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## *Resolution of Breach of Contract Disputes in Car Sale Agreements by PT. Deltamas*

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### **ABSTRACT**

Transportation plays a crucial role in modern society, especially in developing countries like Indonesia, where both private and public transport systems are integral to daily life. Public transportation offers an affordable solution for individuals without private vehicles; however, it is often limited by schedule and route constraints, leading many to rely on private cars. This research aims to investigate the legal framework governing car sales agreements and the resolution of breaches of contract (*wanprestasi*) in Indonesia. Using a case research of PT Deltamas, the research explores the application of key laws, including the Indonesian Civil Code and the Consumer Protection Act, as well as dispute resolution mechanisms such as negotiation, mediation, arbitration, and litigation. The findings highlight the necessity of clear contract terms to minimize disputes and enhance legal certainty in business transactions. This research provides valuable insights for businesses and consumers in navigating car sales agreements and resolving legal conflicts efficiently.

**Keywords:** breach of contract, car sales, agreement, consumer protection, dispute resolution.

### **INTRODUCTION**

Transportation has now become a major necessity in people's lives, especially in developing countries like Indonesia. Transportation plays an important role in supporting people's daily activities (Irawan et al., 2021). Types of transportation that are often used include land, sea and air transportation. In the land transportation sector, there are various modes such as cars, trains, buses, and motorbikes which are divided into private and public transportation categories. Using public transportation is the easiest and fastest solution to overcome the limitations of private transportation facilities. However, its use has limitations related to travel schedules and routes. For people who want to use land transportation more comfortably, cars can be an option. However, not everyone has a personal land vehicle, especially a car. A car is a vehicle that is driven by an engine, has four or more wheels (always in even numbers), and usually uses fuel oil to run its engine (Giakoumis, 2017).

According to Tan & Sudirman, a contract or agreement is a legal action that can create, change, or remove rights, and form legal relationships between the parties involved. This contract produces legal effects that are desired by the parties who agree to it. In the business world, agreements have an important role because they not only create rights and obligations, but also become the basis for various types of transactions. A sale and purchase agreement, as one of the

most common forms, aims to legally protect the rights and obligations of both parties, reduce potential conflicts, and increase trust in business relationships. One concrete example is buying and selling through auction, which shows the importance of agreements in maintaining fairness and legal certainty in business transactions.

In the event of a default, the injured party has the right to demand fulfillment of obligations, compensation, or even cancellation of the agreement (Cahyono, 2020). The resolution of these defaults is regulated in Indonesia's Civil Code (KUHPerdata), which provides the legal framework for such dispute resolution. However, in practice, the dispute resolution process often faces various obstacles, such as different legal interpretations and complex legal procedures. Therefore, an in-depth understanding of covenant law and default resolution mechanisms is crucial for business people and legal practitioners.

Regarding the sources of obligations, the law explains that obligations can arise either from an agreement (agreement) or from the provisions of the law (Dongoran & Aminah, 2024). The obligation arising from the law can be divided into two types, namely the obligation arising solely from the law and the obligation arising from an act performed by a person. Obligations arising from a person's actions can be further divided into obligations arising from legal actions and obligations arising from unlawful actions.

In general, an agreement only binds the parties that make it. This principle is stated in Article 1315 of the Civil Code which states that: "In general, a person cannot assume obligations or agree on his rights on behalf of others, except for himself." According to Article 1313 of the Civil Code, an agreement is an act in which one or more parties bind themselves to one other party. In daily practice, there are various types of agreements, such as sale and purchase agreements, leases, exchanges, and so on (Coates, 2016).

In the implementation of an agreement, often the parties involved do not fulfill what has been agreed upon, even though it has been stated in a written agreement. In reality, there are often deviations from the contents of the agreement, known as default. Default occurs when one of the parties does not carry out obligations or rights as agreed, or in other words, promises made are not fulfilled (Pasaribu, 2021). In a legal context, default is regulated in detail in the Civil Code (KUH Perdata), specifically in Articles 1233 to 1456. These rules provide a foundation for parties to understand their respective rights and obligations in an agreement. In addition, Law No. 8/1999 on Consumer Protection is also an important reference, especially in ensuring that consumers are not harmed by irresponsible business practices.

