

# Principle 5C as an Effort to Settle Problem Financing at Shopeepaylater

**Erika Ramadani**

UIN K.H. Abdurrahman Wahid Pekalongan

Email: erika.ramadani@gmail.com

## **Abstract**

*Shopeepaylater is a payment method using the bailout method from the Shopee application via installments without a credit card. In the current period of technological development, people are increasingly abreast of existing developments, including in the payment system, because with the financing made, there will be the possibility of a default being made and the efforts that must be made to avoid problematic financing. This study reviews how to minimize problematic financing on Shopeepaylater by using the 5C principles and saad al-dzari'ah. This research includes field research, namely by using descriptive qualitative. Sources of data needed in this study consisted of primary data and secondary data with data collection methods carried out using interviews, documentation, and observation. This study concludes that the 5C principle as an effort to resolve problem financing has fulfilled the prevention criteria but in the evaluation of the shopee application it has not been fully implemented the 5C principle has fulfilled sadd Al-dzari'ah because these efforts can hinder mafsadatan which can cause damage.*

**Keywords:** Al-dzari'ah, principle, Shopeepaylater.

## **A. INTRODUCTION**

Along with the development of the times, technology is a human need as a means to support all human activities and needs. With the existence of technology, innovation began to develop, one of which was in the trade sector, namely e-commerce. In Indonesia, there are many types of *e-commerce businesses* including listings, shopping malls, marketplaces, and online shops on social media (Pradana, 2015). Of these several e-commerce businesses, the marketplace is one type of e-commerce that has developed rapidly and has many users and consumers. The Marketplace acts as a liaison party between business people and consumers so there are terms and conditions in its implementation.

At this time, one of the marketplaces that are currently popular and has many users is the Shopee application. Shopee is an application that offers products for daily needs from basic needs to secondary and tertiary needs. Shopee has many enthusiasts because Shopee provides free shipping to all regions every time a purchase is made. The Shopee application also provides various features such as flash sales, games with prizes, cashback, and various other vouchers that can add attractiveness and interest to consumers to shop online using the Shopee application. In payment, Shopee also offers a variety of payment methods, starting from Indomaret, Alfamart, bank transfers, credit cards, and ShopeePay, and what many consumers use is the ShopeePaylater payment method.

Pay later is an online lending service where loans are made without using a credit card and pay later in shopee is a payment method provided by a shopee with bailouts or borrowing limits without using any credit card. However, this

payment feature can only be used by application users who have been verified by the shopee. Shopee users who want to use this payment method first register and have been verified to get a loan limit of around Rp. 750,000-Rp. 50,000,000 where previously there were terms and conditions that users had to fulfill. The terms and conditions provided by the shopee are in the form of registration requirements, the limit amount given after registering, fees that must be paid when it is time for payment or fees paid every month when the consumer chooses to repay in installments, up to fines given in the event of a delay in paying installments on shopeepaylater.

Users who register and click on the word agree in using the pay later method, the user is considered to agree to the agreements that have been attached and they user has bound themselves to the agreement that has been given, giving rise to rights and obligations from both the user and the marketplace application. In using this payment system is the application of an agreement system, the parties have a performance obligation to other parties and if one party fails to fulfill its obligations, that party is deemed to have committed a breach of contract and can take action so that the parties fulfill their obligations.

This research is important because, in this era of technological development, people will follow existing developments, including the payment system. This research explores how the 5C principle is with the saad al-dzari'ah method as an effort to help solve problematic financing that occurs in the shopeepaylater payment method because when using shopee pay later, shoope has not checked the validity of the existing data. Therefore, related to the existence of financing on shopeepaylater transactions, an in-depth study is needed. Based on this background, became the basis for researchers to research under the title “Principle 5c as an Effort to Solve Problematic Financing at Shopeeaylater”.

In a journal written by Raudah entitled “Implementation of the 5C Principles in Murabahah Financing as an Effort to Minimize Problematic Financing (At BMT Al-Karomah Martapura)” focusing his research on supporting and inhibiting factors in murabahah financing at BMT Al-Karomah, the research has similarities the theme of the research that the author has studied carefully, but what distinguishes the research is the object of the two studies.

This study uses qualitative research methods where data sources were obtained directly from the field by way of interviews and supporting data from literature such as journals, articles, and books related to this research.

