

The Influence of Sharia Financial Literacy and Risk Perception on the Decision to Use Sharia Mobile Banking by Generation Z

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ABSTRACT

This study aims to analyze the influence of Islamic financial literacy and risk perception on Generation Z's decision to use Islamic mobile banking in Indonesia. Despite offering ease of transaction and compliance with Islamic principles, the adoption rate of Islamic mobile banking among Generation Z is still relatively low. This study uses a quantitative approach with a survey method of 100 respondents aged 18–28 years who actively use Islamic mobile banking and were determined through purposive sampling techniques. Data were collected online through Google Forms and analyzed using multiple linear regression. The results show that Islamic financial literacy and risk perception simultaneously have a significant effect on Generation Z's decision to use Islamic mobile banking. These findings emphasize the importance of improving Islamic financial literacy and managing risk perception to encourage the adoption of Islamic mobile banking services.

ABSTRAK

Penelitian ini bertujuan menganalisis pengaruh literasi keuangan syariah dan persepsi risiko terhadap keputusan menggunakan mobile banking syariah oleh Generasi Z di Indonesia. Meskipun menawarkan kemudahan transaksi dan kepatuhan terhadap prinsip Islam, tingkat adopsi mobile banking syariah di kalangan Generasi Z masih relatif rendah. Penelitian ini diperlukan untuk mengisi kesenjangan tersebut dengan memberikan bukti empiris spesifik pada konteks Generasi Z pengguna layanan perbankan syariah. Penelitian ini menggunakan pendekatan kuantitatif dengan metode survei terhadap 100 responden berusia 18–28 tahun yang aktif menggunakan mobile banking syariah dan ditentukan melalui teknik purposive sampling. Data dikumpulkan secara online melalui gform dan dianalisis menggunakan regresi linier berganda. Hasil penelitian menunjukkan bahwa literasi keuangan syariah dan persepsi risiko secara simultan berpengaruh signifikan terhadap keputusan Generasi Z dalam menggunakan mobile banking syariah. Temuan ini menegaskan pentingnya peningkatan literasi keuangan syariah serta pengelolaan persepsi risiko untuk mendorong adopsi layanan mobile banking syariah.



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INTRODUCTION

The development of information technology has driven a fundamental shift in banking services from face-to-face transactions toward digital platforms such as mobile banking and internet banking, which are perceived as faster and more practical (Sirait, 2019). Mobile banking is particularly relevant for younger generations, as it enables flexible transactions through mobile devices that align with their digital lifestyles (Nurafifah et al., 2025). Digital transformation has also stimulated the growth of Islamic banking services through Islamic mobile banking, which operates in accordance with sharia principles, including the prohibition of *riba* and *gharar* (Rahayu, 2024). However, despite this development, the adoption rate of Islamic mobile banking remains significantly lower than that of conventional mobile banking. The Populix Survey (2024) indicates that BSI Mobile is the most widely used Islamic banking application, yet it is utilized by only around 5% of respondents, while mobile banking usage in Indonesia continues to be dominated by conventional banks.

This condition is also evident among Generation Z. Kontan, citing research conducted by CGS International Sekuritas Indonesia on October 10, 2025, reported that 70% of Generation Z respondents use conventional mobile banking services, with BCA selected by 69% of respondents (Kontan, 2025). This finding is striking given that Indonesia's population is predominantly Muslim, accounting for 87.2% of the total population (Goodstats, 2025), while the market share of Islamic banking reached only 7.72% by the end of 2024 (OJK, 2024). These figures indicate a substantial gap between market potential and actual adoption of Islamic mobile banking services. Although numerous studies have examined mobile banking adoption, empirical research that specifically focuses on Islamic mobile banking among Generation Z—particularly by integrating Islamic financial literacy and risk perception—remains limited.

The low adoption of sharia-based services is closely related to levels of Islamic financial literacy and financial inclusion. National data show that the Islamic financial literacy index stands at only 39.11%, while Islamic financial inclusion is even lower at 12.88% (OJK, 2024). This disparity suggests that increased awareness and understanding of Islamic finance have not yet been translated into actual decisions to use Islamic digital financial products, including Islamic mobile banking.

Generation Z, defined as individuals born between 1997 and 2012, are widely recognized as digital natives who are highly familiar with technology. From an early age, they have been accustomed to internet access, resulting in interaction patterns and decision-making processes that are strongly influenced by digital environments (Daulay et al., 2025). The APJII Survey (2024) reported that Generation Z constitutes the second-largest group of internet users in Indonesia after Millennials, with an internet penetration rate of 87.02%. These characteristics position Generation Z as a highly potential segment for the development of Islamic mobile banking services.

In this context, Islamic financial literacy and risk perception emerge as important psychological factors influencing decision-making regarding the use of Islamic mobile banking (Sari et al., 2025). Islamic financial literacy reflects an individual's ability to understand, evaluate, and manage financial activities in accordance with sharia principles, including the ability to distinguish between sharia-based and conventional financial services (Sugiarti, 2023). Individuals with higher levels of Islamic financial literacy tend to make more rational and value-consistent financial decisions aligned with sharia principles (Rahmawati et al., 2025).

