

BRIDGING TECHNOLOGY AND ETHICS: TRUST FORMATION IN AI-DRIVEN ISLAMIC FINTECH

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Abstract: *The rapid advancement of artificial intelligence (AI) and digital technologies has accelerated the growth of Islamic financial technology (fintech), enhancing financial accessibility, efficiency, and innovation. However, increasing reliance on automated decision-making systems has raised concerns regarding trust, transparency, accountability, and ethical governance. This study systematically reviews trust formation in AI-driven Islamic financial systems, focusing on the integration of technological and ethical dimensions. Following PRISMA guidelines, a systematic search identified 1,842 records, of which 34 peer-reviewed empirical studies published between 2016 and 2025 met the inclusion criteria. The findings indicate that trust is predominantly influenced by technological factors, including system reliability, perceived security, service quality, and ease of use, alongside governance and regulatory support. In contrast, ethical dimensions such as Shariah compliance, transparency, Maqasid al-Shariah, and niyyah remain underexplored. The review highlights the need for integrated trust frameworks that align technological innovation with Islamic ethical principles to support sustainable and trustworthy fintech ecosystems.*

Keywords: *Artificial Intelligence (AI); Ethics; Islamic Fintech; Trust*

Introduction

The financial services industry has undergone substantial transformation as digital technologies continue to reshape the way financial products and services are designed, delivered, and consumed (Al-Sakran & Al-Shamaileh, 2021). Among these developments, financial technology (fintech) has emerged as a major driver of innovation, enabling greater efficiency, accessibility, and inclusivity across financial ecosystems (Ali et al., 2021). Incorporating artificial intelligence (AI) into fintech applications has accelerated this transformation by enabling automated decision-making, predictive analytics, fraud detection, customer engagement, and personalised financial solutions (Aysan & Bergigui, 2021; Alaeddin et al., 2021). As digitalisation becomes increasingly embedded in financial operations, AI-driven systems are assuming a more prominent role in shaping interactions between institutions and their customers (Tamuri et al., 2021).

The Islamic finance industry has increasingly embraced technological innovation, with Islamic financial institutions and fintech providers adopting artificial intelligence (AI) and other digital technologies to enhance operational efficiency, automate financial processes, and support decision-making (Shafii et al., 2025; Zulkepli et al., 2026a). This development reflects the broader digital transformation of Islamic financial services and the need for financial institutions to respond to changing market expectations and technological developments. Digital financial innovation may also improve access to Shariah-compliant financial services, particularly for underserved users and micro-entrepreneurs (Suyanto & Kurniawan, 2019; Jauhari et al., 2025; Mohamad & Ishak, 2026).

While these technological advancements offer considerable benefits, they also introduce new challenges, particularly concerning user trust. Trust has emerged as an important factor influencing users' intention to adopt Islamic fintech services, while perceived risk can adversely affect trust in such technologies (Ali et al., 2021; Alsaghir, 2023). As financial interactions increasingly take place through technology-mediated environments, users depend more heavily on digital systems to perform transactions and access financial services. Consequently, concerns surrounding technological risk, security, reliability, and the overall quality of digital financial services may shape users' confidence and their willingness to continue using Islamic fintech platforms (Ali et al., 2021; Alsmadi, 2026).

However, trust in Islamic financial technologies cannot be understood solely through technological performance. Islamic finance operates within a normative framework in which financial activities are expected to remain consistent with Shariah principles and broader ethical considerations. Accordingly, the growing use of AI in Islamic finance raises issues not only of technological capability but also of Shariah compliance, accountability, transparency, and the ethical implications of automated decision-making (Ab Rahmi et al., 2025; Zulkepli et al., 2026a). These considerations suggest that confidence in Islamic fintech may involve both trust in the technology's functionality and assurance that its application remains consistent with the ethical and Shariah foundations of Islamic finance.

This distinction becomes particularly important as AI assumes a greater role in financial decision-making. Although AI can enhance efficiency, automation, and data-driven decision-making, its application in Islamic finance also raises questions concerning accountability, algorithmic transparency, fairness, and Shariah compliance (Akbar et al., 2026; Zulkepli et al., 2026a). From an Islamic perspective, Maqasid al-Shariah provides an important normative foundation for evaluating whether AI-enabled financial innovations promote welfare while

minimising potential harm (Zulkepli et al., 2026b). Recent scholarship similarly emphasises transparency, fairness, accountability, and appropriate human oversight to ensure AI applications remain ethically aligned with Islamic financial principles (Akbar et al., 2026; Zulkepli et al., 2026b). Within this broader ethical discussion, intentionality also warrants further consideration because AI systems do not possess intention or will in the same sense as human decision-makers, raising important questions about responsibility and accountability for AI-mediated financial actions (Zulkepli et al., 2026a). Thus, the ethical evaluation of AI in Islamic finance extends beyond technological performance to encompass the Shariah objectives, values, and responsibilities surrounding its design and use (Raquib et al., 2022).

The growing adoption of AI within financial services has also raised concerns regarding opacity and accountability (Chong, 2021). Many AI applications run on complex algorithms that end users, regulators, and even organisational decision-makers cannot easily understand (Abdeen et al., 2019). This "black-box" nature of AI creates challenges for transparency and explainability, particularly in contexts where financial decisions must be justified and assessed against Shariah requirements (Mahmoud et al., 2025; Yahuza & Moosa, 2026). If users cannot understand how decisions are generated or whether ethical considerations are incorporated into algorithmic processes, confidence in the system may weaken. As a result, questions regarding trust in AI-driven Islamic fintech involve not only technological capability but also ethical legitimacy.

