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Adoption of Financial Technology in Islamic Banking from the Perspective of the Technology Acceptance Model: A Literature Study

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Abstrak

Penelitian ini bertujuan untuk mengkaji adopsi teknologi finansial dalam perbankan syariah dari perspektif Model Penerimaan Teknologi (TAM). Pesatnya pertumbuhan layanan keuangan digital telah mendorong bank syariah untuk mentransformasikan penawaran mereka melalui mobile banking, sistem pembayaran digital, pembiayaan online, dan inovasi fintech lainnya. Namun, adopsi fintech dalam perbankan syariah berbeda dengan perbankan konvensional karena tidak hanya dipengaruhi oleh faktor teknologi, tetapi juga oleh kepatuhan syariah, kepercayaan, religiusitas, dan prinsip keuangan yang etis. Penelitian ini menggunakan metode penelitian perpustakaan dengan pendekatan deskriptif kualitatif dengan meninjau literatur yang relevan tentang fintech syariah, perbankan digital, dan penerimaan teknologi. Temuan menunjukkan bahwa kegunaan yang dirasakan dan kemudahan penggunaan yang dirasakan tetap menjadi penentu utama niat nasabah untuk mengadopsi layanan fintech dalam perbankan syariah. Nasabah lebih cenderung menggunakan perbankan syariah digital ketika teknologi tersebut memberikan kemudahan, efisiensi, aksesibilitas, dan manfaat praktis. Namun demikian, kerangka kerja TAM asli perlu diperluas karena nasabah perbankan syariah juga mempertimbangkan kepercayaan, risiko yang dirasakan, keamanan, kepatuhan syariah, literasi keuangan syariah, literasi digital, dan dukungan regulasi. Kepatuhan syariah menjadi faktor khas karena nasabah membutuhkan jaminan bahwa layanan keuangan digital bebas dari riba, gharar, dan maysir serta didukung oleh kontrak yang transparan. Penelitian ini menyimpulkan bahwa adopsi fintech dalam perbankan syariah harus dipahami sebagai integrasi penerimaan teknologi, kepercayaan institusional, dan legitimasi syariah. Studi ini berkontribusi secara konseptual dengan menawarkan kerangka kerja TAM yang diperluas untuk adopsi fintech perbankan syariah dan memberikan implikasi praktis bagi bank syariah untuk mengembangkan layanan digital yang aman, ramah pengguna, transparan, dan sesuai dengan syariah.

Abstract

This study aims to examine the adoption of financial technology in Islamic banking from the perspective of the Technology Acceptance Model (TAM). The rapid growth of digital financial services has prompted Islamic banks to transform their offerings through mobile banking, digital payment systems, online financing, and other fintech innovations. However, fintech adoption in Islamic banking differs from that in conventional banking because it is influenced not only by technological factors but also by Sharia compliance, trust, religiosity, and ethical financial principles. This study uses a library research method with a qualitative descriptive approach by reviewing relevant literature on Islamic fintech, digital banking, and technology acceptance. The findings show that perceived usefulness and perceived ease of use remain the main determinants of customer intention to adopt fintech services in Islamic

banking. Customers are more likely to use digital Islamic banking when the technology provides convenience, efficiency, accessibility, and practical benefits. Nevertheless, the original TAM framework needs to be extended because Islamic banking customers also consider trust, perceived risk, security, Sharia compliance, Islamic financial literacy, digital literacy, and regulatory support. Sharia compliance becomes a distinctive factor because customers require assurance that digital financial services are free from riba, gharar, and maysir and are supported by transparent contracts. This study concludes that fintech adoption in Islamic banking should be understood as an integration of technological acceptance, institutional trust, and Sharia legitimacy. The study contributes conceptually by offering an extended TAM framework for Islamic banking fintech adoption. It provides practical implications for Islamic banks to develop secure, user-friendly, transparent, and Sharia-compliant digital services.

