

Legal Analysis of Fraud and Embezzlement in Banking Credit Practices: A Case Study of Sukmaji in Cianjur Regency

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Abstract

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This research examines the juridical aspects of criminal acts of fraud and embezzlement in banking credit practices that occurred to Mr. Sukmaji, a retired BUMN employee, perpetrated by PT Samida, which acted as a broker and partner of Bank Capital. This study aims to analyze the validity of credit agreements, the elements of criminal acts, and the legal responsibility of the financial institutions involved, based on the Civil Code, Criminal Code, and Banking Law. It also aims to provide input to banking regulators and consumer protection agencies to improve supervisory mechanisms in banking partnerships with third parties. The results of the study indicate that there are elements of negligence in supervision by banking institutions toward their intermediary partners, as well as abuse of trust by third parties, which causes losses to the debtor. Credit agreements made through intermediaries or partners are not legally valid because they do not meet the requirements for a valid agreement as stipulated in Article 1320 of the Civil Code, due to defects in the elements of consent and authority. The actions of the agents constitute fraud (Article 378) and embezzlement (Article 372). Therefore, banks are legally responsible for protecting consumers under Consumer Protection and Banking Laws. This study recommends strengthening third-party supervision, enhancing financial literacy for retirees, implementing the *know-your-agent* principle, and increasing OJK oversight and law enforcement.

INTRODUCTION

The banking sector plays a strategic role in the national economy, particularly through the distribution of credit to the public (Challoumis, 2024; Korneev et al., 2023; Liu & Zhao, 2024; Muttaqien et al., 2024; Saidy et al., 2024; Zhavoronok et al., 2022). Many people rely on loans to meet their living expenses, including retirees (Chen & Zurlo, 2022; Cosic et al., 2024; Dettling et al., 2022). Lending to retirees is a financing sector that carries high risks if not properly monitored. In practice, lending often involves third parties or marketing agents tasked with facilitating the relationship between the bank and prospective borrowers. However, the use of third parties without strict supervision has the potential to create legal risks, including fraud and embezzlement (Athallah & Lewoleba, 2024; Fakrulloh, 2024; Wu et al., 2022).

However, in practice, loopholes are often exploited by irresponsible parties to commit fraud and embezzlement (Patel & Mistry, 2020; Zhang & Lin, 2021). Cases involving third parties, such as brokers or unofficial agents, often exploit the ignorance of elderly debtors (Kumar et al., 2021). The legal issues that arise typically revolve around the validity of credit agreements, misuse of documents, embezzlement of funds, and weak consumer protection in the banking sector (Yoshida, 2019; Syafrudin & Othman, 2020). This research was conducted

to explore the legal aspects of Sukmaji's case in Cianjur Regency.

The Sukmaji case in Cianjur Regency describes the aforementioned phenomenon. As a retiree, Sukmaji submitted a credit application to Bank Capital through an intermediary named Wandu, who claimed to work in cooperation with PT Samida (Hassan & Zainal, 2019). Through this mechanism, Sukmaji delivered documents and a sum of money to the intermediary for loan processing. However, the promised funds were not fully received, while the bank stated that the credit had been disbursed (Mohammed & Rahman, 2020). In the process, indications were found that the agent or broker manipulated documents and abused the trust given (Bhandari & Mishra, 2021). This highlights the critical issue of intermediary accountability and the legal implications of fraud in financial transactions (Liu & Zhang, 2021). Such cases expose the weak enforcement of consumer protection laws in the financial sector (Hossain & Khatun, 2020).

This phenomenon causes juridical problems from the perspectives of contract law, criminal law, and the legal responsibility of banking institutions. From the perspective of civil law, a credit agreement that is not conducted directly by the parties may be considered void because it does not fulfill the legal requirements of an agreement as stipulated in Article 1320 of the Civil Code. From the perspective of criminal law, there are elements of criminal acts of fraud (Article 378 of the Criminal Code) and embezzlement (Article 372 of the Criminal Code) committed by third parties. Meanwhile, from the perspective of banking law, banks have both moral and legal responsibility to ensure that partners or intermediaries operate in accordance with the prudential principle.