In business practice, the making of standard agreements and/or standard clauses often occurs, where one party is usually the more dominant party or the stronger bargaining position sets the conditions that must be accepted by the other party (Clough et al., 2015). This standard clause does not provide room for the weaker party to negotiate or adjust. The term "take it or leave it" describes a situation where the more dominant party provides offers or conditions that cannot be changed or challenged, so that the other party has no choice but to accept the agreement. This is often to the detriment of the weaker party, who is forced to accept an unbalanced and unfair agreement.

This situation is further exacerbated by the evidentiary system applicable in Indonesia. In many cases, parties harmed by standard clauses or standard agreements will have great difficulty in proving that they did not actually agree to the provisions at the time the agreement was made. This is because standard agreements are usually drafted in a standardized and predetermined form by the more dominant party, with no opportunity for the weaker party to provide input or negotiate. In the context of proof, the aggrieved party must show that they did not have a clear understanding or agreement regarding the clause. This process is very difficult to do, given that standardized agreements are often faced with an imbalance of bargaining power and the limited ability of weaker parties to obtain evidence that can support their claims. This imbalance makes standard agreements a tool that is vulnerable to abuse for the benefit of the more dominant party (Glöckner, 2017).

Consumer protection becomes very important in the context of default, because consumers are often in a weaker position in an agreement. Law Number 8 Year 1999 on Consumer Protection provides broader protection for consumers, especially in terms of consumer rights that can be violated by business actors. This law regulates consumers' rights to obtain products or services in accordance with the agreement, as well as the right to claim compensation in the event of a violation of the agreement or default (Sánchez Abril et al., 2018). In this case, consumers not only have the right to request fulfillment of obligations, but also the right to demand compensation if the business does not fulfill the agreed promises.

Furthermore, the Consumer Protection Law also regulates the obligation of business actors to provide clear and correct information about the products or services they offer. If there is a discrepancy between what is promised and what is provided, consumers can file a lawsuit on the basis of default. With this legal protection, consumers are expected to be able to more easily obtain compensation and fight for their rights without having to be trapped in a disadvantageous agreement imbalance (Ohlhausen & Okuliar, 2015). This protection not only serves to safeguard the interests of consumers, but also to encourage business actors to be more responsible in carrying out their business activities, thus creating a fairer and more transparent relationship in the business world.

Based on the above background, the purpose of this research is to analyze the legal framework governing car sales and purchase agreements in Indonesia, as well as the mechanisms for resolving defaults that often occur in these transactions. Thus, the benefit of this research is to provide insights for business people, consumers, and legal practitioners on the importance of making clear and firm agreements in car sales and purchase transactions to avoid defaults. This research is also expected to contribute to increasing legal understanding of more efficient and fair dispute resolution, as well as raising awareness of consumer rights protection in business.

## **RESEARCH METHOD**

The research utilizes a normative legal research method with a library research approach. This method is suitable for the focus of this research, which centers on legal analysis. However, the description of the methodology lacks depth and specificity. It does not clarify how data is collected, analyzed, or validated. A more detailed explanation of these processes is necessary to strengthen the research design. Furthermore, there is no discussion on the limitations of the method used, which is crucial for providing an objective view of the strengths and weaknesses of the research. In this research, the data is classified into primary, secondary, and tertiary legal materials, with the aim of providing a solid theoretical and practical foundation. The analysis is qualitative, referring to legal norms found in statutes, regulations, court decisions, and social norms. Data collection is carried out through literature research and document analysis, supported by sources such as books, journals, and the internet.

## **RESULTS AND DISCUSSION**

### **Dispute Resolution of Default in Car Sale and Purchase Agreement According to Indonesian Legislation**

Default in a car sale and purchase agreement is a situation where one of the parties, either the seller or the buyer, does not fulfill its obligations in accordance with the agreed agreement (Munawaroh, 2022). This can lead to disputes that require legal resolution.