In addition to literacy, risk perception plays a critical role in shaping decisions related to digital financial services. Risk perception refers to an individual's subjective assessment of potential losses prior to using mobile banking, such as risks associated with data breaches, transaction errors, or system failures (Subowo et al., 2023). Public concerns regarding the security of Islamic mobile banking intensified following the cyberattack on BSI in 2023 (Azgara, 2024), highlighting the relevance of perceived risk in the adoption of Islamic digital financial services.

This study adopts the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM) as its theoretical foundations. TPB, proposed by Ajzen (1991), explains that individual behavior is driven by behavioral intentions, which are influenced by attitudes and perceived

behavioral control, ultimately predicting actual behavior (Chanafaro & Sari, 2024). In this study, Islamic financial literacy is conceptualized as a factor shaping attitudes toward Islamic mobile banking, while risk perception influences perceived behavioral control in managing potential risks. Meanwhile, TAM, developed by Davis (1986), posits that technology acceptance is determined by perceived usefulness and perceived ease of use (Winasis & Septiarini, 2025). Within this framework, Islamic financial literacy strengthens perceptions of usefulness and convenience, whereas risk perception may weaken the acceptance of Islamic mobile banking (Ambarwati et al., 2025).

Within the theoretical framework of this study, titled *"The Influence of Sharia Financial Literacy and Risk Perception on the Decision to Use Sharia Mobile Banking by Generation Z,"* the relationships among variables are emphasized conceptually to avoid a purely descriptive analysis. Islamic financial literacy functions as a cognitive factor that shapes individuals' understanding of sharia principles, benefits, and mechanisms of Islamic financial services, thereby influencing attitudes and intentions to adopt financial technology. This conceptualization aligns with TPB (Ajzen, 1991) and TAM, both of which position knowledge and beliefs as key determinants of attitudes and usage decisions. Conversely, risk perception operates as an affective factor that influences individuals' subjective evaluations of financial loss, data security, and transactional uncertainty. In the context of Islamic mobile banking, risk perception acts as an inhibiting factor that may weaken the relationship between positive attitudes and actual usage decisions, suggesting that Generation Z's adoption behavior results from the interaction between rational evaluation and subjective risk assessment.

The research gap addressed in this study arises from the limitations of prior research, which has largely focused on technological aspects, perceived ease of use, and perceived benefits of mobile banking, with a dominant reliance on TAM in the context of conventional banking. Empirical studies that explicitly integrate Islamic financial literacy as a core construct and examine the role of risk perception among Generation Z remain scarce and insufficiently theorized. Moreover, previous studies often treat Generation Z as a homogeneous group of technology-oriented users, overlooking the potential influence of Islamic values and risk sensitivity on their decision-making processes. This study seeks to address this gap by offering a contextualized and Islamic-oriented explanation of mobile banking adoption, thereby contributing theoretically to the development of Islamic financial consumer behavior models in the digital era.

Previous studies have reported mixed findings regarding the effects of Islamic financial literacy and risk perception on mobile banking adoption. Widyaputri and Gunanto (2023) found that both Islamic financial literacy and risk perception significantly influence usage decisions, whereas Chanafaro and Sari (2024) reported an insignificant effect of Islamic financial literacy due to the dominance of conventional mobile banking services. Regarding risk perception, some studies indicate a significant influence on investment and financial decisions (Elvina & Rahmani, 2023), while others report no partial effect of risk perception on decision-making (Safitri, 2023).

Although several studies have examined Islamic financial literacy and risk perception in the context of digital services, research that specifically focuses on Islamic mobile banking—particularly among Generation Z—remains limited. Most existing studies discuss mobile banking

in general without distinguishing its sharia characteristics and underlying Islamic principles. This condition highlights a clear research gap. Accordingly, this study examines how Generation Z's decisions to adopt Islamic mobile banking are influenced by Islamic financial literacy and risk perception.

LITERATURE

Sharia Financial Literacy

The ability to understand, evaluate, and manage financial data to aid decision making is known as financial literacy. (Pratama et al., 2023) Understanding Islamic economic concepts such as usury, gharar, maysir, contracts, and Sharia financial ethics is part of Sharia financial literacy. (Kesuma et al., 2025). High literacy levels increase an individual's ability to utilize Islamic financial products, including mobile banking. (Yuslem et al., 2023) Remund (2010) classifies financial literacy into four indicators: knowledge, ability, attitude, and confidence. (Salim et al., 2021) These four indicators were used in the study to measure the extent to which Generation Z understands the concepts and principles of Islamic finance when making decisions about using mobile banking.

Theory of Planned Behavior The Islamic Financial Model (TPB) proposed by Ajzen (1991) explains that attitudes, subjective standards, and perceived behavioral control all impact intentions, which in turn influence individual behavior. Individual attitudes and intentions regarding the use of Islamic digital banking services are influenced by Islamic financial literacy. (Riskawati, 2024) A good understanding of Islamic financial principles fosters a positive view of Sharia-compliant digital services (Dzidni et al., 2025). High literacy can increase an individual's internal confidence in financial decision-making. (Chanafaro & Sari, 2024).

