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The Role of Islamic Law in Consumer Protection for Islamic Financial Products

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ABSTRACT
The expansion of Islamic financial products in Indonesia has broadened public access to banking, financing, investment, and technology-enabled services that claim compliance with Shariah principles. Nevertheless, this expansion has also intensified consumer protection concerns, particularly in relation to contractual transparency, risk disclosure, standard-form clauses, marketing ethics, and dispute settlement. This article examines the role of Islamic law in strengthening consumer protection in Islamic financial products. Employing normative legal research, the study uses statutory, conceptual, and maqasid al-shariah approaches. The primary legal materials consist of Indonesian consumer protection and financial sector legislation, Financial Services Authority regulations, and fatwas issued by the National Sharia Council–Indonesian Ulema Council. The findings show that Islamic law provides substantive protection through the principles of justice, trustworthiness, informed mutual consent, transparency, and the prohibitions of riba, gharar, maisir, tadlis, and zulm, whereas positive law supplies institutional mechanisms for supervision, complaint handling, sanctions, and dispute resolution. The article concludes that effective protection requires the integration of fiqh muamalah, maqasid al-shariah, DSN-MUI fatwas, and OJK market-conduct regulation throughout the product life cycle.
Keywords*: Islamic law, consumer protection, Islamic finance, maqasid al-shariah, Islamic financial products.*

INTRODUCTION

The development of Islamic financial products in Indonesia demonstrates that Islamic law no longer operates solely within the sphere of individual worship, but also serves as a normative foundation for modern economic activity. Islamic banking products, Islamic financing, Islamic insurance, Islamic capital markets, sukuk, Islamic pension funds, and information technology-based financing services have become integral components of the national financial services ecosystem. The Financial Services Authority reported that, as of March 2026, the Islamic banking industry recorded year-on-year asset growth of 10.49 percent to IDR 1,061.61 trillion, financing growth of 9.82 percent to IDR 716.40 trillion, and third-party fund growth of 11.14 percent to IDR 811.76 trillion (Financial Services Authority, 2026). These data indicate the increasing role of Islamic financial institutions in national economic intermediation, while simultaneously expanding the potential space for disputes between financial services business actors and consumers.

This growth cannot be interpreted merely as an institutional achievement. At a more substantive level, the expansion of Islamic financial products generates demands that each product genuinely comply with Shariah principles while protecting consumers. Consumers of Islamic financial products often face two layers of vulnerability. The first is the general vulnerability commonly found in the financial services sector, including information asymmetry, standard-form clauses, institutional dominance in contract drafting, default risk, and difficulty in understanding product costs and risks. The second is a specific vulnerability arising from the Shariah identity attached to the product, which may lead consumers to believe that the product complies with religious principles even when they do not fully understand the contract structure, margin mechanism, financing risks, or legal consequences of the agreement they sign.

In this context, consumer protection cannot be reduced to the provision of administrative rights after a dispute has arisen. Consumer protection must be embedded from the stages of product design, promotion, offering, contract execution, performance of obligations, collection, restructuring, complaint handling, and dispute resolution. This framework is consistent with Financial Services Authority Regulation Number 22 of 2023, which positions consumer and public protection in the financial services sector as an umbrella regulation governing the conduct of financial services business actors, from product design, information disclosure, marketing, contract drafting, service provision, complaint handling, to dispute resolution (Financial Services Authority, 2023).

Islamic law makes a fundamental contribution to this protective framework. In fiqh muamalah, the validity of a transaction is determined not only by the fulfilment of the formal elements of a contract, but also by substantive justice, mutual consent, clarity of the subject matter, price transparency, the absence of deception, and the prohibition of acquiring wealth through unlawful means. These principles are reflected in the prohibitions of riba, gharar, maisir, tadlis, harmful ghubn, and zulm. Accordingly, consumer protection in Islamic financial products is a direct consequence of the character of Islamic law, which aims to secure public benefit, particularly the protection of wealth or hifz al-mal (Auda, 2008; Chapra, 2008).