#### ***Applicable Laws and Regulations***

Dispute resolution due to default in car sale and purchase agreements in Indonesia is based on a number of legal regulations aimed at providing legal certainty and protection for the parties involved. The regulations that are the main reference are as follows:

a) Civil Code (KUHPERdata)

The Civil Code serves as the main legal basis governing agreements, including motor vehicle sale and purchase transactions. In the case of default, it provides guidelines regarding the definition of a breach of contract, the obligations of each party, and the applicable sanctions or legal consequences (Schwartz & Scott, 2016). Important articles that are often used include provisions on engagement, contract enforcement, and compensation for losses incurred.

b) Law Number 8 Year 1999 on Consumer Protection

This law specifically regulates the relationship between businesses and consumers, including in car buying and selling transactions. Its provisions protect consumers from harmful actions such as the delivery of inaccurate information or the quality of goods that are not in accordance with the agreement (Straetmans, 2019). Consumers have the right to protection as stipulated in Article 4, as well as the right to claim compensation in accordance with Article 19 if they suffer losses due to breach of agreement.

c) Government Regulations and Ministerial Regulations

In addition to the Civil Code and Consumer Protection Law, implementing regulations such as Government Regulations and Ministerial Regulations are also referenced in dispute

resolution. These regulations usually cover technical aspects, such as motor vehicle quality standards set by the Ministry of Trade or vehicle registration administrative procedures set by the Ministry of Transportation.

### ***Dispute Resolution Methods***

There are various methods that can be taken to resolve default disputes in car sale and purchase agreements. In general, these steps can be divided into out-of-court and court settlements, as follows:

#### ***Out of Court Settlement***

Non-litigation dispute resolution is carried out with a more peaceful, efficient and flexible approach. Some of the ways that can be taken include:

##### a) Negotiation

Parties to a dispute may try to resolve the issue through direct discussion. In these negotiations, they aim to reach a mutual agreement without involving a third party (Herasymovych, 2023). If necessary, legal counsel may be brought in to provide professional input to find a solution that benefits both parties.

##### b) Mediation

The mediation process involves a neutral third party as the mediator. The mediator is tasked with facilitating dialog between the two parties so that they can reach a fair and mutually agreeable solution. However, the mediator does not have the authority to give a binding decision.

##### c) Arbitration

Arbitration is an alternative dispute resolution in which both parties entrust the decision to an agreed arbitrator or arbitration institution (Herasymovych, 2023). The decision of the arbitrator is final and binding, making this process faster than litigation.

### ***Court Settlement***

If out-of-court settlement efforts do not produce results, then formal legal steps can be taken through the courts.

#### ***Civil Lawsuit***

An aggrieved party can file a civil lawsuit in court to seek compensation, performance of unfulfilled obligations, or annulment of the agreement. This process involves a series of legal procedures that include filing a lawsuit, proof, and a judge's decision.

#### ***Consumer Lawsuit***

If one of the parties involved in the dispute is a consumer, a lawsuit can be filed through a consumer protection agency, such as the Consumer Dispute Resolution Agency (BPSK), or directly to the court (Yuwono & Santiago, 2024). These lawsuits usually refer to the provisions stipulated in the Consumer Protection Law to ensure consumers' rights are protected.

### **1) Claimable Rights**

Parties who suffer losses due to default have the right to demand various forms of settlement in accordance with legal provisions. Some of these rights include:

### **Fulfillment of Agreement Obligations**

Parties who make defaults are required to carry out the obligations agreed upon in the agreement. This step aims to ensure that the injured party still gets the rights and benefits as planned, so that the balance between rights and obligations between parties can be maintained.

### ***Loss Compensation***

The injured party has the right to file a claim to obtain compensation for all losses incurred, both material and immaterial. This compensation includes costs that have been incurred, losses due to loss of profits that should have been obtained, as well as other losses such as loss of good name or peace of mind.

### ***Termination of Agreement***

Under certain conditions, the aggrieved party may apply to terminate the agreement. This is done if the breach causes significant losses so that the original purpose of the agreement cannot be achieved. In addition, the aggrieved party can also request the return of assets or rights that have been given to the offending party as a form of restoration of justice.