## **B. DISCUSSION**

### **1. Funding submission mechanism with shopeepaylater**

Shopeepaylater is a payment method in the form of installments or online shopping loans found in the Shopee application. This payment method helps users who want to shop but don't have costs at that time in e-commerce. The use of shopeepaylater is facilitated by PT Commerce Finance and directly supervised by the Financial Services Authority (OJK). In payments using shopeepaylater, it can only be used by selected marketplace users who have registered themselves. Users

must actively shop at shopee if they want to use the payment method with the shopeepaylater.

When you want to use the payment method with shopeepaylater, you must first register with the payment feature. In this case, the user is required to pay the bill according to the agreed date and if the user is late in paying the bill, a fine of 5 percent per month is imposed on the total bill for that month (Farida, 2022).

How to activate the shopeepaylater feature In the shopee application, namely by clicking the My tab, then selecting the Shoopepaylater menu then in that menu then clicking activate now then entering the Verification Code (OTP) sent via SMS and clicking continue after that upload a KTP photo, then click confirm, enter the additional requested information such as personal data and others, then click continue then face verification and if the application to activate shopeepaylater is approved, then the user will get a notification that he has successfully activated shopeepaylater. If the payment method with shopeepaylater has been successfully activated, users can make buying and selling transactions on the shopee application by using the shopeepaylater feature.

## **2. Application of the 5C principle using the sadd al-dzari'ah method for the problem-solving of shopeepaylater**

When deciding to provide financing or distribute financing, many things must be considered by both creditors and debtors, and this has become a general assessment, known as the 5C principle. 5C stands for Character, Capacity, Capital, Collateral, and Condition Of Economy. The results of the analysis will be taken into consideration in the decision-making process. The 5C principles are as follows:

### **Character**

This character principle is something that can be seen and can be assessed to adequately describe the personality of the borrower or debtor, namely the characteristics or traits they possess. Such as family background, hobbies, way of life, habits, and others. In general, the purpose of understanding these characteristics is also associated with issues such as the client's sincerity in his affairs to fulfill his obligations. (R Hutugalung, 2021)

Several things need to be considered in character analysis, including:

- Loan History  
Business history and history related to the bank can be seen by prospective customers in dealing with loan history.
- Reputation in the financial business  
Reputation for keeping promises in business circles through friends, relatives, and others.
- Business Legality  
When assessing the personality of potential customers, they must have those values in themselves. This is confirmed by the Koran. The Word of God in QS Al-Anfal.

In assessing personality characteristics or characteristics as mentioned above, such as family background, hobbies, way of life, and other habits, this is not good enough, because Shoppe's personality evaluation only concerns the biological

mother's name, monthly salary, education, and employment. Shopee does not conduct extensive assessments of the identity of close relatives directly through emergency contacts, although registration requirements include a second emergency contact in case of problem funds.

### **Capacity**

Capacity or ability related to the customer's ability to repay the loan. To measure it, you can see the ability of customers in financing and others (R Hutugalung, 2021)

The following are ways to determine the financial capabilities of prospective customers:

- Looking at the financial statements, the client will be able to find out the source of funds, by looking at the cash flow financial statements. In the total cash flow, it is possible to find out the cash status of a potential customer, by comparing the sources of funds raised and the use of funds.
- When checking a savings account, the bank will ask for slips of savings accounts for the last three months, then it will be possible to analyze the sources of funds and the use of funds of potential customers.
- Surveys of prospective customer business locations, this is necessary to find out potential customer businesses by making direct observations.

Assessment in terms of capacity or the ability of the user to repay the loan. Shopee itself has not conducted an assessment in terms of capacity, in principle 5c to be able to see the user's capacity, namely by knowing the financial ability of potential users. Meanwhile, in Shopee's terms and conditions, there is no capacity assessment, only additional information in terms of monthly salary, although this is unknown and it is not clear whether this is true. Indeed, capacity assessment is critical to minimizing problematic funding.

### **Capital**

Capital or capital is a reflection of the formation of private capital with loan capital to finance the survival of a company. So in assessing the company's capital as a stronghold of client resilience in the event of financing risk, the client's commitment to the company's sustainability is shown (Susilo, 2017)

The assessment includes:

1. Capital owned by the debtor
2. The initial funds used by the business
3. Have human resources with the ability to support

The more capital owned and covered by prospective customers regarding financing matters, the more convincing it will be for banks to seriously apply for financing and repayment.

Evaluation In terms of capital or the amount of capital, Shopee does not look at the amount of capital by users at the start of registration, and the evaluation is only seen from the amount of salary and employment. According to the author, this was not done because Shopee saw the size of the loan only on a small scale and not on a large scale.

