

## ABSTRACT

**TEGUH SAMUDERA : LEGAL POLICY OF BANK CUSTOMER PROTECTION IN INDONESIA** (Case Study/Case of Legal Protection of Customers of PT Bank Century, Tbk), a Dissertation tutored by Prof. Dr. Ade Saptomo, SH.MSi. in his capacity as Promotor and Prof. Dr. H. Faisal Santiago, SH.MM. as Co-Promotor.

Customers deposited their money with banks for proceeds and security but they failed to recover their money in the case of Bank Century. Various legislations on customer protection prove to be ineffective. The Bank Century case arose due to weak supervision and improper banking practice arising from inability of regulations to protect the customers.

Issues: First, how did the Government implement Bank customer protection according to the legislation? Second, why did not the Government give maximum legal protection to Bank customers? Third, what are judicial implications to customers who are not legally protected by the Government? This research adopts normative socio-legal method, to wit, combination of normative legal research and socio-legal research methods.

Outcome: The Government has exercised customer legal protection to a maximum of Rp 2,000,000,000.00 (two billion Rupiah) since 2008. It is not maximum due to ineffective law enforcement and absence of political will. The customer legal protection policy in Banking Law is difficult to materialize because stockholders' interest is not ratably protected and it is established without adhering to principles of establishment and good legal materials to legally protect Bank customers.

Findings: In its operation Bank Century committed unlawful acts which inflicted losses to its customers and the Supreme Court therefore sentences it to refund the customers' fund. Implementation of Banking Law fails to give ratably legal protection to the stakeholders' interest.

Conclusion: The Government does not yet maximally exercise legal protection to the customers. Legal policy on bank customer protection is difficult to materialize because Banking Law does not maximally provide the stakeholders' interest. It is recommended to amend Banking Law in order to contain effective and efficient customer protection material. Synchronization and harmonization of banking legislation are necessary.