



Prudential Banking Principles Conception In Bank Pick Up Service Cash Service Agreement In An Effort To Protect Customers Based On Legal Certainty

I Made Aditya Mantara Putra 1*, I Nyoman Putu Budiarta 2, Johannes Ibrahim Kosasih 3

Email: adityamantara@gmail.com, budiarthaputu59@gmail.com, johannesibrahim@rocketmail.com

Abstrak-In today's global economy, banking services play a critical role in facilitating financial activities across various industries. Among these services, cash pick-up services are particularly significant, offering convenience to customers but also posing risks, as they can be exploited by criminals. This study addresses the ambiguity within Article 20A of Law Number 4 of 2023 and Law Number 10 of 1998 in Indonesia, seeking to establish comprehensive protection and legal certainty for all involved parties. The research aims to develop a cash pick-up service agreement model that aligns with banking prudential principles, reducing risks and ensuring legal protection for parties involved. Through normative legal research, encompassing statutory, conceptual, case, and philosophical approaches, the study evaluates existing legal frameworks to identify areas for improvement and propose reforms. The findings underscore the importance of legal clarity, adherence to bank prudential standards, and fostering trust as the philosophical foundation for regulating cash pick-up transactions. Consumer protection in such transactions is delineated by principles of bank caution, justice, transparency, privacy, complaint resolution, trust, and legal certainty. The formulated cash pick-up service agreement model incorporates clauses that reflect prudential principles, risk management, force majeure, legal certainty, service specifications, operational provisions, responsibilities, dispute resolution mechanisms, cash ownership, confidentiality, duration, and closure. This model strives to mitigate risks associated with cash pick-up services while upholding banking standards and safeguarding the interests of all parties involved.

Keywords : Bank Prudence Principle, Cash Pick Up Service, Customer Protection, Legal Certainty

I. INTRODUCTION

Protecting, regulating, and organizing economic life to move the dynamics of economic activity in the direction of the betterment and advancement of the entire community is the goal of law in Indonesia's economic development as a developing country. Law affects economic life by defining standards for actions that fall under the category of economic activity Faisal Santiago, (2012). This emphasizes how important banks are to the functioning of the economy. In this context, it is evident that banking is defined as everything related to banks, including their institutions, business operations, and methods and procedures used to carry them out, under Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking and Article 1 Number 1 of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector.

The legislative framework that governs banking activities is largely regulated by Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking, which is referred to as the Banking Law. The PPSK Law, Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector, amends many provisions of the

Banking Law and governs banking operations. The PPSK Law was designed to encourage the financial sector's commitment to inclusive, sustainable, and equitable economic growth with the goals of improving people's quality of life, reducing economic inequality, and building a prosperous, developed, and respectable Indonesia. A bank is defined by the Banking Law as a company that accepts deposits from the general public and uses those money to offer credit, financing, or other services targeted at raising the general public's standard of living. This definition can be found in Article 1 Paragraph (2) of the PPSK Law. Chapter IV, which also includes banking-related provisions, has this definition.

A bank is also a financial services organization. "Financial Service Institutions, herein abbreviated as Financial Services Institutions, are organizations that, in accordance with financial services sector laws and regulations, engage in operations in the banking, capital markets, insurance, pension funds, financing, and other financial service sectors," reads Article 1 Paragraph 10 of the PPSK Law, which establishes the legal basis for this kind of financial service institution. The nation's economy is heavily reliant on banking, which powers many of the economy's mechanisms either directly or indirectly. In Indonesia, banking is quite important, especially since the country is still growing overall. A bank must be able to compete not just with other banks but also with other financial intermediary firms that provide financial services in an unpredictable financial climate. A bank is considered to have prevailed in its commercial rivalry if it can provide bank financial services more successfully than its competitors while still being able to adapt to changes in the surrounding environment.

The basis of the relationship between banks and depository customers is, in theory, fiduciary interactions, also referred to as relationships of trust. Banks must maintain both their own health and the public's ongoing trust in order to handle public funds that are deposited primarily on the basis of trust. From this perspective, it is clear that the public's desire to deposit money in banks is based only on their belief that the funds will be retrieved along with the incentives they receive when the time is right. If a customer loses faith in the bank, their deposit amount can also decrease. Cash pick up service is one of the financial services the bank offers to make transactions easier for consumers, particularly when making deposits and withdrawals of money. Concerning the procedure pertaining to the aforementioned cash service operations, issues that actually happened were discovered.