The Technology Acceptance Model (TAM) theory introduced by Fred Davis (1986) explains individual acceptance of technology through perceived usefulness and perceived ease of use. (Wicaksono, 2022). These two perceptions shape user attitudes and increase the tendency to use technology continuously. (Winasis & Septiarini, 2025) In this case, Islamic financial literacy increases the perceived usefulness of digital services. Individuals with a good understanding of technology will more easily assess the benefits and ease of use of Islamic digital services, thus strengthening their decision to use Islamic mobile banking. (Ambarwati et al., 2025).

Discussions on Islamic financial literacy need to be directed beyond a normative definition to an operational theoretical analysis by explicitly linking it to the TPB and TAM frameworks. In this context, Islamic financial literacy is not merely understood as knowledge of Islamic principles, but as a cognitive factor that shapes a positive attitude toward the use of Islamic mobile banking through an understanding of its benefits, value alignment, and Sharia compliance, as explained in the TPB. Simultaneously, this literacy serves as a prerequisite for the formation of perceived usefulness and perceived ease of use within the TAM, as individuals who understand Islamic mechanisms and contracts tend to assess Islamic mobile banking services as more beneficial, secure, and relevant to their needs. Thus, the influence of Islamic financial literacy on usage decisions is not assumed normatively, but rather is positioned as an indirect pathway that influences behavioral

intention through the formation of attitudes and perceptions of usefulness, which ultimately drive the decision to use Islamic mobile banking services.

Risk Perception

Risk perception is defined as an individual's assessment of the potential for loss in digital activities, including online financial transactions.(Wijaya & Susilawati, 2021). Uncertainty arises due to the absence of direct interaction, thus raising concerns regarding the security, reliability, and accuracy of transactions.(Atarwaman, 2022)According to Akturan (2012) in Rizqullah (2023), five indicators of risk perception were identified: performance risk, financial risk, time risk, privacy risk, and security risk. High risk perception decreases positive attitudes and reduces the likelihood of individuals using mobile banking. Conversely, low risk perception increases the likelihood of use.(Hartono, 2023).

Within the framework of the Theory of Planned Behavior (TPB), risk perception is related to perceived behavioral control, namely an individual's belief in managing potential risks when using digital services.(Riskawati, 2024)The propensity to use Islamic mobile banking decreases as perceived risk increases, and vice versa. In the Technology Acceptance Model (TAM) theory, low perceived risk increases PU and PEOU, and vice versa.(Chanafaro & Sari, 2024). Islamic mobile banking services are more beneficial when the risks are perceived as low.

The discussion of risk perception needs to be conceptually rewritten to align with the empirical findings, which show a positive and significant coefficient. The variable used in this study is more appropriately interpreted not as “perceived level of risk” in terms of threat or uncertainty, but rather as awareness and understanding of risk, accompanied by trust in the risk management mechanisms of Islamic mobile banking. Within this framework, the greater respondents’ awareness of potential risks—such as data security, contract clarity, and transaction protection—the greater their ability to assess that these risks can be adequately managed by the Islamic banking system, thus encouraging more confident adoption. Therefore, a positive coefficient does not indicate that “risk enhances decisions,” but rather that understanding and trust in risk management strengthens usage intentions and decisions. This interpretation makes the discussion more theoretically coherent and consistent with the TAM and TPB perspectives, where managed risk perceptions contribute to increased perceived usefulness, trust, and positive attitudes toward Islamic mobile banking use.

Decision to Use Sharia Mobile Banking

A decision is the act of choosing one alternative from two or more available options. A person making a decision needs to have several options and be able to determine the most appropriate choice among the available alternatives.(Nasution et al., 2024)In the context of Islamic mobile banking, the decision to use refers to the customer's choice to use the service compared to other alternatives or traditional transactions.(Ramadan, 2024)Mobile banking allows users to check balances, manage transactions, and make payments digitally.(Hafizh et al., 2023).

Sharia mobile banking offers sharia-compliant financial services, with easy, fast, efficient transactions that can be accessed at any time.(Paramitha & Fasa, 2024)Several studies have shown

that the decision to use Islamic mobile banking is influenced by several factors. According to Widyaputri and Gunanto (2023), the decision to use Islamic mobile banking is influenced by mentality, reputation, risk perception, and Islamic financial literacy. These factors contribute 87% to the decision-making process. Indicators of the decision to use in the context of Islamic mobile banking can be seen from several aspects. According to various studies, these indicators include: 1) information reliability, 2) likeability, 3) suitability to needs, 4) recommendations from others, 5) ease of operation. (Susanti & Putra, 2023; Ulfa et al., 2024).

