

TVI EXPRESS MEMBER RIGHTS BASED ON CONSUMER PROTECTION PERSPECTIVE

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Abstrak. *This study aims to determine that TVI Express members get rights as consumers based on the perspective of consumer protection. This type of research is empirical legal research. The interview method was used to obtain research data. The data obtained in this study were then analyzed qualitatively. The results show that TVI Express members do not get rights as consumers based on the perspective of consumer protection. The rights that TVI Express members do not obtain are the right to correct, transparent, and honest information regarding the conditions and guarantees of TVI Express products. In addition, TVI Express members did not get the right to have their opinions and complaints heard on TVI Express service products that could not be used. Furthermore, TVI Express members do not get the right to obtain compensation or replacement from TVI Express. Therefore, it is recommended that legal certainty on consumer protection for TVI Express members can be realized. In this case, practical steps are needed from the government, especially BPSK, to take firm action against TVI Express business actors. In addition, it takes an active role from the community to continue to provide information and complaints if they feel the MLM business has harmed them. In this case, the government, especially BPSK, can suppress the MLM business to be responsible to its members and consumers.*

Keywords:
*Consumer Protection;
Consumer Rights;
MLM;
TVI Express.*

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INTRODUCTION

One of the variations of buying and selling businesses currently developing is franchising, especially Multi-Level Marketing (MLM).¹ More than 100 Indonesian companies are currently involved in the MLM business industry. Based on Article 1 point 48 of Decision of Minister of Industry and Trade of the Republic of Indonesia Number 23/MPP/Kep/1/1998 on Trading Business Institutions, explains that:

“Sales by means of a franchise is a multi-level sales method to consumers through marketing developed by individuals or business entities that introduce certain goods and or services to a number of individuals or other

¹Fauziah, N. D., *et al.* (2017). Multi Level Marketing dalam Perspektif Syariah. *Al-Adalah: Jurnal Syariah dan Hukum Islam*, 2(3), p. 167.

business entities successively working based on commissions or reasonable membership fees."

One of the MLM businesses is Travel Ventures International Express (TVI Express). TVI Express is a business engaged in world travel and tourism services that relies on a network system or member get member. As for TVI Express members who do not get a downline, the money can be returned but must wait for an indefinite time limit. Starting from these rules will cause legal problems if MLM members do not manage to get a downline and do not get their money back. For example, Yusuf was cheated by a distributor of TVI Express in Bone Regency. In this case, Yusuf believes the distributor's words that by depositing a certain amount of money within two months, he will earn IDR 100,000,000.00. Unfortunately, Yusuf's money was IDR 20,800,000.00 in the end floated.²

Based on the above reality, the victims who only know the news of the revelation of the MLM guise case through the mass media do not know the difference between the MLM business and the MLM guise business, so they tend to generalize between the two businesses. This understanding is wrong thinking caused by a lack of public knowledge about the characteristics of a pure MLM business. Therefore, many communities have been used by irresponsible people to enrich themselves.

There have been many studies that examine the existence of MLM in Indonesia. Nuryasman M. N. emphasized in his research discussion that:³

"Prospective MLM members must know the difference between network marketing and network marketing guise to do not go wrong in following it. Because there have been many conditions where MLM members did not get a profit but instead got a loss, and in the end, they would convict that all MLM activities are fraudulent businesses."

Afni Adelina Simanjuntak, et al., in their research, concluded that:⁴

"The form of the MLM business guide is grouped into three systems or concepts. First, the pyramid scheme is a fake investment system that pays commissions to existing participants from the funds of recruits, not from real profits. Second, the chain letter investment pattern is a system of levying a relative member registration fee. Third, binaries is a system developed based on the recruitment pattern of two people (two legs), which is continuously duplicated. This profit is solely the result of recruiting and depositing registration fees."

²Amar, A. A. P. (2014). "Bisnis Multi Level Marketing Travel Ventures International Express dalam Perspektif Perlindungan Konsumen". *Tesis*. Universitas Hasanuddin, p. 17.

³Nuryasman, M. N. (2008). Multi Level Marketing (MLM) sebuah Bisnis Idaman. *Jurnal Manajemen*, 12(3), p. 297.