Based on the conditions outlined in Article 1, section 7., which pertain to the Amendments to Bank Indonesia Regulation Number 11/1/PBI/2009 concerning Commercial Banks, it is specified that Bank Indonesia Regulation Number 13/27/PBI/2011:

"Cash Service Activities, which are referred to as the KPK from now on, are cash-related activities performed to assist individuals who have opened bank accounts, such as:

1. Mobile cash, which refers to cash service operations performed while traveling by vehicle or at specific, temporary places, such as car cash, floating cash, or temporary bank counters;
2. A payment point is an establishment where banks collaborate with other parties to provide payment services or acceptance of payments at a specific place. Examples of such activities include paying utility bills, phone bills, employee salaries, and/or accepting deposits from outside sources;
3. Electronic Banking Equipment (PPE): PPE is a cash and non-cash service activity that is performed using electronic machinery facilities both inside and outside the bank office. These facilities can be used for cash withdrawals or deposits, payments through bookkeeping, interbank transfers, and/or obtaining information about customer account balances and modifications. The Bank may use its own network and/or machines, or it may collaborate with other parties to perform these services. Examples of these third-party partnerships include Automated Teller Machines (ATMs), which include Automatic Deposit Machines (ADMs) and Electronic Data Capture (EDC)

The aforementioned article's provisions govern how convenient it is for customers to execute transactions. It does not, however, rule out the chance that in actuality, the bank's convenience for clients' transactional needs leads to issues. In this instance, banks are necessary due to the advancement of the digital age, when all transactions are conducted online. On the other hand, the bank continues to conduct mobile cash service operations since

the service is required by clients who have not been able to deposit a particular amount of money and because it can serve as a means of bank promotion to encourage clients to deposit money.

Services rendered by a bank to its clients in the form of cash and/or non-cash pick-up services from their place of residence to be deposited and documented in the client's account at a bank office are known as cash pick-up service activities. For some customers who participate in the bank's priority savings program, the bank provides a pick-up service. BRI Prioritas services, Bank Mandiri Prioritas, BTN Prioritas, BNI Prima and BNI Emerald, BCA Buzz and BCA Prioritas, and so forth are a few examples of the exceptional services offered by Bank BRI Langitan & Stephanie, (2015). Before the execution of the cash pick up service, the bank and the customer have entered into an agreed arrangement and signed a Cooperation arrangement (SPKS). In the letter of agreement, the rights and obligations of the cooperation agreement between the bank and its customers are indicated. However, in practice pick up services typically offer concerns due to fraud conducted by bank staff. This has an impact on the security of funds and the duty of the bank or bank officer who performs the pick-up service.

As for the risks in cash service operations, notably in the implementation of cash pick up services referred to above, they are included in the risk group of misappropriation. Fraud risk is a risk associated to losses that may arise due to dishonesty, fraud, depravity, dishonorable behavior of officials, employees, and consumers bank Effendi, (2022). In this circumstance, banks must emphasise service to consumers with the principle of prudence in order to realize legal certainty for their customers the emergence of complications surrounding cash pick up service is typically caused by bank personnel who are representatives of the bank. Bank employees are all bank authorities and employees including those who are currently in contract or outsourcing status. Since bank staff are directly involved in conducting and finishing consumer financial transactions, they operate as middlemen between banks and their clients, AbdulKadir Djumhana, (2008).

In actuality, the security of monies entrusted by the public to the bank lies primarily with bank personnel (including its leaders and commissioners). Therefore, it may be argued the philosophical dilemma here that the pattern and behavior of bank employees in carrying out their duties to provide services to clients in completing transactions have not been governed in explicit agreements between banks and consumers or laws and regulations. This causes misappropriation perpetrated by bank workers in serving consumers, notably in cash pick up service activities. Banks that are meant to run business with trust have been misused by various internal bank elements who can generate losses, both for consumers, bank employees themselves, and the bank concerned. This is where the need of legal certainty for customers and the public in dealing through bank cash services is essential, in order to realize the security of monies belonging to their customers.

The laws controlling the precautionary principle can be seen in the requirements of Article 20A of the PPSK Law Jo. Banking Law which stipulates that:

1. "Banks are required to apply prudential principles including risk management in conducting business activities;
2. The Bank shall develop internal procedures regarding the implementation of the precautionary principle as referred to in paragraph (1)"

From this, In the sphere of banking, banks have an obligation to evaluate, follow, and apply the precautionary principle. Applying this precautionary strategy tries to ensure that banks are continually recognized as sound, liquid, and solvent financial entities. In order to ensure that people are enthusiastic and do not hesitate to save their money in banks, it is anticipated that the precautionary principle will be used and that public trust in banking will continue strong. The aforementioned article's contents have given rise to numerous interpretations, since it is stated in the legal explanation that the application of the principle of bank prudence is confined to credit provision.

based on Financial Services Authority Regulation No. 6/POJK.07/2022, which addresses public and consumer protection in the financial services sector, Article 6 paragraph (2) letter e stipulates that it is important to construct agreements connected to products and/or services.

Here it is established that in the cash pick up service requires a written agreement. However, the provisions of the article in question can be argued to be confusing, because it has not included an explanation of the construction of terms that need to be included in the agreement in order to provide clarity and protection to the parties. Thus, the vagueness of standards in some parts of the Article connected to cash pick up service activities, might be a trigger for fraud by bank workers / employees in the process of implementing bank pick up service cash services that can cause losses to consumers and also the bank itself.