From a juridical perspective, consumer protection in Islamic financial products lies at the intersection of positive law and Islamic law. Law Number 8 of 1999 concerning Consumer Protection provides the general foundation for consumer rights, business actors' obligations, prohibited conduct, business actors' liability, and dispute resolution (Republic of Indonesia, 1999). Law Number 21 of 2008 concerning Islamic Banking affirms that Islamic banking activities must be based on Shariah principles and regulates institutions, business activities, governance, supervision, and dispute settlement (Republic of Indonesia, 2008). Law Number 4 of 2023 concerning Financial Sector Development and Strengthening further reinforces financial literacy, financial inclusion, and consumer protection as integral elements of national financial sector development (Republic of Indonesia, 2023).

On the other hand, the fatwas of the National Sharia Council–Indonesian Ulema Council constitute an important reference in the formation and implementation of Islamic financial products. Fatwas on murabahah, mudharabah, musyarakah, ijarah, murabahah sale contracts, ijarah contracts, and information technology-based financing services indicate that Islamic legal norms function as parameters of Shariah compliance in modern financial transactions (National Sharia Council–Indonesian Ulema Council, 2000a, 2000b, 2000c, 2000d, 2017a, 2017b, 2018). These fatwas do not merely legitimate contracts; they also contain consumer protection principles by requiring price clarity, subject-matter clarity, agreement of the parties, proportional risk allocation, and the prohibition of practices that generate injustice.

Previous studies show that Shariah governance is closely related to consumer rights. Setyowati, Abubakar, and Rodliah (2017) emphasize that consumer protection in Islamic banking concerns not only consumers' economic rights, but also their spiritual right to obtain products that comply with Shariah principles. This argument is significant because consumers of Islamic financial products do not merely purchase financial services; they also entrust their normative convictions to financial institutions. Consequently, Shariah non-compliance may be regarded as a violation of consumers' legal, economic, and religious expectations.

Nevertheless, a conceptual gap remains in understanding the role of Islamic law. Some studies position Islamic law merely as a source of contractual legitimacy, whereas others emphasize state regulation solely as an instrument of protection. This article advances the position that consumer protection in Islamic financial products must be constructed through the integration of both. Islamic law provides substantive norms and ethical objectives, whereas positive law provides supervisory mechanisms, complaint-handling procedures, sanctions, and dispute resolution. Against this background, this study formulates three main questions: how is consumer protection conceptualized from the perspective of Islamic law; how is consumer protection for Islamic financial products regulated under Indonesian positive law; and how does Islamic law strengthen consumer protection in Islamic financial products?

RESEARCH METHODS

This study employs normative legal research. This methodological choice is based on the nature of the problem examined, namely the relationship between Islamic legal norms, fatwas, legal principles, and statutory regulations in shaping consumer protection for Islamic financial products. Normative legal research relies on the analysis of legal materials and legal argumentation to identify principles, structures, coherence, and normative prescriptions for a legal issue (Marzuki, 2017). In this study, the norms examined are derived not only from state positive law, but also from Islamic law as codified in fiqh muamalah and DSN-MUI fatwas.

The approaches used include the statutory approach, the conceptual approach, and the maqasid al-shariah approach. The statutory approach is used to examine Law Number 8 of 1999, Law Number 21 of 2008, Law Number 4 of 2023, and Financial Services Authority Regulation Number 22 of 2023. The conceptual approach is used to analyse the concepts of consumer, financial services business actor, contract, transparency, contractual justice, legal protection, Shariah compliance, and business actor liability. The maqasid al-shariah approach is used to assess whether the structure of consumer protection fulfils the objectives of Islamic law, particularly the protection of wealth, the prevention of harm, and the creation of fair transactions.

The primary legal materials in this study consist of the Qur'an and hadith relevant to muamalah principles, Indonesian statutory regulations, Financial Services Authority Regulation Number 22 of 2023, and DSN-MUI fatwas on Islamic financial products. Secondary legal materials include books, journal articles, and academic works that discuss consumer protection law, Islamic finance, fiqh muamalah, and maqasid al-shariah. Tertiary legal materials are used in a limited manner to support the exploration of legal concepts and terminology. Legal materials were collected through library research by examining legal documents, academic literature, and relevant institutional publications.