Empirical findings also indicate that Islamic financial literacy and risk perception play a significant role in shaping these decisions. Widyaputri and Gunanto (2023) found that individuals with good Islamic financial literacy tend to be more confident and informed when making choices. In this study, "decision" should be clarified as an actual usage decision or a decision to continue using (continuance decision), rather than simply behavioral intention, thus clearly positioning it as the final stage of the cognitive and affective process. With this assertion, measurement indicators need to be explicitly aligned with theoretical frameworks and previous validation studies, such as indicators of frequency of use, consistency of feature utilization, and commitment to continue using, as used in TAM- and TPB-based technology adoption research. This alignment is crucial to ensure that the decision construct truly represents a behavioral outcome, not a repetition of intention or attitude variables, thus making the interpretation of empirical results more valid and theoretically coherent.

RESEARCH METHOD

This study employs a quantitative research methodology. According to Sugiyono (2013), quantitative research is a method grounded in positivism that tests hypotheses by collecting data from a defined population or sample using survey instruments and statistical analysis. Accordingly, this study applies a quantitative associative survey approach to examine the influence of Islamic financial literacy and risk perception on Generation Z's decision to use Islamic mobile banking. The dependent variable in this study is the decision to use Islamic mobile banking (Y), while the independent variables consist of Islamic financial literacy (X1) and risk perception (X2). The research model is designed to analyze both the individual and combined effects of the independent variables on the dependent variable.

The research participants comprise members of Generation Z aged 18–28 years, residing in Medan City, and actively using Islamic mobile banking services. Because the exact population size could not be precisely determined, the sample size was calculated using the Cochran formula with a 10% margin of error and a 95% confidence level, resulting in a minimum required sample of 96 respondents, which was subsequently rounded up to 100 respondents (Zulfikar et al., 2024). Data were collected through an online survey administered via the Google Forms platform. The research instrument was developed using a Likert scale ranging from *strongly disagree* to *strongly agree*, allowing respondents to express the degree of their agreement with each statement (Sugiyono, 2013). The data analysis technique employed was multiple linear regression analysis, conducted using IBM SPSS Statistics Version 25. Prior to regression analysis, the data were subjected to validity and reliability testing to ensure the quality of the measurement instruments. In addition, classical

assumption tests were performed, including tests of normality, multicollinearity, and heteroscedasticity, to confirm the suitability of the data for regression analysis. Hypothesis testing was conducted using partial tests (t-tests) and simultaneous tests (F-tests), along with an analysis of the coefficient of determination (R^2) to assess the explanatory power of the regression model (Sembiring et al., 2024).

RESULT and DISCUSSION

Respondent Profile

The distribution of the questionnaire resulted in 100 responses, with the respondent profile as follows.

Table 1 *Respondent Profile Demographics*

Respondent Characteristics	Criteria	Amount
Gender	Man	45
	Woman	55
Age	17-20 Years	25
	21-24 Years	45
	25-28 Years	30
Status	Students	44
	Work	38
	Self-employed	18
Mobile Banking Used	BSI	44
	BCA Syariah	24
	Mega Syariah	20
	Transactions	11
	BJB Syariah	1

Source: *Processed by researchers (2026)*

Based on Table 1, the majority of respondents were female (55%), aged 21-24 years (45%). Most were students (44%), and the most widely used Sharia mobile banking service was BSI Mobile (44%). This data indicates that the study involved Generation Z respondents who were academically active and had a clear preference for certain Sharia mobile banking services, which is relevant for analyzing behavioral decisions regarding the use of Sharia mobile banking services.

a. Validity Test

To show how well a measuring instrument can measure what it is intended to measure, validity testing is carried out. According to Ghazali (2009), the validity of the questionnaire is evaluated by validity testing. (Zulfikar et al., 2024) The calculated r value for each questionnaire item is compared with the Product Moment r table at a significance level of 5% in this study. The questionnaire item is declared valid if the calculated $r > r$ table, conversely if the calculated $r < r$ table then the questionnaire item is declared invalid. (Sembiring et al., 2024).

Table 2 *Validity Test*

No	Indicator	Item No.	Pearson Correlation R Calculation	R Table	Note:
1	Sharia Financial Literacy (X1)	X1.1	0.355	0.197	<i>Valid</i>
		X1.2	0.525	0.197	<i>Valid</i>
		X1.3	0.575	0.197	<i>Valid</i>
		X1.4	0.483	0.197	<i>Valid</i>
		X1.5	0.326	0.197	<i>Valid</i>
		X1.6	0.656	0.197	<i>Valid</i>
		X1.7	0.479	0.197	<i>Valid</i>
		X1.8	0.542	0.197	<i>Valid</i>
		X1.9	0.370	0.197	<i>Valid</i>
		X1.10	0.690	0.197	<i>Valid</i>
		X1.11	0.386	0.197	<i>Valid</i>
		X1.12	0.298	0.197	<i>Valid</i>
2	Risk Perception (X2)	X2.1	0.691	0.197	<i>Valid</i>
		X2.2	0.713	0.197	<i>Valid</i>
		X2.3	0.642	0.197	<i>Valid</i>
		X2.4	0.609	0.197	<i>Valid</i>
		X2.5	0.722	0.197	<i>Valid</i>
		X2.6	0.504	0.197	<i>Valid</i>
		X2.7	0.739	0.197	<i>Valid</i>
		X2.8	0.686	0.197	<i>Valid</i>
		X2.9	0.422	0.197	<i>Valid</i>
		X2.10	0.741	0.197	<i>Valid</i>
		X2.11	0.583	0.197	<i>Valid</i>
		X2.12	0.632	0.197	<i>Valid</i>
		X2.13	0.637	0.197	<i>Valid</i>
		X2.14	0.662	0.197	<i>Valid</i>
		X2.15	0.775	0.197	<i>Valid</i>
3	Decision (Y)	Y.1	0.455	0.197	<i>Valid</i>
		Y.2	0.358	0.197	<i>Valid</i>
		Y.3	0.462	0.197	<i>Valid</i>
		Y.4	0.453	0.197	<i>Valid</i>
		Y.5	0.509	0.197	<i>Valid</i>
		Y.6	0.466	0.197	<i>Valid</i>
		Y.7	0.650	0.197	<i>Valid</i>