Based on the background mentioned above, the following problems can be formulated:

1. What is the philosophical basis for regulating customer transactions in cash *pick up service* by banks in positive law in Indonesia?
2. What is the concept of protection for customers in transactions through cash *pick up service* by banks based on the principle of prudence as a manifestation of legal certainty of the parties?
3. What is the pickup service cash agreement model that accommodates the bank's prudential principles in an effort to reduce risk and provide protection for parties based on legal certainty in the future?

II. RESEARCH METHODS

In order for legal research to be both productive and current, it is anchored in philosophy and underpinned by specific methodology. Initially, a technique was a course of action that had to be followed for inquiry or research, and it followed a prearranged plan, according to Van Peursen, who literally translated the notion. Legal research is the process of locating legal norms, legal doctrines, and legal principles in order to address legal questions. It is done in order to develop fresh ideas, hypotheses, or arguments that serve as guidance for resolving difficulties.

Normative legal research and empirical legal research are the two categories into which Soerjono Soekanto, (1986), classified legal research according to its purposes. The present study adopts Normative Legal Research as its research approach, entailing the investigation of primary, secondary, and tertiary legal materials. Absolutely, acknowledging and addressing potential limitations is crucial for ensuring the credibility and reliability of the research findings.

Normative legal research is a type of legal research that evaluates laws that have been written from various points of view, involving aspects such as theory, history, philosophy, structure and composition, scope and material, consistency, general explanation, each article, formalities, and binding force of a law, as well as the use of legal language. The legal approach, the conceptual approach, the case approach, and the philosophical approach are the different methodologies that are applied. Normative legal research involves analyzing legal materials to understand and evaluate the existing legal framework and its implications.

III. RESULTS AND DISCUSSION

a. Philosophical Foundations of Customer Transaction Arrangements on Cash *Pick Up Service* by Banks in Positive Law in Indonesia

Along with the rise of world trade, the development of banking is increasingly rapid. This is because the development of the world is inseparable from the development of trade. The original development of trade hanya berkembang di daratan Europe later spread to West Asia. The independence of the Indonesian country in 1945 has changed the map of banking in Indonesia. The number of banks in Indonesia is expanding, both in terms of service quality and quantity.

The position of the bank becomes very important when the bank works and participates in encouraging the growth and development of a country's economy, meaning that banking organizations and other business organizations are obliged to realize the people's mandate in realizing socio-economic welfare including supporting the creation of socio-economic stability including supporting the creation of national socio-political stability. This philosophical basis is contained in Law No. 10 of 1998 concerning amendments to Law No. 7 of 1992 concerning Banking, in Article 4 which states that: "Bank Indonesia aims to support the implementation of

national development in order to increase equity, economic growth, and national stability towards improving the welfare of the people".

Banking institutions are one of the instruments in financial institutions that have shown rapid development, in line with the progress of development in Indonesia and international economic development and in line with the increasing demands of public needs for increasingly diverse and sophisticated banking services Stephanie Langitan & Stephanie, (2015). Given the significant role that banks play as financial intermediary institutions in doing business, the public's trust and confidence in the banking industry is currently the most fundamental requirement that banks must meet in order to fulfill this vital duty.

In terms of vocabulary, "pick up" refers to picking up, and "service" refers to providing service. Another term for pick-up service is ball pickup. police use the pick-up service as a marketing strategy, approaching clients or potential clients directly. This allows the police to freely discuss the product and its workings. Stated differently, the bank in question requires effective community promotion and socialization. Among other factors that will influence the degree of success, the manager's aggressiveness in promoting the Bank's goods is the most crucial one. Using a pick-up service strategy is one efficient technique to help the Bank meet its product marketing goals when it first starts operating Hurriyati & Ratih, (2005).

When it comes to cash pick-up services, the bank's responsibility as a cash service provider is to fully rely on its staff to handle this aspect of the business by retrieving cash from the customer's location. Clients who have placed their faith in the bank, consented to the time of fund withdrawal, and accepted all other parts of cash services have implicitly placed their full trust in the bank personnel designated to get their funds at the prearranged location. This demonstrates how crucial bank workers are as representatives—they might even act as the primary point of contact between the bank and its clients. Thus, the professionalism, honesty, and trust that bank staff value are crucial to the cash pick-up service's success. Workers who establish trusting bonds between banks and consumers are also referred to as bank ambassadors, in addition to functioning as officials. Here, bank personnel serve as the bank's faces, embodying its worth and dependability (bank spokesperson).

Convenience, security, accountability, agreements, protection, technology, and supervision are just a few of the things that the bank's service-oriented nature must prioritize while offering its services, particularly when it comes to cash pickup services. Here, the goal of convenience is affirmed as giving clients greater accessibility and comfort when completing financial transactions by designating bank staff to retrieve cash from a location of the customer's choosing. In this instance, the bank lessens the necessity for clients to visit the branch office in person. Customers that are in remote regions or have limited mobility may find this handy.