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INTRODUCTION

The rapid development of financial technology has transformed the competitive landscape of banking, including Islamic banking. Digital payment systems, mobile banking, artificial intelligence, blockchain, peer-to-peer financing, and digital onboarding have changed how customers access financial services. In Islamic banking, this transformation is not only about operational efficiency but also a strategic effort to expand Sharia-compliant financial inclusion, improve the customer experience, and strengthen the competitiveness of Islamic financial institutions in the digital economy. Recent studies show that digitalization and Islamic fintech have become increasingly important themes in Islamic finance scholarship, especially after 2020, when digital financial services expanded rapidly across Muslim-majority markets (Maniam, 2024; Suswanto et al., 2025).

The phenomenon is particularly relevant in Indonesia, where Islamic banking continues to grow but still faces challenges in expanding market penetration. The Financial Services Authority of Indonesia reported that national Islamic banking assets reached Rp980.30 trillion in December 2024, growing 9.88% year-on-year, while the Islamic banking market share increased to 7.72% from 7.44% in December 2023. This growth indicates strong performance, but the market share remains relatively small compared with Indonesia's potential Muslim population and the rapid expansion of digital financial behavior. Therefore, the adoption of financial technology in Islamic banking is a crucial issue for accelerating service accessibility, customer acquisition, and institutional competitiveness.

From the Technology Acceptance Model perspective, customer adoption of fintech-based Islamic banking services is strongly associated with perceived usefulness and perceived ease of use. Customers are more likely to accept digital Islamic banking services when they perceive that the technology improves transaction speed, convenience, accessibility, and financial management. However, Islamic banking has a distinctive characteristic: technology adoption is influenced not only by functional benefits but also by trust, perceived risk, security, religiosity, and perceived Sharia compliance. Several recent studies have extended TAM by adding variables such as trust, perceived risk, brand image, government support, Sharia compliance, religiosity, and perceived security to explain better Islamic fintech adoption (Pahlevi, 2023; Rohmah et al., 2022; Shaikh et al., 2020).

The main research problem in this topic is that the adoption of financial technology in Islamic banking cannot be fully explained by general technology acceptance factors alone. Conventional TAM assumes that users adopt technology mainly because it is useful and easy to use. In Islamic banking, however, customers may also consider whether the digital service follows Islamic principles, protects their data, avoids riba, ensures transaction transparency, and provides trustworthy financial mechanisms. This raises a conceptual issue: whether the original TAM framework is sufficient to explain fintech adoption in Islamic banking, or whether it needs to be expanded to incorporate Islamic ethical, religious, and institutional dimensions.

Previous studies have examined fintech, mobile, and digital banking adoption in Islamic financial institutions, but the findings remain fragmented. Some studies emphasize perceived usefulness and ease of use, while others highlight trust, risk, security, religiosity, Sharia compliance, financial literacy, and government support as important determinants. For example, research on Islamic digital banking adoption in Indonesia found that perceived ease of use, perceived usefulness, risk, and religiosity influence adoption intention. Other studies also show that trust and Sharia compliance are central factors

in Islamic fintech adoption because users need assurance that digital financial services are both technologically reliable and religiously acceptable.

The research gap lies in the limited synthesis of how TAM has been applied and extended in the context of Islamic banking fintech adoption. Many empirical studies test specific variables in certain countries or user groups, but fewer studies systematically review how TAM-based constructs interact with Islamic finance-specific variables. This gap is important because Islamic banking operates within a dual logic: technological efficiency and Sharia legitimacy. A literature study is therefore needed to organize existing findings, identify dominant constructs, compare theoretical extensions, and clarify which variables are most relevant for explaining fintech adoption in Islamic banking.

The novelty of this study lies in positioning the Technology Acceptance Model as a theoretical lens for reviewing fintech adoption in Islamic banking, while integrating Islamic-specific dimensions. Unlike studies that focus solely on fintech as a technological innovation, this literature review can highlight the interactions among perceived usefulness, perceived ease of use, trust, perceived risk, security, religiosity, and Sharia compliance. This approach provides a more comprehensive conceptual understanding of fintech adoption in Islamic banking by connecting technological acceptance theory with the moral, religious, and institutional characteristics of Islamic finance.