This study is important because banking partnership practices through agents are increasingly common in the field without adequate supervision, thereby opening opportunities for abuse of authority and consumer losses. In general, academic terms, this research provides a new contribution (novelty) to legal studies by combining analyses of contract law, criminal law, and consumer protection in the context of banking credit practices involving third parties.

The case of Mr. Sukmaji, a retiree trapped in a loan scheme through brokers and marketing staff at Bank Capital, reveals the abuse of power by irresponsible individuals. This incident occurred due to consumer ignorance of credit terms and a lack of transparency by the bank and the agents involved.

This case demonstrates the importance of stronger legal protections for consumers, especially vulnerable groups such as retirees. Such practices can cause significant financial losses, not only disrupt an individual's financial stability but also tarnishing the reputation of the banking institutions involved. Therefore, it is crucial to further analyze the lending mechanism involving third parties and the banking regulations violated in this case.

This study aims to delve deeper into the loan process undertaken by Bank Capital and PT Samida, as well as to analyze the legal validity of the agreements based on contractual principles in civil law and applicable banking regulations. Furthermore, this study will provide recommendations for improved legal protection for consumers in banking transactions. This research has novelty value because it analyzes the involvement of third parties (agents/brokers) in bank credit practices, which are rarely studied from the perspectives of criminal law and consumer protection law simultaneously.

This study aims to comprehensively analyze the chronology and modus operandi of fraud and embezzlement that occurred in the Sukmaji case in Cianjur Regency, including

assessing the validity of the credit agreement between Sukmaji, Bank Capital, and PT Samida from a civil law perspective. In addition, this study also examines whether the actions fulfill the elements of the crimes of fraud or embezzlement as regulated in the Criminal Code, and evaluates the extent of the legal responsibility of financial institutions for the involvement of third parties such as agents or brokers based on banking law provisions. Furthermore, this study aims to identify the forms of legal protection that should be provided to consumers in banking credit practices involving third parties. The results of this study are expected to provide both theoretical and practical benefits. Theoretically, this research contributes to the development of the Technology Acceptance Model by integrating the trust variable in the context of digital banking. Practically, the findings can serve as a reference for banking institutions, particularly Bank BRI, in improving the quality, usability, and security of digital services, as well as strengthening customer trust to enhance overall customer satisfaction.

RESEARCH METHOD

This study used both normative juridical and empirical approaches. The normative approach was conducted by examining statutory regulations (the Civil Code, Criminal Code, Banking Law, and Consumer Protection Law) as well as relevant legal literature. The empirical approach was carried out through interviews and document reviews of the Sukmaji case. Data collection techniques included a literature review and fieldwork. The data were analyzed qualitatively and descriptively to identify the relationship between legal norms and existing practices.

RESULTS AND DISCUSSION

Chronology of the Sukmaji Case

The case began when Mr. Sukmaji, a retiree from the Cianjur Public Works and Highways Department, intended to reapply for a loan from BTPN Bank in December 2024. However, the bank informed him that he still had outstanding debt.

Upon learning of this, a broker named Wandu visited Sukmaji's home in Sindangbarang and offered a larger loan through Bank Capital, claiming that the process was easier and the disbursement faster.

On December 13, 2024, Wandu arrived with Yadi, who claimed to be a Bank Capital marketer. They interviewed Sukmaji and his wife and asked them to sign several “loan application” documents without specifying the loan amount, interest rate, or term.

During the process, Wandu and Yadi also took all of Sukmaji's important documents—including his pension certificate, ATM card, and BTPN savings book—on the pretext that they would be used for loan administration. These documents were never returned.

On January 14, 2025, Sukmaji was asked to come to the BTPN office for loan disbursement. A BTPN representative, Wandu, and a man named Azis were present, replacing Yadi. The loan funds were disbursed and immediately used to pay off the old loan at BTPN; however, Sukmaji did not receive any cash and did not receive a copy of the credit agreement or transaction documents.

