



Liability of Indonesian Airlines for Refunds Due to Flight Cancellations Under Consumer Protection Law

Azra Sri Devi Panggabean, Martono Anggusti*, Ria Juliana Siregar

Fakultas Hukum, Universitas HKBP Nommensen

DOI:

<https://doi.org/10.47134/ijlj.v2i3.3666>

*Correspondence: Martono

Anggusti

Email:

martono.anggusti@uhn.ac.id

Received: 22-01-2025

Accepted: 22-02-2025

Published: 22-03-2025



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Abstract: Flight cancellations often cause losses to consumers, both materially and immaterially, and cause uncertainty about the rights and amount of compensation in accordance with the regulations. This study aims to analyze the liability of Indonesian airlines in flight cancellations based on consumer protection regulations and the suitability of the airline's internal policies with applicable regulations. The method used is normative juridical research with a literature study approach. Primary legal materials include Consumer Protection Law No. 8 of 1999, Law No. 1 of 2009 concerning Aviation, as well as Ministerial Regulations PM 77/2011, PM 89/2015, and PM 30/2021. Secondary legal materials include internal airline policies, books, journals, and relevant legal literature. The analysis technique used is qualitative analysis with a descriptive approach. The results show that the internal policies of Indonesian airlines are generally in line with the laws and regulations related to flight cancellation. However, there are still some aspects that require optimization in the implementation of compensation and transparency of information to consumers. This regulatory alignment is expected to improve consumer protection, legal certainty, and the quality of airline services in handling flight cancellations.

Keywords: Indonesian Airline, Flight Cancellation, Costumer Protection

Introduction

Air transportation is now one of the industrial sectors in the transportation sector with significant development. The community's need for mobility is quite massive with rapid economic, technological, telecommunications and information advances, becoming a demand for the presence of reliable aviation services is also getting higher. Air transportation is now an effective alternative because it guarantees speed and time efficiency in the transportation of both goods and people, especially inter-regional and inter-island travel (Ridiyan et al., 2020). However, along with the rapid number of consumers of flight services, it raises various problems of air transportation services.

Flight cancellation is one of the problems often faced by airline consumers. Various factors that often lead to airline decisions to cancel flights can be caused by technical constraints, unfavorable weather conditions (Margaretha & Sudiro, 2023). With the cancellation of flight schedules, of course, it causes various losses felt by consumers. In addition to material and immaterial losses, complaints about unfulfilled aviation consumer rights, and unclear provision of compensation amounts with applicable provisions.

The case of the cancellation of an Indonesian airline flight with flight number IU 765 registration code PK-STZ had occurred in 2023 due to technical problems (technical reasons) which affected 177 passengers destined for Lombok-Jakarta (ANTARA/HO-Humas Bandara Lombok, 2023). This case shows the challenges that must be addressed by the airline in providing legal protection for passengers affected by flight cancellations. In Indonesia, liability policies for consumer losses in the aviation sector industry have been accommodated by a number of regulations, including Law No. 8/1999 on Consumer Protection sets out policies on the rights and legal protection of consumers of products and services.

Furthermore, regulations in the specific context of aviation, for example, are Law Number 1 of 2009 concerning Aviation, as well as various other regulations. In addition, airline companies certainly have internal policies that stipulate the option of compensation as the right of consumers affected by flight cancellations (Andre Rahadian, Hendra Ong, 2022). Although various regulations have been designed to protect consumer rights in the aviation service sector, enforcement in the field is often faced with obstacles. This can be seen from several cases of delays in providing compensation to passengers, inadequate provision of transparent information and discrepancies between government regulations and the operational policies of airline companies. This phenomenon shows the need to harmonize regulations with practices in the field, thus affecting the level of public trust and the protection of aviation consumers from long-term negative impacts.

Several previous studies have discussed consumer protection issues in the air transportation sector industry with a focus on certain airline companies (Nunung Rusmiati, 2024). However, there are no studies that specifically analyze the implementation of regulations in cases of flight cancellations by airlines such as an Indonesian airline. This reflects a gap in the available studies, particularly in analyzing the mechanisms for fulfilling consumer rights and resolving disputes that may occur over the provision of compensation by airline companies.

By understanding the background previously described, the problem of flight cancellations by airlines that often occur raises various issues of legal protection for consumers of aviation services. There are two main problems that are the focus of this research: how the responsibility of an Indonesian airline in adjusting its internal policies with laws and regulations that protect consumer rights related to flight cancellations due to airline errors. The aim of this study is therefore to investigate the airline's internal policies that comply with the laws and regulations governing the protection of consumer rights connected to flight cancellations, with reference to the issues previously discussed.