A crucial component of pick-up services is security. In order to confirm customers' identities and guard against abuse, banks must make sure that these transactions follow tight protocols. This calls for actions like secret codes, picture verification, or double authentication. In addition, there must be legal accountability, which implies that banks are required by law to safeguard client funds and information while it is being collected and delivered. This covers the legal ramifications of cash theft or loss throughout the recovery procedure in addition to safeguarding client privacy that might be compromised during the process.

Therefore, in order to give clients legal certainty regarding service prices, pick-up schedules, the bank's and customers' duties in the event of a problem, and dispute resolution procedures, banks must clearly negotiate these terms and conditions with their clients.

The laws and regulations listed below provide the rules pertaining to cash pick-up services.:

1. The Development and Strengthening of the Financial Sector Law No. 4 of 2023 The stringency of law enforcement on the implementation of cash pick up service activities is reflected in Jo. 10 of 1998 concerning Amendments to Law No. 7 of 1992 concerning Banking, specifically in Articles 49 and 52 that highlight the severity of penalties for misappropriation of customer funds and Bank Indonesia's duty to enforce these regulations.
2. The Consumer Protection Law Number 8 of 1999. Article 1 defines each party and explains their function, including consumers (customers) and business players (banks). The

significance of consumer protection is emphasized by the explanation of the usual clauses in the bank-customer agreement. The foundations of consumer protection include advantages, justice, balance, security, safety, and legal certainty, as stated in Articles 2 and 3. Articles 4, 5, 6, and 7 of the agreement specify the rights and responsibilities of banks and consumers with regard to cash pick-up services, with the intention of safeguarding the interests of all involved parties. Article 19 outlines the bank's liability for any losses incurred by customers while the cash pick-up service is being implemented, and Article 26 highlights the bank's commitment to upholding the agreed-upon guarantee and/or guarantee. Lastly, Article 45 outlines a procedure for resolving disputes between banks and clients, granting clients the ability to take legal action or use an alternate form of out-of-court dispute resolution to seek compensation for damages incurred. This demonstrates the Law's attempts to offer clients complete safety in the context of cash pick-up services.

3. The Second Amendment to Law Number 23 of 1999 concerning Bank Indonesia was amended by Law Number 6 of 2009 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2008. Cash pick-up services are governed by Article 1 Number 6 and Article 15 of the Law. The payment mechanism for the transfer of funds within the framework of economic obligations is described in Article 1 Number 6. Bank Indonesia is empowered as the central bank under Article 15 Number 1 to oversee and preserve a seamless payment system. Cash pick-up services are among the payment system services that Bank Indonesia may license and approve. It is mandatory for banks offering pick-up services to provide activity reports and track the usage of payment instruments. This shows that Bank Indonesia is operating sensibly by making sure pick-up service banks follow the prudential guidelines found in rules and contracts with clients.
4. The Financial Services Authority is governed by PPSK Law Jo. Number 21 of 2011. Regarding the PPSK Law, cash pick-up services are governed by OJK Law Article 1 Number 15 and Article 28. customers are defined as parties who deposit money through services such pick-up services in Article 1 Number 15, and Article 28 affirms that customers are protected by means of information, education, and loss prevention techniques.
5. The Financial Services Authority Regulation Number 18/POJK.03/2016, which addresses how commercial banks should implement risk management. Cash pick-up services are governed by OJK Regulation Article 1 numbers 2, 7, 8, 9, 10; Article 2 number 1; Article 20; and Article 22. The definition of risk, the bank's responsibility to apply risk management successfully, policies and procedures to manage risks associated with new products or operations, and information transparency for consumers are all covered in these articles. Risks associated with cash pick-up services are defined in Article 1 Numbers 2, 7, 8, 9, and 10, and include operational, compliance, legal, and reputational risks to the bank. In order to reduce the risk of loss, Article 2 Point 1 reiterates the bank's duty to apply effective risk management both independently and in conjunction with subsidiaries. The need of written procedures, rules, and information transparency for cash pick-up service activities is emphasized in Articles 20 and 22. In addition to having a formal policy in place to manage the risks associated with new products or activities, banks are also expected to offer consumers with transparent written and verbal information about bank products and activities. In order to safeguard the interests of banks and clients, this rule highlights the necessity of efficient risk management and openness in the execution of cash pick-up service activities.
6. The amendments to Bank Indonesia Regulation Number 11/1/PBI/2009 involving Commercial Banks are addressed in Bank Indonesia Regulation Number 13/27/PBI/2011. Regulations concerning cash pick-up services are covered under Article 1 Point 7 and Article 39 of the Bank Indonesia Regulations. Cash Service Activities (KPK), which include Mobile Cash, Payment Points, and Electronic Banking Equipment (PPE), are defined as cash activities to serve customers in Article 1 Point 7. In essence, KPK, which includes cash pick up service, involves employing vehicles or other forms of transportation to travel to specific places and get client funds for bank deposit. Additionally, Article 39 clarifies

that, without Bank Indonesia's consent, cash service operations may only be performed inside a single working area of Bank Indonesia offices with its Parent Branch Offices. This indicates that Bank Indonesia has approved most cash pick-up services offered by banks to their clients, acting as a kind of oversight over these operations. This is demonstrated by the quantity of banks that, in compliance with the terms of the Bank Indonesia Regulations, offer pick-up services to satisfy client requests for money deposits.

