms, and the right to product information are meaningful only if consumers are able to recognize their rights and access these instruments. Thus, consumer literacy is not merely one element among others in the environmental variables but functions as a factor that limits the effectiveness of all other implementation variables. Clear standards, sufficient resources, and a positive attitude on the part of implementers will not produce the expected impact if the target group is not in a position to take advantage of them.

This argument is consistent with Ozili (2021), who asserts that increasing financial inclusion without literacy actually increases consumers' exposure to losses, as well as with Rahim et al. (2023) and the OECD (2020), who identify financial literacy as a determinant of behavior regarding the use of digital financial services. This study adds a new dimension: in the context of policy implementation, literacy gaps not only increase consumer risk but also hinder the productivity of implementing institutions, as part of their service capacity is diverted to address understanding deficits that should have been resolved during the preventive education phase. This finding reinforces the conclusion by Anisa et al. (2023) that low financial literacy is a cause of suboptimal implementation of consumer protection regulations.

5.5 Multistakeholder Collaboration as a Compensatory Mechanism

Multistakeholder collaboration serves as a compensatory mechanism for internal capacity limitations, as it enables the expansion of educational reach beyond the resources available to implementing agencies. The involvement of businesses as educational partners rather than merely as subjects of oversight represents a shift from an adversarial oversight model toward a collaborative compliance model. This shift also explains the convergence of positive attitudes observed across all categories of actors, as businesses are positioned as contributors rather than merely parties subject to oversight.

Nevertheless, these compensation mechanisms still rely on programmatic activities and have not yet been institutionalized within a permanent coordination forum with shared performance indicators. Research data show an increase in the number of activities and participants, but there are no metrics linking these achievements to changes in literacy levels or a reduction in complaints. The absence of these outcome indicators makes it difficult to assess whether the expansion of the educational reach has been accompanied by a deeper understanding among the target groups.

5.6 Limitations and Agenda for Further Research

This study has several limitations that must be considered when interpreting its findings. First, the study was conducted at a single OJK regional office; therefore, findings regarding the configuration of implementation variables cannot be generalized to other regional offices with different operational areas, financial services sector compositions, and socioeconomic profiles of the local population. Second, the number of informants from the consumer category was relatively limited, so the target group's perspective does not fully represent the diversity of consumer experiences across the entire operational area. Third, this research is qualitative and does not quantitatively measure the relationship between implementation variables and policy outcomes, so that claims regarding the strength of influence of each variable are interpretative based on the convergence of informant statements and secondary data.

Given these limitations, future research is recommended to conduct a comparative study among OJK regional offices to test whether the configuration of four strong variables and two weak variables is location-specific or represents a general pattern of regulatory policy implementation at the regional office level. Furthermore, a quantitative analysis of the relationship between the level of consumer financial literacy and the effectiveness of utilizing available protection instruments would strengthen the argument regarding the role of literacy as a cross-variable moderating factor.

6. Conclusion

This study concludes that the implementation of OJK Regulation No. 22 of 2023 at the Malang Regional Office of the Financial Services Authority has transformed from a normative regulatory text into measurable operational actions. Analysis using the six variables of the Van Meter & Van Horn (1975) model revealed an uneven configuration. The variables of policy standards and objectives, inter-organizational communication and activity reinforcement, characteristics of implementing agents, and the attitudes of implementers demonstrated performance that supported the success of implementation. Conversely, the resource variable and the economic, social, and political environment variables were identified as weaknesses that limit the policy's full effectiveness. This configuration confirms that implementation issues do not stem from regulatory design or implementers' commitment, but rather from the adequacy of institutional capacity and the readiness of the target group.

Mapping the supporting and hindering factors reveals a pattern consistent with this configuration. Supporting factors are

DOI: 10.5281/zenodo.21700681

concentrated in dimensions under the control of implementing institutions, namely staff competence, clarity of work procedures, technological support, multi-stakeholder synergy, and compliance by financial service providers. Conversely, hindering factors are concentrated in the dimensions of capacity and external conditions, namely personnel and budget constraints, the vast geographical scope of operations, limitations on administrative authority, low levels of financial and digital literacy among the public, and the complexity of financial products that are evolving faster than the target groups' ability to adapt.

Theoretically, this study demonstrates that the Van Meter & Van Horn (1975) model remains relevant for analyzing the implementation of regulatory policies in the digital finance sector; however, it needs to be enriched by positioning the readiness of the target group as a cross-variable constraining factor, rather than merely a passive element within environmental variables. Consumer literacy has been shown to not only affect the public's level of vulnerability but also to hinder the productivity of implementing institutions, as part of their service capacity is diverted to address gaps in understanding that should have been resolved during the preventive education phase.

In practical terms, this study recommends two priority interventions: strengthening institutional capacity by increasing the number of staff in consumer service units, improving cross-unit and cross-office referral procedures with measurable service levels, and developing an integrated complaint tracking system; as well as enhancing the readiness of target groups through financial and digital literacy programs segmented according to community profiles and formalized within a multi-stakeholder coordination forum with shared performance indicators.

These findings have relevance that extends beyond the context of a single representative office. In developing countries experiencing accelerated digital financial inclusion without a corresponding acceleration in literacy, strengthening the regulatory framework for consumer protection risks remaining merely a normative achievement if not accompanied by investment in the capacity of implementing agencies and the readiness of target groups. Thus, the success of consumer protection policies in the digital financial services sector is ultimately determined not by the perfection of the regulatory framework, but by the readiness of the ecosystem that supports its implementation.