⁴Simanjuntak, A. A., et al. (2017). Analisis Yuridis terhadap Penegakan Hukum Pidana dalam Menanggulangi Tindak Pidana Penipuan dengan Modus Bisnis Multi Level Marketing (Money Game). *Jurnal Online Mahasiswa Fakultas Hukum, Universitas Riau*, 6(2), p. 13.

Furthermore, Agus Irsyadi, in his research, concluded that:⁵

“Pyramid schemes and MLM are different things. The pyramid scheme only earns income from registering new members who join and not from the sale of goods and or services.”

From the description above, it can be understood that there is a businesses guise of MLM that generally use pyramid schemes. In addition, the fraudulent business only uses the new member registration fee as a member bonus and not from the sale of goods and or services. The main focus of this research is to reveal the activities of one of the companies that guise MLM so that it becomes vital to research.

Based on the preliminary description above, this research aims to determine that TVI Express members get rights as consumers based on the perspective of consumer protection.

METHOD

This type of research is empirical legal research, namely legal research whose object of study includes the provisions of laws and regulations (*in abstracto*) and their application to legal events (*in concreto*).⁶ The nature of legal research is analytical descriptive, that is, uncovering laws and regulations relating to legal theories in society. This research was conducted in 2013 in Bone Regency, South Sulawesi Province. The population in this study are distributors as MLM members involved in TVI Express. The number of informants was as many as 25 people, determined by purposive sampling. The types and sources of data used in this study are as follows:⁷

1. Primary Data is data obtained directly from informants based on population and sample determination;
2. Secondary Data is data obtained from searching legal literature, including laws and regulations, references, legal scientific journals, legal encyclopedias, and texts or official publications.

The interview method was used to obtain research data, which was conducted by interviewing directly to informants related to the problems studied in this study. The data obtained in this study were then analyzed qualitatively, namely by describing the data in prose language, when linked with other data to get clarity on truth or vice versa to make a clear conclusion.

⁵Irsyadi, A. (2019). Pertanggungjawaban Pidana Pelaku Korporasi Bisnis Multi Level Marketing yang Menerapkan Skema Piramida. *Jurist-Diction*, 2(6), p. 1964.

⁶Qamar, N. & Rezah, F. S. (2020). *Metode Penelitian Hukum: Doktrinal dan Non-Doktrinal*. Makassar: CV. Social Politic Genius (SIGn), p. 5.

⁷Husen, L. O., et al. (2020). Pengamanan Intelijen Kepolisian Terhadap Putusan Pengadilan Atas Objek Sengketa. *SIGn Jurnal Hukum*, 1(2), p. 138.

RESULTS AND DISCUSSION

A. MLM as a Business System

The MLM system originated in the United States and was introduced scientifically by two marketing professors from the University of Chicago, namely Karl Ramburg and Robert Metcalt, in 1945.⁸ Karl Ramburg discovered the basic principles of marketing his supplement products by involving several friends. He suggested that his friends sell the product to their friends. Karl Ramburg will then give commissions to his friends from the sales of these supplements.⁹

Meanwhile, the existence of MLM in Indonesia began with the establishment of Creative Network International (CNI) in 1986 in Bandung under the name PT Nusantara Sun-Chlorella Tama (NSCT).¹⁰ The MLM business in Indonesia grew and developed after the monetary and economic crisis.¹¹ Players who enter the MLM world take advantage of the momentum and crisis to offer foreign and local players business solutions. For example, CNI, Amway, Avon, Tupperware, Sophie Martin, Oriflame, Herbalife International, Prime & First New, Greenlite, DXN, and other MLMs.¹²

In running an MLM business, several parties are involved in it, including the following.

1. MLM Company

An MLM company is an activity unit that carries out processing activities of production factors to produce products, namely goods and or services aimed at consumers through marketing mechanisms.¹³ Products traded in MLM companies generally have specific distinctive values and benefits.

MLM companies have a code of ethics to regulate distributors as MLM members carry out marketing work mechanisms. The code of ethics contains information regarding the company, the position of rights, obligations, facilities, and setting sanctions if one of the parties bound commits a breach (default). The code of ethics also serves as a reference for members and prospective MLM members in providing information about the marketing plan or business plan. The term marketing plan or business plan in an MLM company includes information about the company's vision and mission and the hierarchical

⁸Keep, W. W. & Nat, P. J. V. (2014). Multilevel Marketing and Pyramid Schemes in the United States: An Historical Analysis. *Journal of Historical Research in Marketing*, 6(2), p. 190.