The analysis is conducted qualitatively using descriptive-analytical and prescriptive methods. Descriptive analysis is used to describe the construction of Islamic legal norms and positive law governing consumer protection. Prescriptive analysis is used to formulate arguments concerning a consumer protection model that is more consistent with Shariah principles and the needs of modern regulation. Thus, this study does not stop at the inventory of norms, but develops a synthesis between Islamic law and positive law as a basis for strengthening consumer protection in Islamic financial products.

RESULTS

Principles of Consumer Protection in Islamic Law

The findings indicate that consumer protection in Islamic law derives from the fundamental principles of muamalah, which place freedom of transaction within the limits of justice, honesty, and public benefit. The general maxims of muamalah provide room for economic innovation; however, such freedom cannot be used to justify transactions involving riba, gharar, maisir, tadlis, or injustice. From this perspective, Islamic law is not hostile to financial product innovation, but requires that innovation not eliminate the substance of justice or transfer all risks to consumers.

The principle of consent, or taradi, constitutes a foundation of consumer protection because a valid contract must arise from informed agreement. Consent cannot be deemed complete if consumers do not understand essential information concerning price, margin, fees, collateral, risks, consequences of default, or dispute settlement mechanisms. Therefore, transparency is not merely an administrative obligation, but a moral and legal condition for ensuring that consumer consent is genuinely valid. In a murabahah contract, for example, DSN-MUI fatwas affirm the importance of knowledge of acquisition cost and margin as part of the sale structure (National Sharia Council–Indonesian Ulema Council, 2000a, 2017a).

The principle of amanah also functions as a basis for protection. Islamic financial institutions receive consumers' trust not only to manage funds, but also to safeguard Shariah compliance. When an institution offers a product under a Shariah label, it bears responsibility for ensuring that the product is not only formally valid but also substantively fair. It is in this context that consumer protection has a spiritual dimension, as emphasized by Setyowati et al. (2017), namely consumers' right to obtain services consistent with their Shariah-based convictions.

From the perspective of maqasid al-shariah, consumer protection is primarily related to hifz al-mal. The protection of wealth does not merely mean preventing theft or expropriation; it also entails preventing the transfer of wealth through misleading contracts, hidden costs, information fraud, and imbalanced risk allocation. Auda (2008) conceptualizes maqasid as a systems approach capable of addressing the complexity of contemporary problems, whereas Chapra (2008) links maqasid to just and dignified economic development. In this context, consumer protection is part of the function of Islamic law in ensuring that financial activities support public benefit rather than merely contractual legality.

Positive-Law Framework for Consumer Protection in Islamic Finance

The next finding shows that Indonesian positive law has provided both general and sectoral frameworks for consumer protection. Law Number 8 of 1999 grants consumers the rights to comfort, security, safety, accurate information, advocacy, consumer education, honest service, and compensation when goods or services do not conform to the agreement (Republic of Indonesia, 1999). This norm is relevant to Islamic financial services because consumers are entitled to receive product information that is accurate, clear, and not misleading.

Law Number 21 of 2008 provides specific regulation for Islamic banking by affirming that business activities must be based on Shariah principles. Under this law, dispute resolution may be conducted through courts within the religious judiciary, unless the parties agree on another forum insofar as it does not conflict with Shariah principles (Republic of Indonesia, 2008). This provision demonstrates that consumer protection in Islamic banking requires not only economic mechanisms, but also legal mechanisms capable of understanding the character of Shariah contracts.

Law Number 4 of 2023 expands the consumer protection agenda in the strengthening of the financial sector. The law places financial literacy, financial inclusion, and consumer protection as components of the financial sector ecosystem (Republic of Indonesia, 2023). Consequently, consumer protection can no longer be regarded as a peripheral issue, but rather as a condition for the legitimacy of the financial services industry. Its relevance to Islamic financial products is evident in the need to ensure that the expansion of Islamic financial inclusion is accompanied by consumers' understanding of contracts, risks, rights, and obligations.