Methodology

This research uses a normative legal approach with a normative juridical research type, which focuses on the study of legislation and legal literature related to consumer protection, especially in the context of airline liability for flight cancellations (Rizqy Syailendra & Milafebina, 2024). The object of this research includes Indonesian regulations governing consumer protection and airline liability, such as Consumer Protection Law No.

8/1999, Law No. 1/2009 on Aviation, as well as Ministerial Regulations PM 77/2011, PM 89/2015, and PM 30/2021. In addition to primary legal materials, this research also utilizes secondary legal materials, including internal airline policies, books, journals, and other legal literature that support the analysis. Tertiary sources such as the Big Indonesian Dictionary were also used to clarify related legal concepts. Data was collected through a literature study by reviewing various regulations, legal theories, and relevant literature. The analysis was conducted qualitatively with a descriptive approach, namely interpreting and reviewing existing legal materials in order to obtain a comprehensive understanding of airline liability in flight cancellations and the protection of consumer rights (Rohman et al., 2024).

Result and Discussion

Forms of Responsibility of an Indonesian Airline for Refunds for Flight Cancellations

Operationally, comfort and smoothness in flight are expectations for passengers and airlines. Along with the high level of mobility, the risk of flight cancellations and delays is one of the realities that airplane passengers often have to face for various reasons. By looking at the situation that often occurs, understanding the responsibility of airlines for flight cancellations to passengers is very important. As a result, several laws, such as Law Number 8 of 1999 concerning Consumer Protection and Law Number 1 of 2009 concerning Aviation, address the obligation of airlines to Indonesian consumers. These two rules highlight that airlines have an obligation to provide refunds to customers in the event that flight schedules are canceled because of mistakes or internal airline limitations. Additionally, the Transportation Minister's Regulation Number PM 77 of 2011 regarding Air Transport Liability and Regulation Number PM 30 of 2021 regarding Minimum Service Standards are in effect. Travelers Transportation Air attests to the duty of airlines to reimburse or compensate passengers.

Airlines are responsible for losses incurred by passengers, baggage or cargo. Regarding Article 1 Point 22 of Law Number 1 of 2009 concerning Aviation, which outlines the carrier's duty to make up for damages incurred by passengers, cargo shippers, and other parties (Wirawan & Sinaga, 2024). Article 19 paragraph (1) of Law Number 8 of 1999 concerning Consumer Protection states that "Business actors are responsible for providing compensation for damage, pollution, and/or consumer losses due to consuming goods and/or services produced or traded (Muhasyibi et al., 2022)." This regulation governs the airlines' responsibility for flight cancellations that negatively affect passengers in Indonesia. ". Article 146 of Law No. 1 of 2009 Concerning Aviation states that "The carrier is responsible for losses suffered due to delays in the transportation of passengers, baggage or cargo, unless the carrier can prove that the delay was caused by weather and technical operational factors" (Inggrit Kereh, Evie Sompie, 2021).

The event of a flight cancellation is one of the many reasons why travelers may experience losses. Flight cancellation is defined as the failure of a flight to operate in accordance with a specified flight plan in Article 1 Point 7 of the Regulation of the Minister of Transportation Number PM 77 of 2011 concerning Air Transport Responsibility (Yuli et

al., 2021). Flight cancellation can also be defined as an incident that usually occurs in the aviation business sector that takes a long time and has a detrimental impact on passengers (Supriyatna et al., n.d.). The cause of flight cancellations by airlines is caused by operational technical factors to weather factors. based on the Republic of Indonesia's Number PM 89 of 2015 Regulation of the Minister of Transportation for the Management of Flight Cancellations.

According to Delay Management in Scheduled Commercial Air Transportation Business Entities in Indonesia, the extent of flight delays is flight cancelation.

Article 2

Flight delays at scheduled commercial airline companies include:

- a) Flight delayed;
- b) Denied boarding passengers due to aircraft capacity; and
- c) Cancellation of flight (Bombelli & Sallan, 2023).

As a commercial actor in the aviation sector, an Indonesian airline is required to protect the rights of passengers who suffer harm as consumers in the case of a flight cancellation. The rights of consumers and the responsibilities of corporate actors are governed by Law Number 8 of 1999 concerning Consumer Protection. The rights of passengers as consumers are regulated in Article 4 letter h of Law Number 8 of 1999 concerning Consumer Protection, which states, "The right to compensation, compensation and/or replacement, if the goods and/or services received are not in accordance with the agreement or not as they should be (ERIK PERNANDA, 2024)." Meanwhile, the obligations of business actors for losses to consumers are regulated based on Article 7 letter g, which says, "Provide compensation, compensation and/or replacement if the goods and/or services received or utilized are not appropriate (Pekalongan, 2024)."