⁹Reingewertz, Y. (2021). An Economic Model of Multi-Level Marketing. *PLoS ONE*, 16(7), p. 3.

¹⁰Wandarujati, M., et al. (2020). Effect of Organizational Justice on Stress with Work-Family Conflict as a Mediating Variable. *Terbuka Journal of Economics and Business*, 1(1), p. 11.

¹¹Marimin, A., et al. (2016). Bisnis Multi Level Marketing (MLM) dalam Pandangan Islam. *Jurnal Ilmiah Ekonomi Islam*, 2(2), p. 107.

¹²Ibrahim, J. (2009). *MLM Bikin Saya Kaya Raya*. Jakarta: PT. Gramedia Pustaka Utama, p. 10.

¹³Indrajaya, W. (2018). Studi Mengenai Pelanggan yang Membeli dari Perusahaan Multi-Level Marketing di Jakarta. *Jurnal Manajemen Bisnis dan Kewirausahaan*, 2(1), pp. 138-139.

position of the MLM member positions. In addition, there is a draft revenue sharing system from the company, which includes profits, rewards, procedures, and percentages distributed through the network system.

2. MLM Company Distributor

As members of MLM companies, Distributors are individuals who are willing to join as business partners by registering themselves through a written agreement.¹⁴ MLM members are more accurately referred to as business partners because the cooperation between the two is more independent (voluntary). An MLM member does not get regular income in the form of salary or wages obtained by workers or employees of a company. However, MLM members earn income in the form of commission in rewards related to sales turnover. Thus MLM members can also be said to be independent entrepreneurs.

Each MLM member is also incorporated into a distributor organization that forms a specific network or networking unit. The relationship between each MLM member in the same networking unit is as follows:¹⁵

- a. Upline, namely distributors who recruit and sponsor new members;
- b. Downlines, namely new members recruited by MLM members who have already been registered as company distributors.

3. Consumer

Consumers in the context of MLM are community users or buyers of MLM company products who aim to consume the product personally. Consumers in the context of MLM consist of two categories, namely:¹⁶

- a. People who buy and use products through direct sales from MLM members;
- b. MLM members who personally buy and use products from the MLM company are concerned.

B. TVI Express as an MLM Company

TVI Express is an MLM company that relies on reliable products and engages in travel and hospitality services. The working system of TVI Express is that it requires an MLM member to recruit other people to join as new members. Furthermore, Andi Imam said:¹⁷

¹⁴Groß, C. & Vriens, D. (2017). The Role of the Distributor Network in the Persistence of Legal and Ethical Problems of Multi-level Marketing Companies. *Journal of Business Ethics*, 156(2), p. 338.

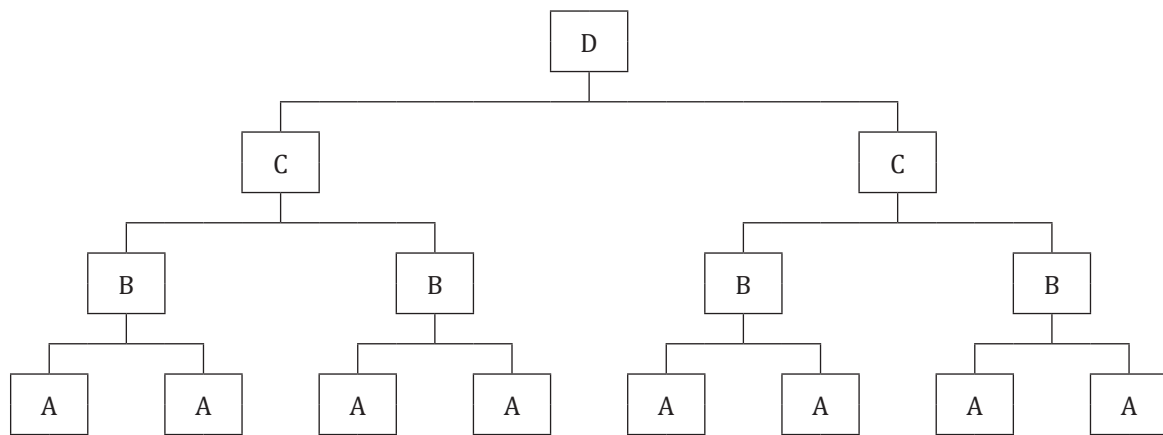
¹⁵Ezekiel, A. O. & Toba, O. (2020). Direct Marketing against Multi-Level Marketing, Pullback and Implication. *International Journal of Research Publications*, 63(1), p. 69.