Financial Services Authority Regulation Number 22 of 2023 is the most direct technical instrument governing consumer protection in the financial services sector. This regulation governs consumer protection principles, the basic conduct of financial services business actors, stages of business activities, protection infrastructure, consumer rights and obligations, consumer services, legal defence by the Financial Services Authority, conduct supervision, guidance, sanctions, and objections (Financial Services Authority, 2023). Because it applies to the financial services sector, this norm also binds Islamic financial institutions throughout the entire product-provision cycle.

Table 1. Mapping of Consumer Protection Norms for Islamic Financial Products

Product Stage	Consumer Risk	Islamic Legal Principle	Positive-Law Instrument
Pre-contractual	Incomplete information, misleading promotion, limited understanding of contracts	Amanah, sidq, prohibition of tadlis, informed consent	Consumer Protection Law and OJK Regulation 22/2023 on information provision and marketing
Contract formation	Imbalanced standard-form clauses, unclear margins and fees, lack of understanding of the contract object	Justice, transparency, prohibition of gharar and zulm	Islamic Banking Law, DSN-MUI fatwas, and OJK Regulation 22/2023 on contracts
Execution	Improper collection, unilateral changes, unfair restructuring	Maslahah, taawun, balance of rights and obligations	OJK Regulation 22/2023 on financial services business actors' conduct and consumer services
Dispute	Limited complaint access, imbalanced burden of proof, lengthy process	Islah, adl, dispute resolution without injustice	Complaint services, financial services-sector LAPS, and competent courts

The Role of DSN-MUI Fatwas in Consumer Protection

DSN-MUI fatwas play an important normative role because Islamic financial products often use contracts that are unfamiliar in conventional financial systems. The fatwas on murabahah, mudharabah, musyarakah, and ijarah set out the limits of the legal relationship between the parties, the structure of the contract object, profit-sharing or ujrah arrangements, and the requirements for transaction implementation (National Sharia Council–Indonesian Ulema Council, 2000a, 2000b, 2000c, 2000d). From the perspective of consumer protection, these fatwas function as minimum standards to prevent institutions from using Shariah terminology in a merely nominal manner.

DSN-MUI Fatwa Number 111/DSN-MUI/IX/2017 on the murabahah sale contract strengthens the transparency dimension by positioning acquisition cost and profit as essential elements in the murabahah structure (National Sharia Council–Indonesian Ulema Council, 2017a). DSN-MUI Fatwa Number 112/DSN-MUI/IX/2017 on the ijarah contract affirms the structure of usufruct over goods or services and compensation, enabling consumers to understand the object of benefit and the basis for ujrah payment (National Sharia Council–Indonesian Ulema Council, 2017b). DSN-MUI Fatwa Number 117/DSN-MUI/II/2018 on information technology-based financing services under Shariah principles demonstrates Islamic law's response to the digitalization of financial services (National Sharia Council–Indonesian Ulema Council, 2018).

This finding indicates that fatwas should not be treated merely as administrative compliance documents. Fatwas must be translated into product policies, contract documents, employee training, marketing materials, complaint systems, and Shariah audit mechanisms. If fatwas serve only as formal legitimation, consumers remain exposed to losses caused by unclear information or contractual imbalance. Conversely, when fatwas are internalized into product governance, Islamic law can function as a preventive instrument in consumer protection.

DISCUSSION

Islamic Law as an Ethical and Juridical Basis for Consumer Protection

The first discussion concerns the position of Islamic law as an ethical and juridical basis for consumer protection. In the Islamic financial system, Islamic law does not merely provide a list of prohibitions, but also constructs the moral orientation of transactions. The prohibition of riba prevents interest-based exploitation detached from business risk; the prohibition of gharar prevents transactions involving harmful uncertainty; the prohibition of maisir prevents speculative gambling-like transactions; the prohibition of tadlis prevents information deception; and the prohibition of zulm prevents the domination of stronger parties over weaker parties. All these prohibitions are directly related to consumer protection because consumers are often in a weaker position than financial services business actors.