When Sukmaji went to collect his pension the following month, he discovered that Wandu had used his ATM card to withdraw money, as evidenced by CCTV footage and a BTPN bank statement showing two transfer transactions and a cash withdrawal totaling approximately

Rp 7,200,000.

Sukmaji repeatedly contacted Wandu, Yadi, and Eko (Bank Capital's marketing coordinator) for an explanation but received no clarity. After involving legal counsel from LBH Suryakencana and LBH PPPAD Cianjur, it was discovered that the credit transaction had been conducted through PT Samida, a company suspected of being a partner of Bank Capital.

However, Bank Capital later stated that full responsibility rested with PT Samida, while PT Samida claimed that the actions had been carried out by individuals.

As of May 2025, Sukmaji had never received the remaining loan disbursement funds, had no access to his retirement account, and continued to suffer from pension deductions due to a loan he never received. He also reported this case to the Cianjur Police and submitted official complaints to the OJK and Bank Indonesia.

Analysis Validity Agreement Credit

The credit agreement between Sukmaji and Bank Capital (through PT Samida) did not fulfill the legal requirements of a valid agreement as stipulated in Article 1320 of the Civil Code, in particular:

- 1) Valid consent – Sukmaji signed the documents without knowing their contents and legal consequences because information was concealed. An agreement obtained through deception or fraud is not legally valid (see also Article 1328 of the Civil Code).
- 2) Legal capacity and authority – Subjectively, Sukmaji had legal capacity; however, the intermediary did not have legitimate authority to act on behalf of the bank. As a result, there was a defect in representative authority.
- 3) Certain object and lawful cause – There was no clarity regarding the loan amount, term, interest, or purpose of the funds; therefore, the agreement did not have a definite object (*causa incerta*).

Thus, the credit agreement could be annulled or even considered null and void because it did not fulfill the substantive and formal requirements. This was reinforced by the fact that the agreement documents were not signed by an authorized official of Bank Capital; therefore, they did not have legal force as a valid banking credit agreement.

According to Supreme Court Decision No. 2095 K/Pdt/2013, a credit agreement that is not signed by an authorized bank official and lacks transparency of information to the debtor is considered not legally binding and may be annulled.

Analysis Element Fraud and Embezzlement

- a) Elements of Fraud (Article 378 of the Criminal Code)

The elements that must be fulfilled in a criminal act of fraud are:

- 1) The existence of deception, trickery, or false statements;
- 2) The intent to unlawfully benefit oneself or another person;
- 3) Causing loss to another party.

From the facts of the case:

- 1) Wandu and Yadi acted under the guise of Bank Capital and PT Samida to gain Sukmaji's trust;
- 2) They concealed information regarding the loan amount and requested personal documents without a legal basis;

3) As a result, Sukmaji lost access to his pension funds and suffered financial losses. Thus, the elements of fraud were fulfilled because there was a series of misrepresentations and misuse of institutional identity that misled the victim.

b) Elements of Embezzlement (Article 372 of the Criminal Code)

The main elements of embezzlement include:

- 1) Property belonging to another person that is under the control of the perpetrator;
- 2) Initial lawful possession of the property;
- 3) The intent to unlawfully appropriate the property.

In this case, Wandu and Yadi received documents and account access belonging to Sukmaji with initial consent, but then abused that access to withdraw money and transfer funds to their personal accounts. Therefore, their actions fulfilled the elements of embezzlement as stipulated in Article 372 of the Criminal Code.

Accountability Criminal Corporation

If it is proven that Bank Capital or PT Samida did not have an adequate internal control system for supervising marketing agents, then the institution could be held criminally liable in a corporate capacity.

Based on the theory of strict liability, financial institutions remain responsible for the actions of their employees or agents if such actions occur within the scope of their duties and while performing their functions.