¹⁶Albaum, G. & Peterson, R. A. (2011). Multilevel (Network) Marketing: An Objective View. *The Marketing Review*, 11(4), p. 349.

¹⁷Results of Interview with Andi Imam. TVI Express Members have the Status of Bone Regency Network Upline. July 8, 2013.

“To fill an upline position, an MLM member must recruit a downline of at least 2 people. Each new member is required to deposit IDR 2,600,000.00. The upline then positions the downline in a pyramid scheme, where there is one downline on the left foot and another downline on the right foot. If the pyramid scheme has been formed, the upline will get a higher and more promising income/bonus. Likewise, downlines are also required to fill upline positions, thus forming a multi-level pyramid-shaped mechanism. The more members recruit, the more income/bonuses that member will get.”

The following is the multi-level pyramid mechanism of the TVI Express System:



Information:

1. D = Level 4
2. C = Level 3
3. B = Level 2
4. A = Level 1

The above mechanism describes the working process of TVI Express with the Travel Board and Express Board level scheme. The working mechanism at the Travel Board level scheme is where every MLM member who successfully recruits 2 new members fills level 1 so that the MLM member will automatically be at the level 2 stage. And so on until the MLM member is at the last level or level 4. MLM members already at level 4 are entitled to a cash prize of IDR 5,000,000.00.

MLM members who have completed the working mechanism on the Travel Board level scheme will automatically proceed to the working mechanism on the Express Board level scheme. The working mechanism on the Express Board level scheme is the same as the Travel Board level scheme but with a different status. In this case, the MLM member managed to have 2 downlines at the Express Board stage and filled level 1 so that the MLM member would automatically be at level 2. And so on until the MLM member is at the last level or level 4. MLM members already at level 4 are entitled to a cash prize of IDR 100,000,000.00, travel tickets, and hotel stay tickets as determined by TVI Express. If the MLM member has

received the bonus, then the MLM member returns to level 1 on the Express Board level scheme and again has the opportunity to get the Express Board level scheme bonus.

From the explanation above, it can be judged that the working mechanism of TVI Express can be categorized as a prohibited system. In this case, every new member of TVI Express deposits money in advance to get a bigger prize than what has been deposited. So it can be interpreted that the income earned by TVI Express members is not by selling goods and or services.

Andrias Harefa said three negative things about pyramid schemes, including:¹⁸

1. This scheme places most of its members as losers to pay off a few winners. It is even more, crueller than gambling games (mainly because participants are unknowingly involved in some gambling).
2. Companies and participants (consciously or unconsciously) must deceive the people they recruit because if this system is explained logically and thoroughly, few people will be interested in following it.
3. This system is illegal, and in many countries, company owners and participants are arrested, fined, and jailed for operating this system.

This multi-level network-based system in a pyramid scheme will only benefit the MLM members who join first. Meanwhile, MLM members who join later will ultimately be harmed by this pyramid scheme. In addition, the pyramid system applied as a working mechanism for TVI Express members in running their business is also against the laws and regulations.

On the other hand, the pyramid system used by TVI Express is different from the system used by MLMs in general, such as Herbalife and Tianshi, which have been successful up to that time. Both Herbalife and Tianshi rely on goods and or services to make a profit. These two MLMs can exist and survive until then because the results or fees obtained by members of the MLM network are obtained from the sale of goods and or services. Therefore, network members in the lowest structure can benefit from the use and sale of goods and or services.

C. Consumer Protection based on Law No. 8 of 1999

Based on Article 1 point 2 of Law of the Republic of Indonesia Number 8 of 1999 on Consumer Protection (hereinafter referred to as Law No. 8 of 1999), explains that:

“Consumers are every person who uses goods and or services available in the community, both for the benefit of themselves, their families, other people, and other living creatures and not for trading.”

¹⁸Harefa, A. (2007). *Menapaki Jalan DS-MLM: Praktik, Pesona, dan Kiat Berbisnis Direct Selling dan Multi Level Marketing*. Yogyakarta: Gradien Mediatama, p. 86.