In fiqh muamalah, a contract is not regarded as a neutral technical instrument. Rather, it is a means of distributing rights and obligations that must guarantee justice. Usmani (2002) emphasizes that Islamic finance rests on a fundamental distinction between interest-based lending transactions and sale, lease, or partnership-based transactions that involve real objects, risks, and benefits. Ayub (2007) similarly shows that the structure of Islamic financial products requires a connection to real assets or real economic activities to avoid becoming a formal imitation of conventional transactions. From the standpoint of consumer protection, this view means that a Shariah label must not conceal the actual risks, costs, or economic structure of a product.

El-Gamal (2006) cautions that contractual formalism can become problematic when transactions merely change names without altering their economic and ethical substance. This critique is relevant to consumer protection because consumers may be harmed when a product appears Islamic in terminology but fails to provide the transparency and fairness it should. Accordingly, the role of Islamic law must not be reduced to checking only the pillars and conditions of a contract. Islamic law must function as a substantive evaluative framework for determining whether a product is genuinely fair, transparent, non-manipulative, and non-exploitative of consumer ignorance.

The maqasid al-shariah approach strengthens this argument. Abozaid and Dusuki (2007) highlight the challenges of realizing maqasid in Islamic banking and finance practice, including the risk that maqasid may be misused to justify contracts that actually conflict with textual authorities or the basic principles of Shariah. Laldin and Furqani (2013) explain that Islamic finance development must be directed toward Shariah objectives, not merely the legality of instruments. In the context of consumer protection, maqasid serves as a benchmark for assessing whether a product protects wealth, reduces harm, strengthens justice, and creates balance between institutions and consumers.

Integrating Islamic Law and State Regulation

Consumer protection for Islamic financial products requires the integration of Islamic law and state regulation. Islamic law provides substantive principles of justice, trustworthiness, transparency, balance, and public benefit. State regulation provides procedures, institutions, supervision, sanctions, and remedial mechanisms. The two perform different but mutually complementary functions. Without Islamic law, Islamic financial products risk losing their substantive identity. Without state regulation, Shariah principles risk lacking effective enforcement mechanisms in consumer–institution relationships.

This integration is evident in the relationship among the Consumer Protection Law, the Islamic Banking Law, the P2SK Law, Financial Services Authority Regulation 22/2023, and DSN-MUI fatwas. The Consumer Protection Law provides the foundation for consumers' rights to information, security, and compensation. The Islamic Banking Law ensures that Islamic banking activities are grounded in Shariah principles. The P2SK Law expands the protection agenda within financial sector development. Financial Services Authority Regulation 22/2023 regulates the conduct of financial services business actors more operationally. DSN-MUI fatwas provide Shariah standards for contractual structures. At this point, consumer protection must be understood as a joint operation of religious norms, state norms, and institutional governance.

This integration also requires a shift from reactive protection to preventive protection. Reactive protection operates only after consumers have suffered harm and submitted complaints. Preventive protection operates from the moment a product is designed and marketed. In Islamic financial products, preventive protection includes Shariah review of contract design, preparation of information documents that are easy to understand, product suitability testing for target consumers, monitoring of promotional materials, employee training on sales ethics, and consent mechanisms that ensure consumers understand their rights and obligations.

The need for integration is also apparent in the supervision exercised by Shariah supervisory boards and the market-conduct supervision conducted by the Financial Services Authority. Shariah supervisory boards safeguard product compliance with fatwas and Shariah principles, while the Financial Services Authority supervises the conduct of financial services business actors toward consumers. If these two mechanisms operate separately, protection gaps may emerge. A product may be considered Shariah-compliant in terms of contract structure but remain problematic because its marketing is misleading. Conversely, a product may meet the Financial Services Authority's information-disclosure requirements but still raise Shariah concerns if its contract structure does not conform to fatwa. Therefore, consumer protection requires coordination between Shariah compliance and market-conduct supervision.