References

1. Agustino, L. (2008). *Fundamentals of Public Policy*. Alfabeta.
2. Akbar, A., Bestari, P., & Mahpudz, A. (2025). The Van Meter and Van Horn policy implementation model in the context of waste management in Kebon Jayanti Village. *Jurnal ISO: Journal of Social Sciences, Politics, and Humanities*, 5(1), 1–12.
3. Anisa, Y., Syahrin, M. A., & Basir. (2023). Implementation of OJK Regulation No. 6/POJK.07/2022 on consumer and public protection in the online financial services sector in Pekanbaru City. *Journal of Sharia and Law*, 2(4), 1–15.
4. Beda, K. M. (2025). The Role of the Financial Services Authority in Consumer Protection in the Banking Sector. *Jembatan Hukum: Studies in Law, Social Sciences, and Public Administration*, 2(3), 39–47.
5. Eyestone, R. (1971). *The Threads of Policy: A Study in Policy Leadership*. Bobbs-Merrill.
6. Firmansyah, A., Fitria, D. U. L., & Suhaimi, A. (2024). Implementation of Financial Services Authority Regulation No. 10/POJK.05/2022 in Assisting Victims of Online Loans (A Case Study of the Kediri Office of the Financial Services Authority). *Journal of Public Administration*, 4(2), 112–125.
7. Government of Indonesia. (2023). *Law of the Republic of Indonesia No. 4 of 2023 on the Development and Strengthening of the Financial Sector*. https://peraturan.bpk.go.id/Home/Details/240203/uu-no-4-tahun-2023
8. Hamdi, M. (2014). *Public Policy: Process, Analysis, and Participation*. Ghalia Indonesia.
9. Herawati, T. (2024). Trends in consumer complaints against the banking sector: An analysis of complaints filed with the OJK in 2023 in relation to Financial Services Authority Regulation (POJK) No. 18/POJK.07/2018. *Innovative: Journal of Social Science Research*, 4(1), 11255–11260.
10. Khadafi, M. F. A. A., Yudharta, I. P. D., & Wirantari, I. D. A. P. (2024). Implementation of the Consumer Protection Portal Application (APPK) to Improve Complaint Handling Services Related to Legal Online Loans. *Journal of Public Administration*, 5(2), 58–71. https://doi.org/10.61292/eljbn.165
11. Miles, M. B., Huberman, A. M., & Saldana, J. (2014). *Qualitative data analysis: A methods sourcebook* (3rd ed.). Sage Publications.
12. Moleong, L. J. (2010). *Qualitative research methodology* (Rev. ed.). Remaja Rosdakarya.
13. Mustari, N. (2015). *Understanding Public Policy: Formulation, Implementation, and Evaluation of Public Policy*. LeutikaPrio.
14. Nasucha, C. (2004). *Public administration reform: Theory and practice*. Gramedia Widiasarana Indonesia.
15. Nugroho, R. (2006). *Public Policy for Developing Countries*. Elex Media Komputindo.
16. Organization for Economic Co-operation and Development. (2020). *OECD/INFE 2020 International Survey of Adult Financial Literacy*. OECD Publishing.
17. Financial Services Authority. (2023). *Financial Services Authority Regulation No. 22 of 2023 on Consumer and Public Protection in the Financial Services Sector*. https://ojk.go.id/id/regulasi/Pages/Pelindungan-Konsumen-dan-Masyarakat-di-Sektor-Jasa-Keuangan.aspx
18. Ozili, P. K. (2021). Financial inclusion research around the world: A review. *Forum for Social Economics*, 50(4), 457–479. https://doi.org/10.1080/07360932.2020.1715238
19. Pramudita, D. E. R. (2024). Legal protection of debtor SLIK data in cases of fintech companies' errors in entering SLIK data. *Iuris Studia: Journal of Legal Studies*, 5(2), 484–491.
20. Rahim, N. F., Bakri, M. H., Fianto, B. A., Zainal, N., & Hussein Al Shami, S. A. (2023). Measurement of Islamic financial literacy and its impact on the intention to use Islamic fintech. *Journal of Islamic Marketing*, 14(9), 2247–2278. https://doi.org/10.1108/JIMA-09-2020-0279

DOI: 10.5281/zenodo.21700681

21. Solekhani, S. K., & Zahra, D. M. (2024). Evaluation of online lending policies to ensure comprehensive consumer protection. *Innovative: Journal of Social Science Research*, 4(3), 7057–7070.
22. Sugiyono. (2008). *Quantitative, Qualitative, and R&D Research Methods*. Alfabeta.
23. Sugiyono. (2010). *Educational research methods: Quantitative, qualitative, and R&D approaches*. Alfabeta.
24. Suharto, E. (2008). *Social Policy as Public Policy*. Alfabeta.
25. Syafaat, M. R. (2019). Consumer protection under Financial Services Authority Regulation No. 1/POJK.07/2013. *Maleo Law Journal*, 3(2), 211–226.
26. Tahir, A. (2014). *Public policy and transparency in local government administration*. Alfabeta.
27. Van Meter, D. S., & Van Horn, C. E. (1975). The policy implementation process: A conceptual framework. *Administration & Society*, 6(4), 445–488. https://doi.org/10.1177/009539977500600404
28. Wahab, S. A. (2017). *Public policy analysis: From formulation to the development of public policy implementation models*. Bumi Aksara.
29. Winarno, B. (2007). *Public policy: Theory and process*. Media Pressindo.

DOI: 10.5281/zenodo.21700681