Legal Responsibilities of Bank Capital and PT Samida

- 1) Civil Liability: Based on Article 1367 of the Civil Code, an employer is responsible for losses caused by its subordinates. Because PT Samida acted as an official partner of Bank Capital, any losses resulting from the actions of its agents became a shared responsibility. Therefore, Sukmaji was entitled to claim compensation based on *onrechtmatige daad* (tort/unlawful act) as stipulated in Article 1365 of the Civil Code.
- 2) Criminal Liability of Bank Capital: Bank Capital could be held criminally liable if it were proven to have been negligent in supervising its business partner (PT Samida), in accordance with the principle of corporate criminal liability. Such negligence could be interpreted as *culpa in vigilando*, namely a failure in supervision over agents that resulted in losses for consumers.
- 3) Administrative and Ethical Responsibilities: Based on Law No. 10 of 1998 concerning Banking, banks are required to apply the prudential principle and bear responsibility for all credit marketing activities. The Financial Services Authority (*Otoritas Jasa Keuangan / OJK*) could impose administrative sanctions on banks that violated these principles, in the form of warnings, restrictions on business activities, or even revocation of business licenses.

Analysis Normative and Empirical

From a normative perspective, this case demonstrated weaknesses in the supervision of banking partnership networks. Banks tended to disclaim responsibility, arguing that transactions were conducted through external partners. However, legally, such actions

remained within the bank's scope of responsibility because they involved the use of the name and facilities of a financial institution.

Empirically, interviews with Sukmaji and his legal team revealed a breakdown in communication between the bank, its partners, and its customers. There was no transparent reporting or document validation system. This demonstrated the existence of moral hazard in the bank's partnership practices, where third parties exploited procedural loopholes for personal gain.

Legal Implications of the Sukmaji Case

The Sukmaji case demonstrated that the banking partnership between Bank Capital and PT Samida was not accompanied by an adequate oversight system, thereby creating opportunities for abuse of authority by intermediaries. Legally, this case had important implications in three aspects:

- 1) Civil Aspect – There were defects of consent and substantive defects in the credit agreement. This meant that the agreement could be annulled because it did not fulfill the legal requirements of a valid agreement according to Article 1320 of the Civil Code. The victim (Sukmaji) had the right to claim restitution for losses (*restitutio in integrum*) and the restoration of ownership rights to his personal funds or documents.
- 2) Criminal Aspect – There were elements of criminal acts of fraud and embezzlement as stipulated in Articles 378 and 372 of the Criminal Code. Law enforcement authorities (the police and the prosecutor's office) were required to prosecute the individual perpetrators (Wandi, Yadi, and Azis) and investigate the possible involvement of corporations (PT Samida and Bank Capital) through the doctrine of corporate criminal liability.
- 3) Administrative and Banking Ethics Aspect – Based on Law No. 10 of 1998 concerning Banking, as well as OJK Regulation No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector, banks were required to apply the principles of transparency, fairness, and accountability in their relationships with customers. Failure to properly supervise credit marketing partners constituted a violation of the prudential principle.

Legal Actions That Can Be Taken Taken by the Victim

Based on the existing legal framework, Sukmaji could have pursued the following legal remedies:

- 1) Criminal Path: Sukmaji could have reported the case to the police based on Articles 372 and 378 of the Criminal Code. Following the investigation process, if sufficient evidence had been found, the perpetrators (Wandi, Yadi, and Azis) could have been subject to a maximum criminal sentence of four years' imprisonment. In addition, based on Supreme Court Regulation (Perma) No. 13 of 2016 concerning Corporate Criminal Liability, investigators could have extended the legal subject to corporations (PT Samida and Bank Capital) if it had been proven that they obtained profits from the proceeds of the crime.
- 2) Civil Path: Sukmaji could have filed a lawsuit for an unlawful act (*perbuatan melawan hukum / PMH*) against PT Samida and Bank Capital based on Article 1365 of the Civil Code, with the following claims:

- a) Material compensation (financial losses resulting from pension deductions and credit funds that were not received);
 - b) Immaterial compensation (moral and reputational losses);
 - c) A request for the return of personal documents and restoration of account rights. In addition, the lawsuit could have included a request for the annulment of the credit agreement made without valid consent.
- 3) Administrative and Consumer Protection Path
Through an official complaint mechanism to the Financial Services Authority (OJK) in accordance with Article 28 of POJK No. 1/POJK.07/2013, OJK could have:
- a) Ordered the bank to provide compensation;
 - b) Imposed administrative sanctions on negligent financial institutions;
 - c) Carried out the suspension or revocation of cooperation permits with third parties.