The urgency of this research is strengthened by the growing need for Islamic banks to compete in a digital financial ecosystem while maintaining Sharia compliance and customer trust. If Islamic banks fail to understand the factors influencing fintech adoption, they may lose competitiveness to conventional digital banks, fintech platforms, and non-bank financial service providers. Therefore, a literature-based study of fintech adoption in Islamic banking from a TAM perspective is academically and practically important. Academically, it contributes to the development of technology adoption theory in Islamic finance. Practically, it can help Islamic banks, regulators, and fintech developers design digital services that are useful, easy to use, secure, trustworthy, and aligned with Sharia principles.

Literature Review

Financial Technology Adoption in Islamic Banking

Financial technology adoption in Islamic banking refers to the adoption and use of digital financial services, such as mobile and internet banking, digital payments, Islamic fintech platforms, digital financing, and technology-based banking services that operate in accordance with Sharia principles. In recent years, Islamic banking has increasingly adopted financial technology to improve service efficiency, expand financial inclusion, and respond to changing customer behavior in the digital economy. However, unlike conventional banking, Islamic banking technology adoption is not measured solely by speed, convenience, and efficiency, but also by compliance with Islamic values, transparency in contracts, fairness, risk-sharing principles, and avoidance of riba, gharar, and maysir. Therefore, adopting fintech in Islamic banking requires a theoretical framework that explains both technological acceptance and religious-institutional trust. Recent studies indicate that Islamic fintech adoption is shaped by technological readiness, trust, religious orientation, Sharia compliance, and regulatory support.

Technology Acceptance Model as a Theoretical Foundation

The Technology Acceptance Model is one of the most widely used theories for explaining user acceptance of technology. In the context of Islamic banking, TAM explains that customers are more likely to adopt fintech services when they perceive the technology as useful and easy to use. Perceived usefulness refers to the belief that digital Islamic banking services can improve transaction effectiveness, save time, facilitate access to financial services, and support daily financial activities. Perceived ease of use refers to the degree to which customers believe that fintech services are simple, understandable, and effortless to operate. Studies on Islamic mobile banking and Islamic fintech adoption continue to use TAM because it provides a strong foundation for analyzing behavioral intention in technology-based financial services.

Perceived Usefulness in Islamic Fintech Adoption

Perceived usefulness is a central determinant of fintech adoption, as users tend to adopt digital financial services when they offer clear benefits. In Islamic banking, perceived usefulness may include faster transactions, easier account management, wider access to Sharia-compliant financing, efficient

zakat or charity payment features, and real-time financial information. Recent literature shows that perceived usefulness remains a primary factor in fintech adoption, especially in developing countries where digital banking can reduce service barriers and improve financial inclusion. In Islamic banking, usefulness is not only functional but also spiritual and ethical, because customers expect digital services to support halal financial behavior and simplify access to Sharia-compliant products.

Perceived Ease of Use and Digital Service Accessibility

Perceived ease of use is also an important factor in the adoption of Islamic banking fintech. Customers are more likely to use mobile banking or Islamic fintech applications when the interface is simple, the registration process is easy, and the transaction procedure is understandable. Complex menus, technical errors, poor user experience, and limited digital literacy may reduce user intention to adopt fintech services. In the Islamic banking context, ease of use becomes more important because digital services must clearly explain Sharia-based products, including akad, fees, profit-sharing mechanisms, and financing terms. Studies on Islamic bank mobile banking adoption among millennial users indicate that TAM variables remain relevant, particularly when integrated with external factors such as religiosity and trust.

Trust as an Extension of TAM

Trust is a critical factor in Islamic fintech adoption because it involves sensitive data, financial transactions, contracts, and compliance with religious principles. In Islamic banking, trust is multidimensional. Customers must trust the bank as an institution, the digital system as a secure platform, and the service as compliant with Sharia principles. Recent studies argue that TAM should be extended to include trust, as perceived usefulness and perceived ease of use alone are insufficient to explain Islamic fintech adoption. Pahlevi's study, for example, combines TAM with perceived risk, brand image, Sharia compliance, and government support to explain trust and fintech adoption among Sharia bank users.