Y.8	0.329	0.197	<i>Valid</i>
Y.9	0.495	0.197	<i>Valid</i>
Y.10	0.466	0.197	<i>Valid</i>
Y.11	0.517	0.197	<i>Valid</i>
Y.12	0.575	0.197	<i>Valid</i>
Y.13	0.510	0.197	<i>Valid</i>
Y.14	0.514	0.197	<i>Valid</i>
Y.15	0.508	0.197	<i>Valid</i>

Source: *Processed by researchers (2026)*

Each statement item in each variable has a calculated r value $> r$ table, in accordance with the validity test findings in the previous table, which shows that each item is considered valid and ready for reliability testing.

b. Reliability Test

The level of reliability of an instrument and the consistency of its measurement results are determined by reliability testing. This means that if a measuring instrument is deemed reliable, it can be held accountable for its accuracy. (Sembiring et al., 2024) The reliability of the questionnaire was tested using the Cronbach's Alpha coefficient, with the variable being considered reliable if the α value is > 0.60 . The closer to one, the higher the level of reliability. The results of the reliability test for each variable are presented in the following table.

Table 3 *Reliability Test*

No	Variables	Cronbach's Alpha Value	Cronbach's Alpha Value Limits	Information
1	Sharia Financial Literacy (X1)	0.693	> 0.60	<i>Reliable</i>
2	Risk Perception (X2)	0.902	> 0.60	<i>Reliable</i>
3	Decision (Y)	0.760	> 0.60	<i>Reliable</i>

Source: *Processed by researchers (202)*

All 42 research variables had coefficient values greater than the required Cronbach's Alpha value of 0.60, according to reliability test findings. Consequently, the instrument test results can be said to have a high level of reliability, indicating its reliability.

CLASSICAL ASSUMPTION TEST

a. Normality Test

The Kolmogorov-Smirnov Goodness-of-Fit Test can be used to determine whether data is normally distributed. If the significance level is higher than $\alpha = 0.05$ (5% error), the data is considered normal. The results of the normality test based on statistical analysis are as follows. Based on the results of the Kolmogorov-Smirnov test on the residuals of the regression model, the Asymp. Sig. (2-tailed) value = 0.097 > 0.05 can be obtained, so it can be concluded that the data is normally distributed.

Table 4 Normality Test**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	,0000000
	Standard Deviation	2.73547004
Most Extreme Differences	Absolute	,082
	Positive	,061
	Negative	-,082
Test Statistics		,082
Asymp. Sig. (2-tailed)		,097 ^c

a. Test distribution is Normal.

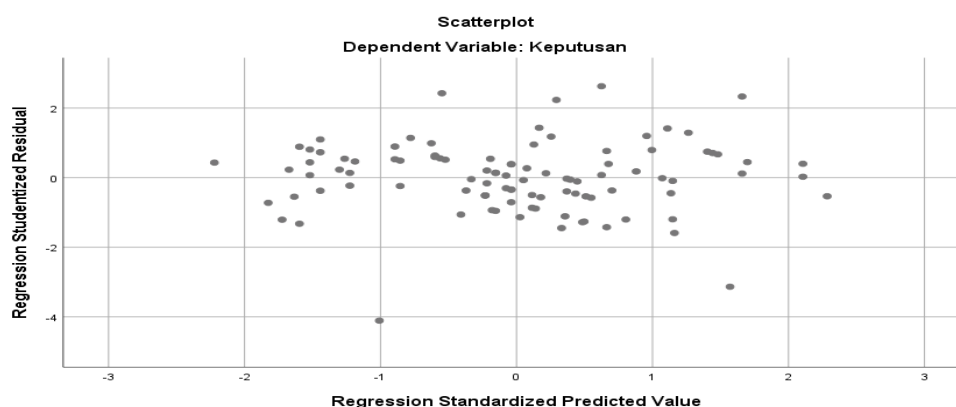
b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Data processed with SPSS version 25 (2026)

b. Heteroscedasticity Test

The heteroscedasticity test is used to determine whether there is inequality in variance between residuals from one observation to another. One method used in this test is a scatterplot. Heteroscedasticity is considered absent if the points are spread above and below 0, or if the points do not form a pattern.