Regarding the rules governing the cash pick-up service mentioned earlier, in relation to the theory of legal purposes, it can be seen that the goal of law, as expressed in the regulations or norms put in place, is to protect clients (or consumers) from losses that might result from mistakes, theft, or noncompliance with the pick-up service's implementation. Furthermore, it is clear from the regulations that have been outlined that the goal of this legislation is to give banks and customers, among other parties, legal clarity and certainty regarding their respective rights, obligations, and responsibilities in the implementation of pick-up services.

b. The concept of protection for customers in transactions through cash *pick up* service by the bank based on the precautionary principle as a manifestation of legal certainty of the parties

It is possible to achieve justice, order, certainty, expediency, and peace through the concept of legal ethics. Stated differently, legal protection refers to the safeguards provided to subjects of law through written and unwritten, preventative and repressive legal instruments. Legal protection is closely associated with both the *rechtstaat* and the rule of law, as both concepts owe their roots to the acknowledgment and preservation of human rights.

The rule of law basically aims to protect the public from governmental action and is based on two tenets. An explanation of the legal protection is provided below:

1. Preventive legal protection, which is the legal safeguarding of those who are granted the chance to voice concerns or ideas prior to the official formulation of a government decision.
2. Repressive legal protection, that is, legal defense meant to settle a conflict.

Human rights, which are based on the notion of the rule of law, are recognized and safeguarded by both types of legal protection Harahap, (2001).

The basis for the legal connection between the bank and the depository customer is typically an agreement. Therefore, it is important to safeguard both the legal safeguards that banks are granted by the law and the interests of their clients. It is undeniable that the government has the political will to protect the interests of bank customers, especially those who use depository services. This is demonstrated by the application of Law Number 8 of 1999, which deals with consumer protection, as well as the regulations listed in Law Number 7 of 1992 and Law Number 10 of 1998, which deal with banking.

Marulak Pardede provided legal protection for these clients, stating that there are two (two) ways in which the Indonesian banking system protects depository clients:

1. *Bank insolvency can be avoided through implicit deposit protection, which is safeguarded by efficient bank supervision and management. This defense is attained by:*
 - 1) laws and regulations pertaining to the banking industry
 - 2) safeguards created by Bank Indonesia's efficient supervision and direction
 - 3) initiatives to preserve the institution's ongoing operations and safeguard the banking system overall
 - 4) Preserve the bank's soundness
 - 5) Adhere to the precautionary principle in business dealings
 - 6) Find a method of extending credit that doesn't jeopardize the bank's stability or its clients' interests; and
 - 7) Give clients information about potential risks.
2. Explicit deposit protection, or the creation of an organization that will replace public monies put in a failing bank in the event of the institution's failure, is a kind of deposit protection. As stated in Presidential Decree Number 26 of 1998 about Guarantees Against Commercial Bank Obligations, this protection is acquired via the creation of entities that guarantee public deposits.

According to this presentation, consumers should, in theory, receive legal protection for a variety of deposited funds if it has anything to do with cash pick up service activities, which in this case are services offered by banks to depository clients. Furthermore, the bank must enter into an agreement with customers who have obtained the service facility through a written agreement and notify them of any risks associated with the implementation of pick-up service services at the outset of this cash service activity. Customers who receive pick-up service facilities are stated to have an implicit legal protection from the bank if this has been established.

Additionally, in reference to the previously mentioned explicit legal protection, it is evident that the bank in this instance ought to ensure the legal certainty of the customer's funds if they are deposited by them through pick-up services. That is to say, not only are the funds guaranteed by the Deposit Insurance Corporation, but the terms of the bank-customer agreement also elaborate on the bank's liability for losses resulting from crimes committed by bank employees during the course of providing cash pick-up services. Customers frequently have a sense of disadvantage as a result of improperly timed fund deposits. But there are several points that should be made clear in the event that clients suffer losses as a result of bank workers designated to pick up services engaging in fraud.

There are two categories of legal protection available to depository customers: direct legal protection and indirect legal protection. In the banking industry, indirect protection against depository customers' interests refers to the legal safeguards that depository customers receive against any potential losses resulting from policies or bank-operated business ventures. The bank is taking this precaution and working internally. In light of the study's focus on the implementation of cash pick-up services, one way to foresee potential risks is to apply prudential principles in practice by having customers sign agreements that contain crucial information about the bank's application of prudential banking principles. Moreover, with reference to Law Number 21 of 2011's Article 28 letter a provision pertaining to the Financial Services Authority, the general goal is to safeguard the interests of depositor customers and their savings. Letter an of Article 28 indicates that: "Providing information and education to the public on the characteristics of the financial services sector, its services, and products"