Sharia Compliance and Religiosity

Sharia compliance is one of the most distinctive factors in the adoption of Islamic banking technology. Customers may reject a fintech service if they doubt its compliance with Islamic law, even when the platform is useful and easy to use. Sharia compliance includes transparency of akad, fairness in transactions, halal investment mechanisms, and avoidance of prohibited elements. Religiosity also influences adoption because Muslim customers may evaluate digital banking services based on their religious values and ethical expectations. Recent literature shows that religious orientation is an important factor in Islamic fintech adoption patterns, while studies on Islamic mobile banking also integrate religiosity as an external factor in the TAM framework.

Perceived Risk, Security, and Data Privacy

Perceived risk and security concerns are major barriers to the adoption of fintech in Islamic banking. Customers may hesitate to use digital banking services due to concerns about fraud, data misuse, cybercrime, system failures, and unclear transaction protection. In Islamic banking, perceived risk is also related to uncertainty in digital contracts and doubts about Sharia compliance. Therefore, data security, transparency, consumer protection, and regulatory supervision are essential to increase customer confidence. Recent systematic literature on Islamic fintech adoption identifies consumer protection, regulatory frameworks, and Sharia-compliance mechanisms as critical challenges in developing Islamic fintech ecosystems.

Research Gap in TAM-Based Islamic Banking Fintech Studies

Although TAM has been widely used in studies of digital banking and fintech adoption, the literature shows that Islamic banking requires an expanded model. The original TAM focuses on perceived usefulness and perceived ease of use. However, Islamic banking fintech adoption is also shaped by trust, Sharia compliance, religiosity, perceived risk, security, financial literacy, and

government support. The research gap lies in the fragmented nature of previous studies. Some studies focus on technology-related factors, while others emphasize religious and institutional dimensions. Therefore, a literature review is needed to synthesize how TAM has been extended in Islamic banking fintech research and to identify which constructs are most frequently used to explain adoption intention.

Conceptual Direction of the Study

Based on the literature, fintech adoption in Islamic banking can be understood through an extended Technology Acceptance Model. The core TAM variables are perceived usefulness and perceived ease of use, while Islamic banking-specific variables include trust, Sharia compliance, religiosity, perceived risk, security, and regulatory support. These variables may influence customer attitudes, behavioral intentions, and the actual use of fintech services. Thus, a literature-based study can contribute by organizing prior findings into an integrated conceptual framework that connects technological acceptance with Islamic ethical and institutional values. This framework is important for Islamic banks because successful digital transformation depends not only on technological innovation but also on customer trust and Sharia legitimacy.

METHODS

This study uses a library research method with a qualitative descriptive approach to examine the adoption of financial technology in Islamic banking from the perspective of the Technology Acceptance Model. Library research is appropriate because this study focuses on identifying, reviewing, comparing, and synthesizing previous academic literature on Islamic banking, financial technology, digital banking adoption, and technology acceptance. The data sources are obtained from secondary literature, including Scopus-indexed journal articles, books, conference proceedings, and relevant institutional reports published mainly within the last three years. The literature selection process emphasizes studies that discuss Islamic fintech adoption, mobile banking adoption, digital Islamic banking, perceived usefulness, perceived ease of use, trust, perceived risk, Sharia compliance, religiosity, and customer behavioral intention. This approach enables the researcher to build a conceptual understanding of how TAM has been applied and extended in Islamic banking studies (Snyder, 2019; Paul et al., 2021; Kraus et al., 2022).