**Figure 1** Heteroscedasticity Test Results

Source: Data processed with SPSS version 25 (2026)

The findings mentioned above indicate that this regression model does not exhibit heteroscedasticity. The points are scattered above and below the 0 line on the Y-axis, indicating the absence of heteroscedasticity, and these results do not show a clear pattern.

c. Multicollinearity Test

To determine whether the independent variables in the regression model have a strong relationship with each other, a multicollinearity test was used. The multicollinearity test in this study was conducted using IBM SPSS 25. The Variance Inflation Factor (VIF) and tolerance values both indicate multicollinearity. Multicollinearity is absent when the tolerance value is greater than 0.1 and the VIF (Variance Inflation Factor) value is less than 10. Collinearity statistics indicate that the independent variables do not have multicollinearity problems based on the table. Financial literacy and risk perception have tolerance values of 1,000 and 1,000, respectively, and the Variance Inflation Factor (VIF) value is well below 10. The regression coefficients can be considered stable because this finding indicates that the independent variables do not have a strong relationship with each other.

Table 5 *Multicollinearity Test*

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Sharia financial literacy X1	1,000	1,000
	Risk perception X2	1,000	1,000
a. Dependent Variable: Decision to use Islamic mobile banking			

Source: Data processed with SPSS version 25 (2026)

Multiple Regression Analysis

In this study, multiple regression analysis aims to analyze the magnitude of the influence of the independent variables, namely financial literacy and risk perception, on the dependent variable, namely the decision to use Islamic bank mobile banking. Multiple regression analysis in this study was conducted using the IBM SPSS 25 program.

Table 6 *Multiple Linear Regression Test Results*

Independent Variables	B (Unstandardized)	Std. Error	Beta (Standardized)	t-value	Sig.
(Constant)	9.721	5.150	–	1.888	0.062
Islamic Financial Literacy	0.927	0.096	0.683	9.607	0.000
Risk Perception	0.107	0.035	0.214	3.019	0.003

Source: Data processed with SPSS version 25 (2026)

Using IBM SPSS 25, the multiple regression equation for this study yielded the following results: $Y = 9.721 + 0.927X_1 + 0.107X_2 + e$. The following are the results of this regression equation:

1. Constant (α) = 9.721. The choice to use Islamic bank mobile banking (Y) remains at 9.721 if risk perception (X2) and financial literacy (X1) are both 0.
2. The financial literacy measure (X1) has a regression coefficient of 0.927. This indicates that Generation Z's decision to use Islamic banking mobile banking is positively influenced by Islamic financial knowledge. The choice to use mobile banking is more strongly correlated with Islamic financial knowledge.

3. The risk perception measure (X2) has a regression coefficient of 0.107. Generation Z's decision to adopt Islamic mobile banking is positively influenced by risk perception. The preference for mobile banking increases as risk decreases.

Hypothesis Testing

a. Partial test (t-test)

Based on the results of the multiple linear regression analysis, the effect of each independent variable on the dependent variable was examined using partial t-tests. A significance level of 0.05 was applied as the decision criterion, where a *p*-value below 0.05 indicates a statistically significant partial effect. The results show that Islamic financial literacy has a *p*-value of 0.000, which is lower than 0.05, and a *t*-value of 9.607, exceeding the critical *t*-value of 1.984. This finding indicates that Islamic financial literacy has a positive and statistically significant effect on Generation Z's decision to use Islamic mobile banking. Accordingly, Ha1 is accepted. Similarly, risk perception demonstrates a *p*-value of 0.003, which is also below the 0.05 threshold, with a *t*-value of 3.019, exceeding the critical *t*-value of 1.984. This result confirms that risk perception has a statistically significant effect on Generation Z's decision to use Islamic mobile banking. Therefore, Ha2 is accepted.

Table 7 Partial test (*t*-test)

Independent Variables	B (Unstandardized)	Std. Error	Beta (Standardized)	t-value	Sig.
(Constant)	9.721	5.150	–	1.888	0.062
Islamic Financial Literacy	0.927	0.096	0.683	9.607	0.000
Risk Perception	0.107	0.035	0.214	3.019	0.003

Source: Data processed with SPSS version 25 (2026)

b. Simultaneous Test (F Test)

Simultaneous tests are designed to determine how independent factors simultaneously influence a dependent variable. The following are the findings from this study's simultaneous tests:

Table 8 ANOVA Result Test

Model	Sum of Squares	df	Mean Square	F-value	Sig.
Regression	771.953	2	385.977	50.540	0.000
Residual	740.797	97	7.637	–	–
Total	1.512.750	99	–	–	–

Dependent variable: Decision to Use Islamic Mobile Banking

Predictors: Islamic Financial Literacy, Risk Perception

Source: Data processed with SPSS version 25 (2026)

The total regression model has a substantial contribution, according to the calculated *f*-value of 50.540 with a significance value (*p*-value) of 0.000 based on the *F*-test findings from the ANOVA table. Given the significance value is less than 0.05, this indicates that the independent variables –

Sharia financial literacy and risk perception—can have a substantial impact on Generation Z's willingness to adopt Sharia mobile banking.