"Compensation is money paid or as a substitute for a loss" is the definition of compensation that is confirmed in Article 1 Number 18 of the Minister of Transportation Regulation Number PM 77 of 2011 concerning Air Transport Liability, which also clearly regulates the provision of compensation in the aviation industry (Fahrizal et al., 2022). The Minister of Transportation Regulation Number PM 30 of 2021 addressing Minimum Service Standards has been included into an Indonesian airline's flight cancellation and refund policy.

The rules regarding flight cancellations and refunds to passengers imposed by an Indonesian airline are as follows:

- a) Cancellation > 72 hours before departure: A refund fee of 25% of the base price applies. Airport tax, VAT, service fees, and Raharja contributions will be fully refunded.
- b) Cancellation 72 to 4 hours before departure: A refund fee of 50% of the base price applies. Airport tax, VAT, service fees, and Raharja contributions will be fully refunded.
- c) Cancellation < 4 hours before departure: A refund fee of 90% of the base price applies. Airport tax, VAT, service fees, and Raharja contributions will still be fully refunded

Refunds to passengers using cash through airline sales channels must be made no

later than 15 (fifteen) working days from submission; refunds using non-cash ticket purchase methods through airline sales channels must be made no later than 30 (thirty) working days from submission; and refunds using other sales channel methods must be made no later than 30 (thirty) working days from submission, according to Minister of Transportation Regulation Number PM 30 of 2021 concerning Minimum Service Standards for Air Transport Passengers in Appendix I, page 24 Number 6.14 As outlined in Minister of Transportation Regulation Number PM 30 of 2021 about Minimum Service Standards for Air Transport Passengers, the process by which an Indonesian airline submits refunds has been modified to comply with Ministry of Transportation regulations (SARTIKA YULI, n.d.).

Based on the description above, legal protection of consumer rights, obligations of business actors, responsibilities of business actors and refund procedures for flight cancellations have been regulated by various applicable regulations. Related to this, the protection in question is preventive protection (Danian et al., 2021). Meanwhile, as a form of repressive protection, it is more explicitly regulated in Article 60 of Law Number 8 of 1999 concerning Consumer Protection which states:

- 1) When business actors violate Articles 19, 20, 25, and 26 (paragraphs (2) and (3)), the consumer dispute resolution body has the authority to administer administrative punishment.
- 2) Administrative penalties up to Rp 200,000,000.00 (two hundred million rupiah) in the form of compensatory awards.
- 3) The process described in paragraph for deciding on administrative punishment (1) will be governed by laws and rules .

Article 23 of Law Number 8 of 1999 concerning Consumer Protection stipulates that "Business actors who refuse and/or do not respond and/or do not fulfill compensation for consumer claims as referred to in Article 19 paragraph (1), paragraph (2), paragraph (3), and paragraph (4) may be sued through the Consumer Dispute Resolution Agency or submit to the judicial body at the consumer's domicile." This is especially true if airlines are unable to fulfill their obligations for the losses suffered by consumers" (Panggabean & Badriyah, 2023).

Fulfillment of the airline's responsibility to refund flight cancellations to passengers is expected to strengthen public trust while reflecting the professional standards of airline companies. Various consumer protection regulations specifically in the air transportation sector are presented with the hope of potentially building healthy business competition in the aviation sector in providing quality services and providing protection to consumers in the event of unwanted events (Rapidawati, 2022).

Conclusion

The responsibility of airlines to consumers in Indonesia is accommodated in various policies, including Law Number 8 of 1999 concerning Consumer Protection and Law Number 1 of 2009 concerning Aviation. Furthermore, Regulation of the Minister of Transportation Number PM 77 of 2011 concerning Air Transport Liability and Regulation of the Minister of Transportation Number PM 30 of 2021 concerning Minimum Service Standards for Air Transport Passengers emphasize the obligation of airline companies to provide compensation or refunds to passengers. Super Air Jet as a business actor in the aviation industry has an obligation to fulfill the rights of passengers as consumers who are harmed in the event of a flight cancellation incident. Therefore, the flight cancellation and refund policy by Super Air Jet airlines has been adjusted to the Minister of Transportation Regulation Number PM 30 of 2021 concerning Minimum Service Standards for Air Transport Passengers. In addition, the procedure for submitting refunds and efforts to resolve disputes between business actors and consumers This alignment is expected to increase public trust and encourage healthy business competition to provide quality services to consumers.

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