It is clear from the previously discussed provisions that the bank must supply information about the business operations to be conducted as well as potential hazards in order to implement the precautionary principle. Additionally, provisions that unequivocally declare the implementation of prudential banking principles in cash pick-up service and client fund protection must be formulated in order to achieve legal clarity for the parties. In order to hold the parties involved accountable in the event that a risk develops during implementation, the form of responsibility for the risk of loss is also crucial. According to the explanation given above, banks that implement this precautionary principle undoubtedly want to reduce the risk of loss to their clients, which makes it strongly tied to preventive legal protection in the context of this discussion on indirect legal protection. Moreover, direct protection can be defined as a type of insurance that depository customers receive directly against the potential risk of loss from the bank's business operations. The preferential rights of depositor clients are the focus of this direct protection. In the event that the bank as a place that stores public funds fails or difficulties, then the public funds stored in the bank office, should have been guaranteed by the government through a deposit guarantee institution known as the Government Guarantee Implementation Unit as one of the units in the Ministry of Finance of the Republic of Indonesia.

Normatively, principles related to customer protection which can also be categorized as consumers in payment system services can be seen in Bank Indonesia Regulation Number: 16/1/PBI/2014 concerning Consumer Protection of Payment System Services which accommodates 4 (four) protection principles, namely:

1. Principles of Fairness and Reliability; The principle of fairness and reliability ensures that the operator treats consumers fairly and non-discriminatory and ensures that the operator provides accurate and safe payment system services both in terms of rules, institutions, mechanisms, infrastructure, and instruments or payment instruments.

2. Transparency concept; This concept is to ensure that organizers communicate information to customers both orally and in writing, including information through electronic means clearly and thoroughly in easy-to-understand language.
3. Data and/or Consumer Information Protection Principles; The principle of consumer data and/or information protection ensures that the operator maintains the confidentiality and security of consumer data and/or information, and only uses the data and/or information in accordance with the interests and purposes approved by the consumer.
4. principles of effective handling and resolution of complaints; The concept of effective handling and resolution of complaints assures that the operator has and implements methods for managing and resolving customer complaints effectively, efficiently, responsively, and in a timely manner Kosasih & Haykal, (2020).

Additionally, in reference to the provisions of Bank Indonesia Regulation Number 3 of 2023 regarding Bank Indonesia Consumer Protection, Article 1 point 3 declares that: "All efforts that ensure legal certainty to provide protection to consumers, herein referred to as Consumer Protection, makes up Bank Indonesia Consumer Protection."

The explanation of these principles clarifies that banks, as establishments that offer services, particularly cash pick-up services, are required to adhere to consumer protection rules. This is due to the fact that banks that provide pick-up services also manage a payment system, specifically deposits, which entail bank staff and instruments for figuring out how much money customers need to deposit.

In terms of the fairness principle, the bank is required to treat clients who receive comfort and security along with pick-up services in an equitable and nondiscriminatory manner. Furthermore, the bank must notify its clients about the terms of the agreement to be agreed upon, the technical specifications and processes for pick-up services, the instruments, and any potential dangers during the service in order to adhere to the concept of transparency. In this instance, the bank is also required to guarantee the privacy and security of the client's personal data and to notify that the data is only utilised in line with the mutually agreed upon interests and purposes. The bank must have and put into place a risk handling procedure and give customers a place to file complaints if there is ever a risk that results in losses for its clients.

Whether a transaction takes place inside or outside of the bank, clients are, in theory, the parties that need to be protected when they conduct business there. A written contract that outlines the rights and obligations of both the bank and its clients can serve as a tangible representation of the protection offered to them. Furthermore, it is imperative to provide a clear explanation in the agreement about the risks associated with implementing the cash pick-up service, as well as the dispute resolution process through customer complaints and bank liability. This serves as a form of repressive protection for customers in the event that a dispute arises and results in losses for them.

Sociologically speaking, banks that offer cash pick-up services to their clients have not entirely given them legal certainty. This is due to the fact that bank personnel here continue to violate the monies deposited by customers in the pickup service, leading to instances of fraud committed by internal bank actors and ongoing customer complaints. Regarding certain financial institutions that have contracts with clients pertaining to pick-up services, it is also perceived that the majority of clients have not been fully safeguarded with regard to the safety of their money and the extent of liability for client losses. This can be the result of inadequate knowledge about the cash pick-up service mechanism, which puts consumers at danger or leads to failure.