Coefficient of Determination Test

The simultaneous coefficient of determination is used to describe how much of the dependent data can be explained by the dependent data. Each independent variable has a significant impact on the dependent variable if the R^2 value approaches 100%. The following are the simultaneous determination findings from this study:

Table 9 *Model Summary of Multiple Linear Regression*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.714	0.510	0.500	2.764

Notes:

Predictors: **Islamic Financial Literacy, Risk Perception**

Dependent variable: **Decision to Use Islamic Mobile Banking**

Source: *Data processed with SPSS version 25 (2026)*

The results of the model summary indicate that the multiple linear regression model has an R value of 0.714, suggesting a strong correlation between the independent variables and the dependent variable. The R Square value of 0.510 implies that 51.0% of the variance in Generation Z's decision to use Islamic mobile banking can be explained jointly by Islamic financial literacy and risk perception. After adjusting for the number of predictors, the Adjusted R Square of 0.500 indicates that the model remains stable and explains 50.0% of the variance, while the remaining 50.0% is influenced by other factors not included in the model. The standard error of the estimate (2.764) reflects an acceptable level of prediction accuracy for behavioral research.

DISCUSSION

The Influence of Islamic Financial Literacy on the Decision to Use Islamic Mobile Banking by Generation Z

The results of the hypothesis testing indicate that Islamic financial literacy has a positive and significant effect on Generation Z's decision to use Islamic mobile banking. This is indicated by the calculated t-value of 9.607, which is greater than the t-table of 1.984, and a significance value of 0.000 < 0.05. Generation Z's decision to adopt Islamic mobile banking is increasing, based on a positive regression coefficient of 0.927. According to this study, members of Generation Z who have strong Islamic financial literacy often understand the basics, characteristics, and advantages of Islamic mobile banking services, thus enabling them to make appropriate usage choices. This understanding encourages a positive assessment of Islamic digital banking services as a means of financial transactions that are relevant to the needs desired by Generation Z.

The results of this study are in line with the findings of Widyaputri and Gunanto(2023); Nurafifah, et al.,(2025)which states that financial literacy has a significant influence on the decision to use digital financial services. Theoretically, the results of this study align with the Theory of Planned Behavior (TPB), which states that Islamic financial literacy plays a role in shaping positive attitudes toward the use of Islamic mobile banking, thus enabling decision-making regarding

whether to accept or reject the use of Islamic mobile banking.(Riskawati, 2024). In addition, this finding is also consistent with the Technology Acceptance Model (TAM) theory, which explains that Islamic financial literacy increases the perceived usefulness of Islamic mobile banking, because an understanding of Islamic financial principles, contracts, and transaction mechanisms makes Generation Z better able to assess the benefits of these services.(Ambarwati et al., 2025).

The Influence of Risk Perception on the Decision to Use Sharia Mobile Banking by Generation Z

The test results show that Generation Z's decision to adopt Islamic mobile banking is positively and significantly influenced by their perception of risk. H_0 rejected and H_2 accepted because the calculated t-value of 3.019 is higher than the t-table value of 1.984 at a significance threshold of $0.003 < 0.05$. The negative regression coefficient of 0.107 indicates that the lower the perceived risk, the higher the tendency of generation z to decide to use Islamic mobile banking.

These findings indicate that risk is not a major obstacle to decision-making, as Islamic mobile banking services are perceived as relatively safe and manageable. These findings align with research by Elvina and Rahmani.(2023); Laksana and Adi(2025)which states that low perceived risk encourages the adoption of digital banking services. This is consistent with the Theory of Planned Behavior (TPB), particularly regarding perceived behavioral control, where low perceived risk increases perceived behavioral control, thus encouraging the decision to use digital banking services.(Aini et al., 2025).

Generation Z's perception of the risks of using mobile banking helps Generation Z avoid fraud and the possibility of major losses.(Siallagan et al., 2025). Furthermore, within the Technology Acceptance Model (TAM) framework, perceived risk can be a factor that weakens perceived ease of use and potentially hinders technology adoption. However, in the context of Islamic mobile banking, Generation Z still shows a positive tendency to use the service because perceived usefulness and perceived ease of use are considered stronger than concerns about risk.(Firnanda et al., 2025)Therefore, risk perception does not prevent Generation Z from using Islamic mobile banking.