From the above provisions, it can be understood that consumers have a broader meaning. In this case, consumers also include the use of goods and or services to benefit other living beings. So, consumer protection protects non-human consumers (animals and plants). Definition of consumers in Law No. 8 of 1999 is very appropriate to provide the broadest possible protection to consumers.¹⁹ According to A. Z. Nasution:²⁰

“Consumers are everyone who gets goods and or services available in the community that are used to meet personal, family, or household needs and not for commercial needs.”

Based on Article 1 point 1 of Law No. 8 of 1999, explains that “*consumer protection is all the effort that guarantees legal certainty to give protection to customers.*”

From the above provisions, it can be understood that the sentence stating “*all the effort that guarantees legal certainty*” is expected as a fortress to eliminate arbitrary actions that harm business actors only for the benefit of consumer protection. Therefore, although this law is referred to as the consumer protection law, it does not mean that the interests of business actors are not taken into account.²¹ According to Shidarta:²²

“Consumer protection is the general principles and rules of law that regulate relationships and problems between various parties with one relating to consumer goods and or services in social life.”

In line with the limits of consumer law, consumer protection law is the entire legal principle and rules that govern protecting consumers in their relationships and problems with the providers of goods and or services to consumers.²³ The principle of consumer protection, based on Article 2 of Law No. 8 of 1999, regulates that “*consumer protection is based on the principles of benefit, fairness, balance, consumer safety and security, and legal certainty.*”

The principles mentioned above are matched with the purpose of consumer protection, as based on Article 3 of Law No. 8 of 1999, which regulates that consumer protection aims:

- a. increase consumer awareness, ability, and independence to protect themselves;
- b. elevating the dignity of consumers by preventing them from the harmful excesses of using goods and or services;

¹⁹Ksamawantara, I. M. A., *et al.* (2021). Perlindungan Konsumen terhadap Penipuan yang Dilakukan Broker Forex Ilegal. *Jurnal Interpretasi Hukum*, 2(2), p. 285.

²⁰Nasution, A. Z. (1995). *Konsumen dan Hukum: Tinjauan Sosial Ekonomi dan Hukum pada Perlindungan Konsumen Indonesia*. Jakarta: Pustaka Sinar Harapan, p. 73.

²¹Maileni, D. A. (2014). Tinjauan Yuridis Tanggungjawab Produk terhadap Undang-Undang Nomor 8 Tahun 1999 tentang Perlindungan Konsumen. *Jurnal Dimensi*, 3(3), p. 2.

²²Shidarta, S. (2006). *Hukum Perlindungan Konsumen Indonesia*. Jakarta: Grasindo, p. 61.

²³Moertiono, R. J. (2020). Perbuatan Melawan Hukum dalam Perjanjian Multi Level Marketing Barang-Barang Makanan, Minimum Kesehatan dan Perbekalan Kesehatan Rumah Tangga Ditinjau dari UU Nomor 8 Tahun 1999 tentang Perlindungan Konsumen. *Jurnal Ilmiah Metadata*, 2(2), pp. 115-116.

- c. increasing the empowerment of consumers in choosing, determining, and demanding their rights as consumers;
- d. create a consumer protection system that contains elements of legal certainty and information disclosure as well as access to information;
- e. raise awareness of business actors regarding the importance of consumer protection so as to grow an honest and responsible attitude in doing business;
- f. improve the quality of goods and or services that ensure the continuity of the business of producing goods and or services, health, comfort, security, and consumer safety.

Consumer protection is identical to the protection provided by law on consumer rights. Based on Article 4 of Law No. 8 of 1999 regulates that consumer rights are:

- a. the right to comfort, security, and safety in consuming goods and or services;
- b. the right to choose goods and or services and to obtain such goods and or services in accordance with the exchange rate and the promised conditions and guarantees;
- c. the right to correct, transparent, and honest information regarding the conditions and guarantees of goods and or services;
- d. the right to have their opinions and complaints heard on the goods and or services used;
- e. the right to obtain proper advocacy, protection, and efforts to resolve consumer protection disputes;
- f. the right to receive consumer guidance and education;
- g. the right to be treated or served correctly and honestly and not discriminatory;
- h. the right to obtain compensation and or replacement if the goods and or services received are not in accordance with the agreement or not correctly;
- i. rights regulated in the provisions of other laws and regulations.