### **Condition Of Economy**

Assessment in providing financing also takes into account general economic conditions and conditions in the business sector for prospective clients. Banks need to consider the potential customer's business sector related to economic conditions. Banks need to analyze the impact of economic conditions on prospective customers' businesses in the future, to determine the impact of economic conditions on prospective customers' businesses (R Hutugalung, 2021). Several factors affect the level of financing bottlenecks, including inaccuracies in debtor analysis, lack of supervision, lack of business management, and debtors who do not have the good faith to repay or repay their loans.

In terms of the condition of the economy, Shopee itself is not good enough or comprehensive enough. Because there is not enough complete data to know in terms of economic conditions that users will be eligible to get a loan from Shopee and whether they can return it by the predetermined deadline.

### **Collateral**

Collateral is a guarantee that is used as a second payment alternative if something out of the agreement occurs at a later date, such as non-payment of premiums. The collateral will then be used to pay for the down payment financing. This is the guarantee provided by the potential customer for the proposed financing. In this case, if the customer is unable to pay installments, then a legitimate bank can make a sale of collateral that is used as a second source of payment to repay the debt. The assessment from the Collateral aspect or guarantee from Shopee is not good.

In the terms and conditions stipulated in the Shopee regulations, there is no guarantee for the user in case of default, because the agreement made is a standard agreement made by one party only, the conditions listed are not guarantees but if there is a dispute or dispute that arises, resolve it by deliberation or first good faith, if the dispute cannot be resolved by deliberation, the dispute can be resolved at the final level through arbitration in Indonesia organized by an alternative institution for dispute resolution in the financial services sector (LAPS SJK) by applicable LAPS SJK regulations.

The purpose of discussing the 5C assessment is a preventive effort to minimize problematic funding. The essence of business is an attempt to achieve an intention or solve a problem to find a way out. Online buying and selling transactions must be carried out primarily with honesty and integrity. Fair, in this case, not burdening only one party, so as not to cause complaints between sellers and buyers or online e-commerce services with users.

One of the legal *istinbath* whose existence is acknowledged by scholars to determine the law is *Sadd al-dzari'ah*. The purpose of establishing the law with *sadd al-dzari'ah* is to facilitate the achievement of benefits to avoid the possibility of damage, or to avoid the possibility of immorality (Sanusi & Sohari, 2015) The prohibition to avoid actions that are permissible but bring harm is in Surah Al-An'am: 108, in this verse it is explained that insulting idols is not prohibited, but this verse prohibits Muslims and insulting idols because this prohibition can close

the door to the actions of non-Muslims. polytheists insult and curse Allah beyond measure (Sanusi & Sohari, 2015)

This is one step to be careful not to lead to mafsadah and explains the urgency of sadd al-dzari'ah. Therefore, the right thing to do is to avoid actions that lead to damage. Likewise with funding transactions in the Shopee paylater application, in the rules of ushul fikh, it is also explained that rejecting mafsadatan is far more important.

As the rule of ushul fiqh which reads:

دفع المفسد مقدم على جلب المصالح

Meaning: "Rejecting mafsadah takes precedence over achieving benefit"

The purpose of the above fiqh rules is that if in a case there is a visible benefit or benefit, but there is also mafsadah (damage), then the mafsadah must be eliminated first because the mafsadah can spread everywhere, so it will result in greater damage.

This is because the command to leave the prohibition is stronger than the command to do good. In the financial practice of the Shopee paylater application, Shopee has a positive impact on users in getting financing or loans in advance to buy necessities when they don't have money. But on the other hand, it also hurts users, with debtors failing to pay because they are unable to pay according to the specified period, resulting in fines for the users themselves.

In the context of applying Islamic law, there is a method of law enforcement using sadd al-dzari'ah which is a diligent effort in creating a prohibition against a legal case that is permissible (Hermanto, 2022). This prohibition is intended to prevent mafsadat, which can cause damage. Therefore, in its application, accuracy is needed to determine the level of harm and benefit. This prohibition is intended to inhibit mafsadat, which can cause damage. Therefore, in its application, accuracy is needed to determine the level of mafsada and benefit.

### C. CONCLUSION

From the results of the research on the 5C principle efforts in overcoming problem financing on shopee paylater, it actually meets the prevention criteria, but there are still deficiencies, and not even fully implemented. still not good, because the terms and conditions stated in the Shopee regulations do not include an assessment using the 5C principle. In resolving disputes carried out by Shopee and the organizers choose to carry out internal settlements, as well as provide administrative sanctions for perpetrators of default. However, the assessment of the 5C principles has fulfilled sadd al-dzari'ah because these efforts can inhibit mafsadatan which causes damage.

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