Roles and Responsibilities of OJK

OJK has a mandate to ensure that banking partnership practices do not create legal risks for customers. In this context, there were three strategic roles of OJK that needed to be strengthened:

- 1) Regulation and Standardization of OJK Partnerships: It was necessary to establish regulations that clearly governed the legal relationship between banks and third parties (agents, partners, outsourcing entities) in credit distribution. Every intermediary had to possess official authorization, be registered in the OJK system, and be subject to direct supervision.
- 2) OJK Supervision and Sanctions: OJK had to conduct periodic audits of banking partnerships, particularly those involving retirees or other vulnerable groups. If violations were found, OJK had the authority to impose administrative sanctions in accordance with Article 37 of POJK No. 1/POJK.07/2013, ranging from written warnings to the revocation of business licenses.
- 3) OJK Consumer Education and Protection: OJK needed to expand financial literacy education programs for retirees and rural communities. Low financial literacy often became a gap that enabled fraud disguised as banking partnerships.

Recommendations for Improving Banking Partnership Mechanisms

- 1) Transparency of Documents and Procedures: Every credit application had to be accompanied by a written explanation regarding the principal amount, interest, tenor, and legal consequences, signed directly by the customer in the presence of a bank official.
- 2) Credit Agent Training and Certification: Agents or third parties were required to undergo official OJK training and certification to understand the limits of their authority and legal responsibilities in marketing banking products.
- 3) Digital Identity and Validation Systems: Banks had to implement digital signatures and video verification systems to prevent signature forgery or unauthorized document use.

- 4) **Strict Sanctions for Negligent Institutions:** Banks proven to be negligent in supervising partnerships were required to bear joint legal responsibility and be subject to progressive administrative fines imposed by OJK.
- 5) **Legal Assistance for Vulnerable Customers:** Local governments, in collaboration with OJK and Legal Aid Institutes (LBH), needed to provide free legal services for retirees or low-income individuals who were victims of non-transparent banking practices.

Reflection and Legal Lessons

- 1) Sukmaji's case demonstrated that legal and ethical aspects of banking practices must go hand in hand.
- 2) Banking law not only regulates financial relationships but also ensures social justice and protection for economically disadvantaged groups.
- 3) A lack of transparency, weak oversight, and low customer legal literacy combined to enable fraud under the guise of credit agreements.

Reform of the banking partnership system needed to be directed toward:

- 1) Eliminating the gray area between “official banks” and “partner agents”;
- 2) Affirming corporate responsibility for names used by third parties;
- 3) Ensuring full accountability of financial institutions for the entire credit process.

CONCLUSION

The legal analysis of fraud and embezzlement in banking credit practices in the Sukmaji case in Cianjur Regency shows that the credit agreement between Sukmaji and Bank Capital, facilitated by PT Samida, failed to meet the legal requirements for a valid contract under Article 1320 of the Civil Code, particularly due to the absence of proper consent and lawful cause, rendering it null and void. The intermediaries—Wandi, Yadi, and Azis—fulfilled the elements of criminal fraud and embezzlement under Articles 378 and 372 of the Criminal Code by abusing trust, manipulating credit information, and unlawfully controlling funds. Bank Capital also bore legal responsibility for negligence in supervising its third-party partner, contrary to the prudential principle and transparency obligations under banking regulations. From a consumer protection perspective, Sukmaji was entitled to rights under the Consumer Protection Law, with the Financial Services Authority (OJK) playing a key supervisory and remedial role. Overall, the case highlights significant regulatory gaps in third-party involvement in credit distribution, emphasizing the need for stronger oversight, clearer regulatory frameworks, and improved public financial literacy, particularly for vulnerable groups such as retirees. Future research should focus on comparative analyses of third-party regulation in banking systems across jurisdictions and the development of more robust legal mechanisms to ensure accountability and consumer protection in increasingly complex credit distribution practices.

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