In general, there are 4 fundamental consumer rights, namely:²⁴

1. The right to safety;
2. The right to be informed;
3. The right to choose;
4. The right to be heard.

Apart from the rights referred to in the above provisions, there are also consumer obligations based on Article 5 of Law No. 8 of 1999, which regulates that consumer obligations are:

- a. read or follow information instructions and procedures for the use or utilization of goods and or services for the sake of security and safety;
- b. have good faith in making transactions for the purchase of goods and or services;

²⁴Shidarta, S. (2006). *Op. Cit.*, p. 19.

- c. pay according to the agreed exchange rate;
- d. follow the efforts to settle consumer protection disputes properly.

As for the importance of the obligations of consumers as intended above, business actors often convey clear warnings on the label of a product. However, consumers do not read the warnings that have been delivered to them. Setting this obligation gives consequences for business actors to be released from responsibility if the consumer in question suffers a loss due to neglecting his obligations.

On the other hand, consumer obligations as regulated in Law No. 8 of 1999 have been rated as correct. In this case, the provision is to protect the rights of consumers to obtain appropriate dispute resolution efforts based on consumer protection. If consumers follow proper dispute resolution efforts, this right will become easier to obtain. It is just that the obligations of consumers are not sufficient for this purpose if they are not followed by the same rights and obligations on the part of business actors. Based on Article 6 of Law No. 8 of 1999 regulates that the rights of business actors are:

- a. the right to receive payments in accordance with the agreement regarding the conditions and exchange rates of goods and or services traded;
- b. the right to obtain legal protection from consumer actions with bad intentions;
- c. the right to conduct proper self-defence in the legal settlement of consumer disputes;
- d. the right to rehabilitate a reputation if it is legally proven that consumer losses are not caused by goods and or services traded;
- e. the rights regulated in the provisions of other laws and regulations.

Furthermore, based on Article 7 of Law No. 8 of 1999 regulates that the obligations of business actors are:

- a. have good intentions in carrying out their business activities;
- b. provide correct, transparent, and honest information regarding the conditions and guarantees of goods and or services, as well as provide explanations for use, repair and maintenance;
- c. treat or serve consumers correctly and honestly and non-discriminatory;
- d. guarantee the quality of goods and or services produced and or traded based on the provisions of the applicable quality standards of goods and or services;
- e. provide opportunities for consumers to test and or try certain goods and or services and provide guarantees and or guarantees for goods manufactured and or traded;
- f. provide compensation and or replacement for losses due to the use, use and utilization of traded goods and or services;
- g. provide compensation and or replacement if the goods and or services received or utilized are not in accordance with the agreement.

From the description above, it can be seen that consumer protection has a legal umbrella. In this case, it regulates the rights and obligations on the part of consumers and the part of business actors.

D. TVI Express Member Legal Protection based on Law No. 8 of 1999

As described in the previous discussion, TVI Express is a company. In addition, MLM members as business partners also act as consumers. On the other hand, the working mechanism of TVI Express has been judged to deviate from business activity. In this case, the proceeds or fees obtained by TVI Express members are not obtained from the sale of goods and or services. While Law No. 8 of 1999 has regulated rights and obligations on the part of consumers and the part of business actors.

1. The Right to Correct, Transparent, and Honest Information regarding the Conditions and Guarantees of Goods and or Services

In running an MLM business, consumers or MLM members have the right to obtain transparent information about goods and or services purchased or consumed.²⁵ This information is needed by MLM members so that when deciding to buy, they are not trapped in an awful risk condition that may arise. MLM members have the right to know the negative characteristics or attributes of a product. For example, the side effects of consuming a good or information on the services' clarity. TVI Express should carry out this condition in marketing the goods and or services offered to consumers or members.

On the other hand, TVI Express is growing significantly in Bone Regency. The service products offered by TVI Express are world travel and tourism services that rely on a network system. Someone who has become a member of TVI Express will automatically get a voucher to stay at five-star hotels worldwide. This information is then used as a promotion by TVI Express members in marketing their products. However, various opinions have emerged from members of the TVI Express network of Bone Regency. These various opinions are because TVI Express members feel they have benefited, and some feel that they are significantly disadvantaged.

According to Novianti, the benefits or advantages of running a TVI Express business include:²⁶

- a. Members get hotel vouchers to stay at five-star hotels located around the world.