Referring to Philipus M. Hadjon's theory of legal protection as a form of preventive protection, which is relevant to the idea of customer protection in this pick-up service, it can be observed that the bank is required to include a written agreement in order to carry out a pickup service activity. This written agreement must contain all information pertaining to the mechanism of implementing cash services. Referrals to Pick Up Service include the implementation process, potential dangers, safeguarding of bank-deposited cash, and parties involved in the service. Banks can maximise the internal supervisory unit that each bank has as an additional preventative step in the framework of prevention. This implies that the bank

can keep working with the internal supervisory division to ensure that the cash pick-up service activities that have been completed at a specific time are always checked. Given that the cash service is provided outside of the bank office and reduces potential dangers, this is thought to be significant.

c. Cash Pick Up Service Agreement model that accommodates the principle of bank prudence in an effort to reduce risk and provide protection for parties based on legal certainty in the future

By using and relying on banking ethic concepts, banking operations must strike a balance between banking management principles and banking duty principles. The public's trust in banking is the most important factor to be considered when putting banking duty ideas into practice, as more public trust will tangentially improve macroeconomic conditions. Among the banking responsibilities mentioned by Rimsky K. Judisseno are Trisadini, (2022):

- 1) General responsibilities, such as serving clients like depositors, borrowers, and other users of bank services with excellence, security, and equality;
- 2) Special responsibilities, such as duties to the government, staff, and owners. In order to raise people's standards of life and create a just and successful society, the government typically encourages banks to support development and uphold monetary stability. Banks have responsibilities to the government, but they also have shareholders' interests—namely, better and better profit sharing—to consider. Increased profits will motivate shareholders or owners to continue making investments in banking establishments. Lastly, banks have a duty to their staff to ensure that they have jobs and a brighter future for their careers.

This indicates that banks have a duty to uphold the public's trust, which needs to be backed by sound management. The fundamentals of bank health must be taken into consideration by good bank management. The precautionary principle was enacted with the sole intention of keeping banks solvent, thriving, and in good physical condition at all times. It is anticipated that the precautionary principle will be put into practice, leading to a high degree of public trust in banking and people's willingness to save money in banks without hesitation. Consequently, the Banking Law's general explanation requires the prudential principle to be respected, and certain clauses pertaining to bank business activities—particularly those pertaining to the distribution of funds—need to be clarified. Because of this, a number of banking rules outline indicators that the precautionary principle is being applied in the banking industry, and banks are required to abide by them.

Protecting depositor customers is one of the goals of implementing the precautionary principle, which was covered in the previous discussion. Tan Kamelo claims that clients want protection because Usanti & Shomad, (2016):

- 1) Philosophically, bank businesspeople (administrators) do not uphold the values and principles of honesty in the management of banks;
- 2) Legally, depository customers are weak consumers who require protection from laws (such as the Deposit Insurance Corporation Law and the Consumer Protection Law);
- 3) Socially, reality demonstrates that lending is made to business groups without adequate collateral and that poor management practices in the operation of the bank have an effect on depositor customers.

This makes it clear that the precautionary principle entails controlling risk by consistently adhering to relevant laws and regulations. The requirement that banks operate under the precautionary principle means that they have an obligation to protect the interests of their depository customers. In light of this, banks offering cash pick-up services need to make sure that every aspect of their operations is planned to safeguard the security and interests of their clients. Banks must also take into account the dangers involved in transmitting and receiving currency. In this sense, banks should put in place efficient risk control procedures, like protecting cash transit, employing advanced technology to keep an eye on transactions, and involve personnel with the necessary training in the sending and receiving of cash.

Regarding a perspective and an idea that yields findings (novelty) in the context of achieving legal certainty, particularly in the context of this bank's implementation of the cash pick-up service, it is necessary to elaborate prudential banking principles in order to create a model agreement that protects the parties and provides the following explanation:

- a) Sample clause outlining the precautionary principle - Justification: The precautionary principle serves as the cornerstone upon which the agreement on cash pick-up service activities must be based. This entails exercising caution when creating, operating, and managing services, particularly pick-up services, in order to minimise dangers that could endanger both sides.
- b) Modelling risk management clauses - Justification: Information regarding a risk's management ought to be included in the agreement. This involves certain steps that banks will take, such as employing cutting-edge technology, transaction supervision, and security protocols, to reduce transportation hazards associated with cash withdrawals and transfers. The agreement should also outline backup plans and steps to be implemented in case of a danger or unanticipated incident.
- c) Force majeure 2009, 19th day of 2019 - Justification: The agreement needs to contain clauses about force majeure that could impact the supply of cash pick-up service in specific circumstances that are out of both parties' control or avoidable.
- d) Modelling legal certainty clauses - Justification: The cash pick up service agreement places a lot of importance on legal certainty. Each party's rights and obligations, as well as the dispute resolution process, liability for damages, and relevant legal laws, must be spelt out in detail in the Agreement. This offers a strong legal foundation that will instill trust in clients and serve to safeguard both parties' interests.
- e) Example of cash service specification clauses - Justification: The contract needs to contain a thorough explanation of the services that will be rendered in the cash pick-up service practice, along with schedules, costs, a list of transactions that the customer is able to complete using the cash pick-up service, and any other pertinent information.
- f) Example of operational terms clauses - Justification: The contract should outline what has to be done in certain practice scenarios, as well as technical specifications, guidelines for using technology and equipment, and security protocols to be adhered to when providing services.
- g) Example of the limitation of liability clause - Justification: The conditions of each party's obligations in the cash pick-up service practice must be clearly stated in the agreement, particularly with regard to the possibility of cash loss. Furthermore, this section delineates an understanding concerning the timeframe within which customers may lodge grievances regarding cash placed via the pickup service. In other words, if a consumer misses the predetermined window of time to file a complaint, the bank is not liable for the customer's losses. It seeks to provide each party with equal protection.
- h) Model dispute resolution terms - Justification: The agreement should provide clauses on dispute resolution that are modelled after effective conflict settlement procedures. This agreement's dispute resolution clause will give rise to a solid legal foundation for settling potential disputes without the need for drawn-out, costly court actions.
- i) Insurance and cash ownership clause simulation
- j) Description: The ownership of cash during the pick-up service procedure is outlined in the agreement. This phrase is required in order to ascertain the date on which the disputed funds were deposited with the bank. If money is held by the client until it is seized by the bank, this should be specified in the contract. The agreement's clauses pertaining to insurance to safeguard customer deposits during shipment and transportation are equally crucial and need to be implemented in actuality.
- k) Example of a confidentiality clause - Justification: The cash pick up service agreement places a high value on confidentiality. k. Formulation of term clauses and agreement expiration - Explanation: The term of the agreement and the process for agreement expiration are significant components of the cash pick up service agreement. This includes the protection of confidential data, information, and transactions between the Bank and the Customer. The duration of the agreement and the terms under which either party may