The influence of Islamic financial literacy and risk perception on the decision to use Islamic mobile banking by Gen Z

The calculated F-value is 50.540 with a significance value (p-value) of 0.000 based on the F-test findings from the ANOVA table. This figure indicates that the overall regression model provides a substantial contribution. In other words, because the significance value is less than 0.05, the independent variables—financial literacy and risk perception—have a substantial impact on the choice to use Islamic mobile banking simultaneously. Furthermore, the combination of risk perception and financial literacy can explain 50% of the variation in the choice to use Islamic mobile banking, according to the coefficient of determination (R^2) value of 0.500, or 50%. This finding confirms that financial literacy and risk perception play a significant role in shaping the decision to use Islamic mobile banking. Generation Z considers Islamic mobile banking to be increasingly easy to understand, easy to use, and provides a sense of security in conducting transactions. However, there are still a number of other factors that influence the behavior of Islamic mobile banking users.

The research findings showing that risk perception has a positive and significant influence on the decision to use Islamic mobile banking by Generation Z require a deeper conceptual interpretation, considering that most previous literature places risk perception as a factor inhibiting the adoption of financial technology. Theoretically, this result can be explained through the risk-benefit trade-off approach and risk awareness theory, which view risk as not always a deterrent but can instead trigger more rational behavior when individuals possess adequate literacy. For Generation Z, who are relatively technologically and informationally literate, high risk perception does not necessarily reduce usage interest but rather encourages a more careful evaluation of system security, Sharia compliance, and the credibility of service providers. In this context, risk awareness actually increases trust when Islamic mobile banking is perceived as capable of managing and mitigating these risks through security features and prudential principles that are in accordance with Sharia values.

Furthermore, these findings can also be examined through the framework of consumer empowerment theory, where increased risk perception encourages users to more actively seek information and understand service mechanisms before making decisions. Generation Z, as a digital native group, tends not to avoid risk, but rather manages it adaptively by utilizing their digital and financial literacy. Thus, high risk perception can transform into a driving factor for usage decisions when accompanied by the belief that the risk can be controlled. This interpretation enriches the theoretical discussion by demonstrating that in the context of Islamic mobile banking, the relationship between risk perception and usage decisions is contextual and non-linear, thus providing an important contribution to the development of models of Islamic financial consumer behavior in the digital era.

This study contributes theoretically to the development of the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM) in the context of Islamic banking by extending the application of both theories to Sharia-based financial services. Theoretically, Sharia financial literacy is positioned as a cognitive antecedent that shapes attitudes and perceived usefulness, while risk perception is interpreted as awareness and trust in risk management that indirectly influences the formation of behavioral intentions. This integration enriches the TPB and TAM by incorporating the normative-religious dimension and Sharia belief as contextual factors that mediate the relationship between individual perceptions and technology adoption decisions. Thus, this study not only confirms the relevance of the TPB and TAM in explaining financial technology adoption but also extends their theoretical validity to the Islamic banking system, which has characteristics of Sharia compliance, ethics, and risk management that differ from conventional banking.

CONCLUSION & IMPLICATION

The findings of this study indicate that Generation Z's decision to adopt Islamic mobile banking is significantly influenced by Islamic financial literacy and risk perception. Islamic financial literacy shapes consumers' perceptions and attitudes toward Islamic financial services, thereby increasing their preference for using Islamic mobile banking. In addition, adoption decisions are positively influenced by risk perception, suggesting that Generation Z individuals who are able to understand

and rationally evaluate potential risks tend to be more confident in deciding to use Islamic mobile banking.

Simultaneously, the results show that 50% of the variation in Generation Z's decision to use Islamic mobile banking is explained by Islamic financial literacy and risk perception. An understanding of Islamic financial principles, combined with the ability to assess technological risks, forms a critical foundation for adoption decisions. These findings imply that Islamic financial institutions should continuously strengthen Islamic financial literacy while managing perceived risks through improved security systems, transparency, and sustained educational initiatives in order to enhance Islamic mobile banking adoption among Generation Z.

This study offers clear contributions and novelties that distinguish it from previous research on mobile banking adoption. From an academic perspective, the study provides conceptual novelty by positioning Islamic financial literacy as a primary explanatory variable, rather than a supplementary factor as commonly treated in technology adoption models such as the Technology Acceptance Model (TAM) or the Unified Theory of Acceptance and Use of Technology (UTAUT). Moreover, the finding that risk perception has a positive effect on adoption decisions contributes theoretically by challenging the dominant assumption in the literature that frames risk solely as a barrier to technology adoption. The results demonstrate that, in the context of Generation Z and Islamic financial services, risk perception can function as an evaluative mechanism that strengthens adoption decisions when supported by Islamic value awareness and institutional trust.

From a practical perspective, the novelty of this research lies in its implications for the development and marketing strategies of Islamic mobile banking that are tailored to the characteristics of Generation Z. Unlike prior studies that emphasize ease of use and functional benefits, this study highlights the strategic importance of Islamic financial literacy education and risk perception management in increasing service adoption. These findings provide an empirical foundation for Islamic banks to design communication strategies that not only promote technological convenience but also emphasize transparency, security, and Sharia compliance as distinctive value propositions that differentiate Islamic mobile banking from conventional digital banking services. Accordingly, this research contributes not only to academic discourse but also offers actionable strategic insights for the Islamic banking industry in the digital era.

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