²⁵Bosley, S. & McKeage, K. K. (2015). Multilevel Marketing Diffusion and the Risk of Pyramid Scheme Activity: The Case of Fortune Hi-Tech Marketing in Montana. *Journal of Public Policy & Marketing*, 34(1), p. 90.

²⁶Results of Interview with Novianti. TVI Express Members have the Status of Bone Regency Network Upline. July 8, 2013.

- b. A bonus of IDR 5,000,000.00 if the member manages to reach the last level of the Travel Board level scheme.
- c. A bonus of IDR 100,000,000.00 if the member manages to reach the last level of the Express Board level scheme. (Especially the bonus on the Express Board can be obtained many times without any limitations).
- d. Members get specific incentives in the form of objects or properties based on the procedures that apply to TVI Express.

Furthermore, Andi Imam acknowledged that:²⁷

"I have profited from this business more than IDR 800,000,000.00. In addition, I also received a voucher to stay at a five-star hotel located in the Province of Bali for 7 days and 6 nights at no cost."

Novianti also acknowledged that:²⁸

"I have made a profit of not less than IDR 200,000,000.00 from the business results in TVI Express. However, Andi Imam nor I have received the incentives promised by TVI Express. However, we do not mind it because our benefits are more than enough."

However, not all MLM members benefit from the TVI Express business. Several MLM members join but do not get the promised benefits. Some MLM members feel that they have lost after joining TVI Express. They feel cheated after joining this business. Mursyid and Sultan acknowledged that:²⁹

"We were promised a profit of IDR 100,000,000.00 within two weeks by the upline if we had deposited IDR 2,600,000.00 and we had 2 downlines."

Furthermore, Rosnatang, Abd. Rasyid, Suaib, Baco, Andri, Rahmat, Kamire, Hj. Syamsiar, H. Agus, Syamsuriadi, and M. Amrullah acknowledged that:³⁰

"We are promised that we will get a profit of IDR 100,000,000.00 within 1 month if we deposit IDR 22,500,000.00 without working at all. However, none of these promises was kept. Everything is just a promise. The money we deposited did not come back. In addition, the voucher to stay at the five-star hotel that was given was not usable."

H. Ilham, Hj. Darna, A. Abd. Aziz, A. Arjuna, Hatta, Yulita, Awangsari, Astina, and Abd. Muis acknowledged that:³¹

²⁷Results of Interview with Andi Imam. TVI Express Members have the Status of Bone Regency Network Upline. July 8, 2013.

²⁸Results of Interview with Novianti. TVI Express Members have the Status of Bone Regency Network Upline. July 8, 2013.

²⁹Results of Interview with Mursyid and Sultan. TVI Express Members have the Status of Bone Regency Network downlines. July 9, 2013.

³⁰Results of Interview with Rosnatang, Abd. Rasyid, Suaib, Baco, Andri, Rahmat, Kamire, Hj. Syamsiar, H. Agus, Syamsuriadi, and M. Amrullah. TVI Express Members have the Status of Bone Regency Network downlines. July 9, 2013.

³¹Results of Interview with H. Ilham, Hj. Darna, A. Abd. Aziz, A. Arjuna, Hatta, Yulita, Awangsari, Astina, and Abd. Muis. TVI Express Members have the Status of Bone Regency Network downlines. July 9, 2013.

“By joining this TVI Express MLM, we are all promised to get a money/bonus of IDR 100,000,000.00 if we deposit IDR 2,600,000.00 and wait for 3 months without working or trying. However, the money we deposited was used by the upline to buy vouchers in the personal name of the upline.”

2. The Right to Have Their Opinions and Complaints Heard on the Goods and or Services Used

The right to express opinions and complaints directly also has the right to be heard. This right to be heard is the consumer’s right not to be further harmed or the right to avoid being harmed. The forms of consumer rights include:³²

- a. Questions about various matters relating to specific products if the information obtained about the product is insufficient;
- b. Complaints about losses that consumers have experienced due to the use of a product;
- c. Statement of opinion about a government policy related to consumer interests.

The form of rights above also become the rights of uplines and downlines of TVI Express members who suffer losses from joining that MLM. Syamsuriadi and M. Amrullah acknowledged that:³³

“We do not know where they should submit our complaints and opinions on our losses. Many of us submit complaints to uplines but do not get a satisfactory answer from the upline. Uplines argue that they only offer services and products as stated by the distributor.”