Critical Issues in Consumer Protection for Islamic Financial Products

The first critical issue is information asymmetry. Islamic financial products often use contractual terminology such as murabahah, mudharabah, musyarakah, ijarah, wakalah, kafalah, or qardh. These terms carry specific legal meanings that consumers may not necessarily understand. If institutions merely mention the name of a contract without explaining the structure of rights, obligations, risks, and financial consequences, consumer consent becomes problematic. At this point, the use of Arabic terminology must not become an obstacle to transparency; rather, it must be accompanied by explanations that are simple, accurate, and complete.

The second issue is the potential imbalance of standard-form clauses. In financial services practice, contractual documents are typically drafted unilaterally by institutions. Consumers have limited room to negotiate contractual content. This condition does not automatically invalidate the contract, but from the perspective of Islamic law it must be assessed whether the clauses unfairly transfer risks to consumers, grant institutions unilateral amendment rights, or restrict consumers' right to object. If standard-form clauses create a material imbalance, the principle of adl and the prohibition of zulm demand correction.

The third issue is excessive marketing of Islamic products. Shariah identity can be a strong attraction for Muslim consumers. However, marketing that overemphasizes religious narratives without explaining economic risks may create the impression that the product is inherently safe or risk-free. In mudharabah and musyarakah contracts, for example, profit-sharing principles contain business risks that must be understood by the parties. Mirakhor and Zaidi (2007) explain that profit-and-loss sharing contracts require risk and profit allocation that differs from debt instruments. Therefore, product promotion must not obscure the relationship between potential returns and risks.

The fourth issue is the digitalization of Islamic financial products. Information technology-based financing services enable broader access but also increase the risks of unread information, rushed consent, user-interface designs that encourage consumptive decisions, and improper digital collection practices. The DSN-MUI fatwa on information technology-based financing services is an important reference; however, digital consumer protection requires further translation into interface design, fee clarity, transparency regarding fund providers, electronic consent mechanisms, and consumer data security (National Sharia Council–Indonesian Ulema Council, 2018).

The fifth issue is dispute resolution. Consumers often do not understand complaint channels, settlement time limits, or competent dispute forums. In Islamic banking, dispute resolution forums may also intersect with religious courts, arbitration, or alternative dispute resolution institutions in the financial services sector. Here, the Islamic legal principle of islah must be connected with the positive-law principle of access to justice. Dispute resolution must be fast, affordable, fair, and capable of understanding the character of Shariah contracts.

An Islamic Law-Based Consumer Protection Model

Based on the findings and discussion, an Islamic law-based consumer protection model can be formulated in four stages. The first stage is pre-contractual protection. At this stage, Islamic financial institutions must ensure that product information is provided accurately, clearly, proportionately, and without misleading elements. Such information includes the type of contract, contractual purpose, contract object, price or ujrah, margin, profit-sharing ratio, fees, risks, collateral, consequences of default, restructuring mechanisms, and dispute resolution forums. In Islamic law, this obligation derives from amanah, sidq, the prohibition of tadlis, and the prohibition of gharar.

The second stage is protection at the time of contract formation. Contract documents must be drafted in language that consumers can understand. Essential clauses must not be concealed in technical language that is difficult to read. Consumers must be given the opportunity to understand the documents before signing them. At this stage, the principle of taradi must be interpreted as informed consent free from pressure. A Shariah contract is not sufficiently valid merely because it has been signed; it reflects the values of Islamic law only when consumers understand the substance of the agreement.

The third stage is post-contractual protection. Once the contract is in force, institutions must perform their obligations fairly, including in financing disbursement, reporting, collection, schedule changes, restructuring, and the handling of hardship. Islamic law allows solutions that take into account the debtor's hardship without eliminating the creditor's rights. In Islamic products, collection practices must not contravene ethical standards, and restructuring must be directed toward solutions that realize maslahah.

The fourth stage is protection in dispute resolution. Consumers must have access to effective complaint mechanisms. Islamic financial institutions need to provide internal complaint procedures that are accessible, responsive, and well documented. If a dispute is not resolved, consumers must receive information on settlement options through the Financial Services Authority, alternative dispute resolution institutions, Shariah arbitration, or competent courts. The principle of islah in Islamic law can strengthen dispute resolution that prioritizes substantive justice and the restoration of legal relationships.