end it must be clearly stated in the agreement. This provision offers precise instructions regarding the duration of the contract, the causes of its expiration, and the steps to take in the event that the contract is terminated. It strives to safeguard each party's rights and responsibilities and guarantee that the agreement may be dissolved fairly and transparently in line with its agreed conditions.

- l) Example of closing clauses - Justification: The cash pick up service agreement's last section covers topics pertaining to the deal overall. This covers things like relevant legislation, agreement modifications, and correspondence between the two parties. The cash pick up service agreement is now complete with the addition of this closing clause, which also offers clear guidance on a number of other issues pertaining to the agreement as a whole, such as amendment procedures, applicable law, and legitimate signatures. This will guarantee that the conditions of the agreement are followed and that the agreement is carried out in a systematic manner.

From the explanation of how the aforementioned clauses were formulated, it is clear that banks and customers can operate within a transparent and legally secure framework in order to realise an agreement that reflects the bank's prudential principles and contains elements of legal certainty, particularly in the cash pick-up service. This will undoubtedly aid in lowering doubts, fostering more trust, and lowering the hazards connected to these services. It will be helpful for risk reduction and the bank's ability to meet customer service requirements when there is clarity on the obligations and regulations of each party to the agreement.

IV. CONCLUSIONS

The right to equitable protection for customers serves as the conceptual foundation for bank regulations of customer transactions in cash pick-up service operations in Indonesian positive law. Customers are weak parties in the financial services industry because they rely only on the bank for trust when completing transactions through cash pick-up services. The legal standards governing banking in Indonesia have not specifically addressed the legal assurance that clients will have when making deposits using pick up services. Cash pick-up services carry a risk that could result in losses for all involved parties and form the basis of transactions that clients and banks need to understand according to an agreement.

- 1) Banking legal rules have not clearly dissected the idea of customer protection in transactions through cash pick-up service, which is founded on the idea of bank prudence as a manifestation of legal certainty. Generally speaking, banking agreements simply include generic clauses. As a result, the agreement is regarded as the cornerstone of the Standard Operating Procedures-guided contractual relationship between the bank and the client (SOP). By signing a written agreement that forms a crucial component of the parties' cash pick-up service, the prudential principle of the bank can be applied to the idea of protecting customers. Customers will feel secure and have faith in the bank as a trustworthy financial institution as a result.
 - 2) The cash pick up service agreement model strives to lower risk, protect parties through future legal certainty, and complies with the bank's prudential principle. The pickup service cash agreement model is made up of statements and clauses that govern the following topics: operational provisions, cash service specifications, force majeure, legal certainty, prudence, risk management, dispute resolution, cash ownership and insurance, confidentiality, agreement period, and closing provisions. The incorporation of provisions allowed for in the cash pick-up service agreement offers parties participating in the cash pick-up service future protection, clarity in the law, and a clear framework.
1. More investigation and clarification of banking regulations pertaining to cash pick-up services so that consumers feel more secure and that their rights are upheld when transacting, as well as raising consumer and bank awareness of the banking risks associated with cash pick-up services.
 2. Banks must inform their clientele about the terms and conditions of their monetary services. In this instance, clients must actively monitor transaction success in order to receive legal protection based on SOPs that apply to individual bank pick-up service providers and are outlined in the cash pick-up service agreement. Furthermore, it is vital

to disseminate the notion of an ideal pick-up service that can safeguard the bank as a financial institution.

3. The cash pick-up service agreement approach engages banks, consumers, and regulators to obtain a more thorough understanding of the agreement's efficacy. In this instance, in order to avoid future issues, banks must also give top priority to the idea of transparency when describing their goods and services to clients. Furthermore, the internal supervisory unit of the bank must work even harder to undertake audits and assessments of the application of bank prudential principles in the cash pick-up service. This is to guarantee that customer protection and security regulations are appropriately followed.

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