3. The Right to Obtain Compensation and or Replacement

The right to compensation is intended to restore conditions that have become damaged (unbalanced) due to the use of goods and or services that do not meet consumer expectations. This right is closely related to the use of products that have harmed consumers, either in the form of material losses or losses that are personal concerns (illness, disability, or death of the consumer). The form of compensation can be in the form of:³⁴

- a. Money refund;
- b. Replacement of similar goods and or services; or
- c. Replacement of equivalent goods and or services.

³²Tharifi, A. (2011). Perlindungan terhadap Konsumen pada Cacat Produk DFSK 580 Turbo Cvt Milik PT. Sokonindo Automobile berdasarkan Asas Keamanan dan Keselamatan Konsumen. *JISIP: Jurnal Ilmu Sosial dan Pendidikan*, 5(1), p. 652.

³³Results of Interview with Syamsuriadi and M. Amrullah. TVI Express Members have the Status of Bone Regency Network downlines. July 9, 2013.

³⁴Amar, A. A. P. (2014). *Op. Cit.*, p. 76.

The conditions above are different from those experienced by TVI Express members who suffered losses. Rosnatang, Abd. Rasyid, Suaib, Baco, Andri, Rahmat, Kamire, Hj. Syamsiar, H. Agus, Syamsuriadi, and M. Amrullah acknowledged that:³⁵

“Until now, TVI Express has not returned the material losses we suffered. This loss is in the form of cash to buy TVI Express products and join it. The initial fund that we have to deposit to join is IDR 2,600,000.00 for 1 business point. In addition, hotel vouchers to stay at five-star hotels worldwide for 7 (seven) days and 7 (seven) nights cannot be used.”

Therefore, based on Article 19 section (1) of Law No. 8 of 1999, which regulates 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.”

Furthermore, based on Article 19 section (4) of Law No. 8 of 1999 regulates that:

“The provision of compensation ... does not eliminate the possibility of criminal prosecution based on further evidence regarding the existence of an element of error.”

The above provisions can be understood that the injured TVI Express members must receive compensation and or replacement. However, TVI Express members did not get it. TVI Express members who suffered losses have tried to file a complaint with their upline. However, the upline also tried to avoid it because it was not his responsibility and was the company's responsibility.

As a producer, TVI Express is the party that is responsible for all the losses that MLM members as consumers get. TVI Express has defaulted in marketing the goods and or services they offer. Vouchers for staying at five-star hotels and bonuses offered by TVI Express did not match what was previously agreed. If it is described more thoroughly, then the responsibility is a contractual responsibility or responsibility based on an agreement made by two or more parties.

In carrying out a contract or agreement, TVI Express must be responsible for something that has been made in the agreement unless TVI Express can prove that the error is the fault of the consumer. Based on Article 22 of Law No. 8 of 1999 regulates that:

³⁵Results of Interview with Rosnatang, Abd. Rasyid, Suaib, Baco, Andri, Rahmat, Kamire, Hj. Syamsiar, H. Agus, Syamsuriadi, and M. Amrullah. TVI Express Members have the Status of Bone Regency Network downlines. July 9, 2013.

“Proving the presence or absence of an element of error in a criminal case ... is the burden and responsibility of the business actor closes the possibility for the prosecutor to do evidence.”

Article 28 of Law No. 8 of 1999, regulates that:

“Proving the presence or absence of an element of error in a compensation claim ... is the burden and responsibility of the business actor.”

CONCLUSIONS AND SUGGESTIONS

Based on the description of the results and discussion above, it can be concluded that TVI Express members do not get rights as consumers based on the perspective of consumer protection. The rights that TVI Express members do not obtain are the right to correct, transparent, and honest information regarding the conditions and guarantees of TVI Express products. In addition, TVI Express members did not get the right to have their opinions and complaints heard on TVI Express service products that could not be used. Furthermore, TVI Express members do not get the right to obtain compensation or replacement from TVI Express. Based on the description of these conclusions, it is recommended that legal certainty on consumer protection for TVI Express members can be realized. In this case, practical steps are needed from the government, especially BPSK, to take firm action against TVI Express business actors. In addition, it takes an active role from the community to continue to provide information and complaints if they feel the MLM business has harmed them. In this case, the government, especially BPSK, can suppress the MLM business to be responsible to its members and consumers.

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