This model affirms that the role of Islamic law is not confined to the stage of product approval by Shariah supervisory boards. Islamic law must be present throughout the product cycle. At the design stage, Islamic law evaluates the contract structure. At the marketing stage, Islamic law requires honest information. At the contract formation stage, Islamic law ensures consent and balance. At the implementation stage, Islamic law prevents injustice. At the dispute stage, Islamic law promotes fair and beneficial settlement. Accordingly, Islamic law-based consumer protection is comprehensive, preventive, and corrective.

Table 2. Islamic Law-Based Consumer Protection Model

Stage	Protection Objective	Shariah Parameter	Operational Policy
Pre-contractual	Prevent erroneous decisions	Amanah, sidq, prohibition of tadlis	Product information summary, cost and risk simulations, contract education
Contract formation	Ensure informed consent	Taradi, adl, prohibition of gharar	Plain-language contracts, explanation of key clauses, time to review documents
Post-contractual	Ensure fair implementation	Maslahah, taawun, prohibition of zulm	Periodic reports, proper collection, proportional restructuring
Dispute	Restore consumer rights	Islah and adl	Internal complaints, mediation, LAPS, arbitration or competent court

Academic Contribution and Policy Implications

The academic contribution of this article lies in affirming that consumer protection in Islamic financial products should be viewed as an issue of contemporary Islamic law, not merely as an issue of financial services regulation. Consumer protection has a strong foundation in fiqh muamalah because Islamic law has from the outset regulated transactional justice, prohibited fraud, prohibited harmful uncertainty, and prohibited exploitation. Through the maqasid al-shariah approach, consumer protection can also be understood as part of the protection of wealth and the prevention of social harm.

The first policy implication is the need to strengthen transparency standards for Shariah contracts. Each Islamic financial product should have a contract summary that explains the transaction structure in accessible language. This summary does not replace the contract, but helps consumers understand its substance. The second implication is the need to integrate Shariah audit and consumer protection audit. Shariah compliance review should include how products are marketed, how information is communicated, and how complaints are resolved.

The third implication is the need to enhance Islamic financial literacy. Islamic financial literacy should not merely introduce the difference between Islamic and conventional banks. It must explain contract types, risks, consumer rights, institutional obligations, and complaint channels. The fourth implication is the need to strengthen dispute-resolution capacity so that forums of settlement understand the character of both positive law and Islamic law. Disputes involving Islamic financial products often cannot be adequately resolved through conventional contractual logic alone because they require an understanding of contract structures and fatwas.

CONCLUSION

This study concludes that Islamic law plays a fundamental role in consumer protection for Islamic financial products. This role is evident in the principles of justice, trustworthiness, honesty, transparency, consent, balance, and the prohibitions of riba, gharar, maisir, tadlis, and zulm. These principles make consumer protection not merely an administrative obligation, but part of the substantive content of fiqh muamalah and maqasid al-shariah, particularly the protection of wealth and the prevention of harm.

The Indonesian positive-law framework provides a foundation for protection through the Consumer Protection Law, the Islamic Banking Law, the P2SK Law, and Financial Services Authority Regulation Number 22 of 2023. DSN-MUI fatwas complement this framework by providing Shariah standards for contract structures and product implementation. The integration of Islamic law and positive law is necessary because Islamic law supplies value orientation and the substance of justice, whereas positive law provides institutional mechanisms for supervision, complaints, sanctions, and dispute resolution.

Effective consumer protection for Islamic financial products must be present throughout the entire product cycle, namely the pre-contractual stage, contract formation, post-contractual implementation, and dispute resolution. Islamic financial institutions need to strengthen information transparency, simplify contractual language, ensure honest marketing, prevent imbalanced clauses, conduct collection properly, and provide effective complaint channels. Regulators need to integrate maqasid al-shariah parameters into the supervision of market conduct by Islamic financial services business actors. Future research may empirically examine consumers’ experiences in understanding contracts and using complaint mechanisms in Islamic financial institutions.

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