### **Dispute Resolution Process for Defaults Committed by PT Deltamas in the Car Sale and Purchase Agreement.**

Default in a car sale and purchase agreement is a situation where one of the parties, either PT Deltamas or the buyer, does not fulfill its obligations in accordance with the agreed agreement. The process of resolving disputes arising from this default can vary, depending on the type of default, the agreement of the parties, and the applicable laws and regulations. The following are some general steps that are usually taken in resolving default disputes in the car sale and purchase agreement at PT Deltamas:

#### ***Negotiation Stage***

Initial settlement is usually done through non-litigation channels with the aim of reaching a mutual agreement without the need to involve legal proceedings. This stage includes:

##### **a) Initial Communication**

Aggrieved parties, such as buyers who do not receive the car as agreed, submit complaints or claims in writing to PT Deltamas. In this document, the plaintiff conveys the problems experienced and the expected solutions.

##### **b) Initial Meeting**

After a claim is submitted, both parties meet to discuss the cause of the problem, explore settlement options, and find a mutually beneficial solution (Menkel-Meadow, 2018). This discussion can be conducted in person or through other agreed communication media.

##### **c) Mediation**

If discussions do not reach an agreement, a neutral mediator may be engaged. The mediator helps both parties understand each other's positions, diffuses tensions, and offers a fair solution without the need to go to court.

#### **Legal Stage**

If settlement through negotiation and mediation is unsuccessful, the aggrieved party may

proceed to legal action. The steps include:

a) Somasi

Somasi is a formal warning letter sent by the aggrieved party to the defaulting party. This letter contains an explicit statement of the breach, the demands being made, and a deadline to fulfill the pending obligation.

b) Civil Lawsuit

If the summons is not responded to or the obligation remains unfulfilled, the aggrieved party may file a civil lawsuit with the court. This lawsuit includes a request for compensation for the losses suffered, both material and immaterial, due to the act of default.

c) Trial Process

During the trial, the court will listen to arguments from both sides, examine evidence, and hear relevant testimonies. The judge will assess the revealed legal facts to decide whether the defendant party is guilty of default.

d) Decision

The court then issues a final judgment that is binding on both parties. The losing party is obliged to comply with the decision. If the losing party fails to do so, the winning party may apply for execution through an authorized agency.

The factors that influence the dispute resolution process in default cases are diverse and interrelated. One of the main factors is the type of default that occurs. The severity of the default will determine the most appropriate means of settlement. For example, if the default is simply a delay in the delivery of goods, the settlement process is usually simpler and can be resolved through negotiations or discussions between the two parties. However, if the default involves more serious issues, such as defects in the goods received, the settlement process may become more complex and require further interventions, such as mediation or even filing a case with the court.

In addition, the agreement made by the parties before the default also plays an important role. The existence of an agreement clause that specifically regulates dispute resolution will greatly help speed up and facilitate the settlement process. The clause usually includes a settlement mechanism, such as the use of mediation, arbitration, or court, so that both parties have clear guidelines in resolving the problem (Binder, 2019).

Another important factor is the applicable laws and regulations. Regulations such as the Consumer Protection Act, the Trade Act, and other relevant regulations provide a strong legal basis in the dispute resolution process. These regulations provide guidance on the rights and obligations of each party and the steps to be taken to resolve disputes fairly and in accordance with applicable law.

Finally, the existence of strong evidence is a key element in winning a case, especially if the dispute goes to court. Such evidence can be in the form of agreement documents, invoices, correspondence between the disputing parties, or other physical evidence. With evidence to support each party's claim or defense, the dispute resolution process can run more smoothly and result in a fair decision.

## CONCLUSION

The conclusion of this research shows that default in a car sale and purchase agreement occurs when one of the parties, either the seller or the buyer, fails to fulfill the obligations stated in the agreement. Dispute resolution related to default in Indonesia is governed by various legal frameworks, such as the Civil Code, Law Number 8 of 1999 concerning Consumer Protection, and other related regulations. Dispute resolution can be done through non-litigation methods such as negotiation, mediation, or arbitration which are faster and more flexible, or through litigation in court for final and binding decisions. The aggrieved party has the right to demand fulfillment of obligations, compensation for losses, or cancellation of the agreement if the violation is significant.

The contribution of this research for the future is the importance of developing more efficient and fair dispute resolution mechanisms, as well as the application of clearer standards in non-litigious dispute resolution methods. This research also provides recommendations for policy makers and legal practitioners to improve the understanding and application of consumer protection laws more effectively, in order to prevent long legal battles and ensure better implementation of contractual obligations in the future.

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