The data analysis is conducted through content analysis, classifying previous studies by research themes, theoretical perspectives, variables, methods, and major findings. The selected literature is critically reviewed to identify similarities, differences, theoretical gaps, and conceptual developments in TAM-based research on Islamic banking fintech. The analysis focuses on how perceived usefulness and perceived ease of use influence fintech adoption, and how Islamic banking-specific variables such as trust, Sharia compliance, religiosity, perceived risk, security, and regulatory support extend the original TAM framework. Through this method, the study develops a synthesized conceptual framework that explains financial technology adoption in Islamic banking as a combination of technological acceptance, institutional trust, and Sharia legitimacy. Therefore, library research is considered suitable for strengthening theoretical foundations and formulating future research directions in Islamic digital banking studies (Donthu et al., 2021; Lim et al., 2022; Tranfield et al., 2024).

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RESULTS AND DISCUSSION

Financial Technology Adoption in Islamic Banking

The results of the literature review show that financial technology adoption in Islamic banking is increasingly influenced by shifts in customer behavior toward digital financial services. Islamic banks are required to provide fast, accessible, secure, and Sharia-compliant digital services. The adoption of fintech in Islamic banking is not only about service innovation but also about Islamic banks' ability to compete with conventional digital banks and fintech companies. Recent studies indicate that Islamic fintech adoption is strongly associated with customer trust, perceived usefulness, Sharia compliance, digital literacy, and perceived security. This confirms that digital transformation in Islamic banking must combine technological efficiency with Islamic ethical values. From the Technology Acceptance Model perspective, customers will adopt Islamic fintech services when they believe the technology offers practical benefits and is easy to use. Perceived usefulness becomes a central factor because customers

expect fintech services to simplify transactions, reduce waiting time, support online financing, improve access to account information, and increase financial convenience. In Islamic banking, usefulness is also related to the ability of technology to facilitate halal financial behavior, such as Sharia-compliant financing, zakat payments, Islamic investments, and transparent digital contracts. Therefore, fintech adoption in Islamic banking is not only technical but also value-oriented.

Perceived Usefulness and Customer Intention

The reviewed literature indicates that perceived usefulness has a significant role in shaping customer intention to use fintech services in Islamic banking. Customers are more likely to use mobile banking, internet banking, digital payment, and Islamic fintech platforms when they perceive that these services improve transaction efficiency and financial accessibility. In the context of Islamic banking, perceived usefulness also reflects the ability of digital services to support Sharia-based financial needs. For example, customers may perceive Islamic fintech as useful when it enables transparent akad, provides clear profit-sharing information, and facilitates access to halal financial products. This finding strengthens the relevance of TAM in Islamic banking research. The original TAM posits that perceived usefulness influences behavioral intention, and this relationship holds in Islamic fintech studies. However, the meaning of usefulness in Islamic banking is broader than in conventional banking. It includes economic benefit, service convenience, religious assurance, and ethical financial value. Recent studies on Islamic fintech adoption show that perceived usefulness is a key determinant of adoption intensity, particularly when supported by religious compliance and trust in service providers.

Perceived Ease of Use and Digital Accessibility

Perceived ease of use is also an important factor in Islamic fintech adoption. Customers are more willing to adopt Islamic banking technology when the digital platform is simple, user-friendly, easy to understand, and does not require complicated procedures. In digital banking, ease of use includes simple registration, clear navigation, fast transaction processing, understandable product information, and responsive customer support. If Islamic banking applications are difficult to operate, customers may return to conventional banking channels or choose other fintech platforms.

The discussion also shows that perceived ease of use has a stronger effect when users have adequate digital literacy. Islamic banking customers may come from different age groups, educational backgrounds, and levels of technological familiarity. Therefore, Islamic banks need to design inclusive digital platforms that can be used by both digitally literate and less digitally experienced customers. In Islamic banking, ease of use must also include clear explanations of Sharia contracts, service fees, financing mechanisms, and risk information. A simple interface without clear Sharia information may not be sufficient to build long-term adoption.

Trust as a Key Determinant of Islamic Fintech Adoption

Trust appears as one of the most important extensions of TAM in Islamic banking fintech adoption. The literature shows that customers do not adopt Islamic fintech only because the service is useful and easy to use; they also need confidence that the institution, system, and transaction process are reliable. Trust in Islamic fintech encompasses trust in the Islamic bank, the digital platform, data security, and Sharia compliance. This means that Islamic banks must build both technological trust and religious trust. Pahlevi's study, for example, combines TAM with perceived risk, brand image, Sharia compliance, and government support to explain trust among Sharia bank users. The study indicates that trust acts as a mediating factor, strengthening the intention to adopt fintech services. This finding is important because Islamic banking customers may be more sensitive to ethical and religious concerns than conventional banking customers. Therefore, trust should not be treated as a secondary variable, but as a central component of Islamic fintech adoption.

Sharia Compliance and Religiosity

The results of the literature review also show that Sharia compliance is a distinctive factor in Islamic fintech adoption. In conventional fintech adoption, users usually focus on speed, cost, convenience, and security. However, in Islamic banking, users also evaluate whether the digital service follows Islamic principles. Sharia compliance includes avoiding riba, gharar, and maysir; ensuring transparency in akad; ensuring fairness in financing; and the ethical use of customer funds. If customers doubt the Shariah

legitimacy of a fintech service, their intention to use it may decline even when the technology is useful and easy to use. Religiosity also strengthens the relationship between Islamic values and fintech adoption. Customers with greater religious awareness may pay closer attention to whether digital banking services align with Islamic teachings. This does not mean that religiosity replaces technological factors, but it complements them. A combination of technological acceptance and religious evaluation, therefore, shapes the adoption of Islamic fintech. Recent studies show that Sharia compliance, religious compliance, and trust significantly influence Islamic fintech adoption, especially in Muslim-majority contexts.

Perceived Risk, Security, and Data Privacy

Perceived risk is another important factor influencing fintech adoption in Islamic banking. Customers may hesitate to use digital banking services due to concerns about fraud, cybercrime, transaction failures, data breaches, and misuse of personal information. In Islamic banking, perceived risk also includes uncertainty about digital contracts, unclear profit-sharing mechanisms, and doubts about Sharia supervision. Therefore, Islamic banks must ensure that their fintech services are not only technologically secure but also transparent and accountable. Security and data privacy are closely related to customer trust. When users believe that their data and transactions are protected, they are more likely to adopt digital Islamic banking services. Conversely, weak security systems can reduce customer confidence and damage the reputation of Islamic banks. The literature on Islamic fintech adoption emphasizes that adoption is shaped by technological factors, value-based considerations, perceptions of security, and trust in service providers.

Digital Literacy and Islamic Financial Literacy

The discussion further indicates that digital literacy and Islamic financial literacy play an important role in supporting fintech adoption. Digital literacy helps customers understand how to use mobile banking applications, online payment systems, and other fintech platforms. Meanwhile, Islamic financial literacy helps customers evaluate whether the products offered by Islamic banks comply with Sharia principles. Customers with strong digital literacy but weak Islamic financial literacy may use fintech services without fully understanding the Sharia aspects. Conversely, customers with strong Islamic financial literacy but low digital literacy may understand Islamic banking principles but still struggle to use digital platforms. Therefore, Islamic fintech adoption requires both technological education and Sharia financial education. Islamic banks should not only promote digital services but also educate customers about akad, profit-sharing, financing schemes, data security, and Sharia governance. This is important because literacy strengthens trust and reduces perceived risk. Recent literature also indicates that Islamic financial literacy can support sustainable adoption by helping users verify Sharia compliance and understand the value of Islamic digital financial services.

Extension of the Technology Acceptance Model

The findings suggest that the original TAM needs to be extended to explain fintech adoption in Islamic banking better. Perceived usefulness and perceived ease of use remain relevant as core variables. However, Islamic banking fintech adoption is also influenced by trust, Sharia compliance, religiosity, perceived risk, security, digital literacy, Islamic financial literacy, and regulatory support. This confirms that Islamic fintech adoption is multidimensional and cannot be explained only through technical acceptance. The extended TAM framework is more suitable, as Islamic banking operates under two logics: technological and Shariah. Technological logic emphasizes efficiency, usability, accessibility, and service innovation. Sharia logic emphasizes religious compliance, ethical finance, fairness, transparency, and trust. When these two logics are integrated, Islamic banks can design fintech services that are both technologically attractive and religiously acceptable. Therefore, the adoption of fintech in Islamic banking should be understood as a combination of digital acceptance, institutional trust, and Sharia legitimacy.

Conceptual Implication

Based on the results, this study proposes that fintech adoption in Islamic banking can be explained through an integrated TAM-based conceptual model. The core model consists of perceived usefulness and perceived ease of use. These variables influence customer attitude and behavioral intention. However, the model should be expanded by including trust, Sharia compliance, religiosity, perceived risk, security, and literacy. Trust may function as a mediating variable, while Sharia compliance and religiosity may function as Islamic-specific determinants that strengthen or weaken

adoption intention. This conceptual implication is important for future research. Empirical studies can test whether perceived usefulness and perceived ease of use directly influence Islamic fintech adoption, or whether the relationship is mediated by trust and moderated by Sharia compliance. Future research may also compare different customer groups, such as millennials, MSME actors, rural customers, and urban digital users. Such studies would provide a deeper understanding of how Islamic fintech adoption differs across demographic and socio-religious contexts.

Practical Implication for Islamic Banking

In practice, Islamic banks need to improve the quality of their digital services by focusing on usefulness, ease of use, security, and Sharia-compliant transparency. Digital platforms should provide clear information about akad, fees, profit-sharing, financing risks, and Sharia supervisory mechanisms. Islamic banks should also strengthen cybersecurity systems, customer education, digital literacy programs, and service reliability. These efforts are necessary to increase customer trust and encourage sustainable fintech adoption. Islamic banks should not treat fintech merely as a technological tool, but as a strategic instrument for expanding Islamic financial inclusion. Through fintech, Islamic banks can reach customers who previously had limited access to formal financial services. However, this opportunity can only be optimized if Islamic banks maintain Sharia compliance, build trust, and provide user-friendly digital services. Thus, fintech adoption in Islamic banking is not only about digital innovation but also about institutional credibility and Islamic ethical responsibility.

CONCLUSION

This study concludes that the adoption of financial technology in Islamic banking can be effectively understood through the Technology Acceptance Model. The literature shows that perceived usefulness and perceived ease of use remain the main factors influencing customer intention to use digital Islamic banking services. Customers are more likely to adopt fintech services when they perceive that the technology provides practical benefits, simplifies transactions, saves time, improves access to financial services, and is easy to operate.

However, fintech adoption in Islamic banking cannot be explained only through the original TAM variables. Islamic banking has unique religious, ethical, and institutional characteristics that require the model to be extended. The findings indicate that trust, perceived risk, security, Sharia compliance, religiosity, digital literacy, Islamic financial literacy, and regulatory support are important factors that shape customer acceptance of financial technology in Islamic banking. These factors show that Islamic fintech adoption is not merely a technological issue, but also a matter of customer confidence, religious legitimacy, and institutional credibility.

The study also concludes that Sharia compliance is a distinctive determinant in Islamic fintech adoption. Customers may adopt digital financial services when they believe the platform is not only useful and easy to use but also consistent with Islamic principles. Therefore, Islamic banks must ensure transparency in akad, fairness in transactions, data protection, and clear Sharia supervision of their digital services. Without trust and Sharia legitimacy, technological innovation may not be sufficient to encourage sustainable adoption.

Overall, this literature study confirms that an extended Technology Acceptance Model is more appropriate for explaining fintech adoption in Islamic banking. The integration of technological, religious, and institutional variables provides a more comprehensive framework for understanding customer behavior. In practice, Islamic banks need to develop user-friendly, secure, transparent, and Sharia-compliant digital services. Academically, this study provides a conceptual basis for future empirical research to test the relationship among TAM variables, trust, Sharia compliance, religiosity, perceived risk, and behavioral intention in Islamic banking fintech adoption.

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