Despite growing interest in Islamic fintech, the literature remains fragmented (Shaikh et al., 2020; Arsyad, 2026). Existing studies have largely concentrated on technology adoption and behavioural intention, often emphasising factors such as perceived usefulness, ease of use, and security (Pardiansyah et. al., 2022; Abu Alhaija et al., 2024). Comparatively fewer studies have examined the ethical dimensions of trust, including transparency, moral accountability, Shariah compliance, and intentionality (Usman et al., 2020; Alrasyid et al., 2023; Zulkepli et al., 2026). Furthermore, the diversity of theoretical frameworks, methodologies, and measurement approaches employed across studies has limited the development of a coherent understanding of trust formation in AI-driven Islamic financial environments.

Given these limitations, a systematic synthesis of the existing evidence is needed. Consolidating the literature can clarify how trust is conceptualised, measured, and influenced within Islamic fintech. This assessment is particularly important for identifying whether current research adequately reflects the ethical foundations that distinguish Islamic finance from conventional financial systems. By integrating findings across different contexts and methodological approaches, a systematic review can also reveal areas of consensus, unresolved issues, and opportunities for future investigation.

Accordingly, this study systematically reviews the literature on trust formation in AI-driven Islamic fintech. The study examines the technological, institutional, and ethical factors associated with trust, evaluates prevailing research trends, and identifies gaps within the existing body of knowledge. Through this analysis, the study seeks to advance understanding of how technology and ethics intersect in shaping trust and to provide insights that support the development of more transparent, accountable, and Shariah-aligned digital financial ecosystems.

Methodology

This study employed a systematic literature review (SLR) approach guided by Purssell and McCrae (2020) to synthesise existing evidence on trust formation in AI-driven Islamic financial technology (fintech). A systematic review was considered appropriate as it enables the comprehensive identification, evaluation, and synthesis of relevant studies while minimising selection bias and improving transparency in the review process. The review followed the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework to ensure methodological rigour and replicability.

This review examined how trust has been conceptualised and investigated within AI-driven Islamic financial systems, with particular attention to technological, institutional, and ethical dimensions. Given the topic's interdisciplinary nature, the review considered studies from finance, information systems, fintech, digital banking, and Islamic finance. The review focused exclusively on empirical studies to ensure that the synthesis was grounded in evidence-based findings.

A comprehensive literature search was conducted between January and March 2026 using four major academic databases: Scopus, Web of Science, ScienceDirect, and Google Scholar. These databases were selected due to their extensive coverage of finance, technology, and social science research. Search results in Scopus, Web of Science, and ScienceDirect were sorted by relevance and publication year. Google Scholar records were screened according to Google's relevance ranking. For Google Scholar, result ranking was sorted according to relevance. Following common systematic review practice, the first 200 results (20 pages) were screened because relevance typically declines substantially beyond this point. As such, the searches were performed between 10 January 2026 and 15 March 2026, with the final search updated on 15 March 2026.

The review focused on studies published between 2016 and 2025. The year 2016 was selected for three reasons. First, Islamic fintech scholarship began to expand substantially after 2016, coinciding with the emergence of dedicated Islamic fintech platforms and increased academic attention to digital Islamic financial services. Second, the integration of artificial intelligence and automated technologies into financial services became increasingly relevant after 2016, resulting in a growing body of literature examining technology-enabled trust mechanisms. Third, an initial scoping search identified very limited empirical studies addressing trust in Islamic fintech before 2016, suggesting that earlier studies would contribute minimally to the objectives of this review.

The search strategy was developed based on four concepts: (1) Islamic fintech, (2) trust, (3) artificial intelligence, and (4) Islamic ethics. Database-specific Boolean search strings were adapted to the syntax requirements of each database. TITLE-ABS-KEY(("Islamic fintech" OR "Islamic financial technology" OR "Islamic digital banking") AND (trust OR "consumer trust" OR "trust formation") AND ("artificial intelligence" OR AI OR automation OR algorithm*) AND ("Shariah compliance" OR ethics OR "Islamic ethics" OR "Maqasid al-Shariah")). To enhance comprehensiveness, we also conducted manual searches by reviewing the reference lists of relevant articles identified during the screening process. Search strings were adapted to each database's indexing requirements.

To ensure relevance and consistency, we applied predefined inclusion and exclusion criteria during screening. We included studies that reported empirical findings on trust, trust formation,

adoption, or behavioural intention in fintech or digital financial contexts. Studies also had to examine Islamic finance, Islamic fintech, or ethically oriented financial systems and involve AI-driven, automated, or digital financial technologies. In addition, we considered only studies published in peer-reviewed academic journals, written in English, and providing full-text access for review.

Studies were excluded if they focused exclusively on conventional finance without relevance to Islamic finance or did not examine trust or related behavioural constructs. The study also excluded conceptual or theoretical papers without empirical evidence, along with conference abstracts, dissertations, reports, and other forms of grey literature. Studies reporting duplicated findings from previously published research were likewise removed. No geographical restrictions were imposed, allowing for a broader understanding of trust formation across diverse Islamic fintech contexts.

The study selection procedure followed the PRISMA framework and comprised four stages: identification, screening, eligibility assessment, and inclusion. The initial database search yielded 1,842 records; 312 duplicates were removed, leaving 1,530 articles for title and abstract screening. Based on their relevance to the research objectives, 126 articles were retained for full-text assessment, while an additional nine articles were identified through manual reference searching. Following a detailed evaluation against the predefined eligibility criteria, 101 articles were excluded. Consequently, 34 studies met all the eligibility requirements and were included in the final review and synthesis. Figure 1 presents the PRISMA flow diagram illustrating the study selection process.

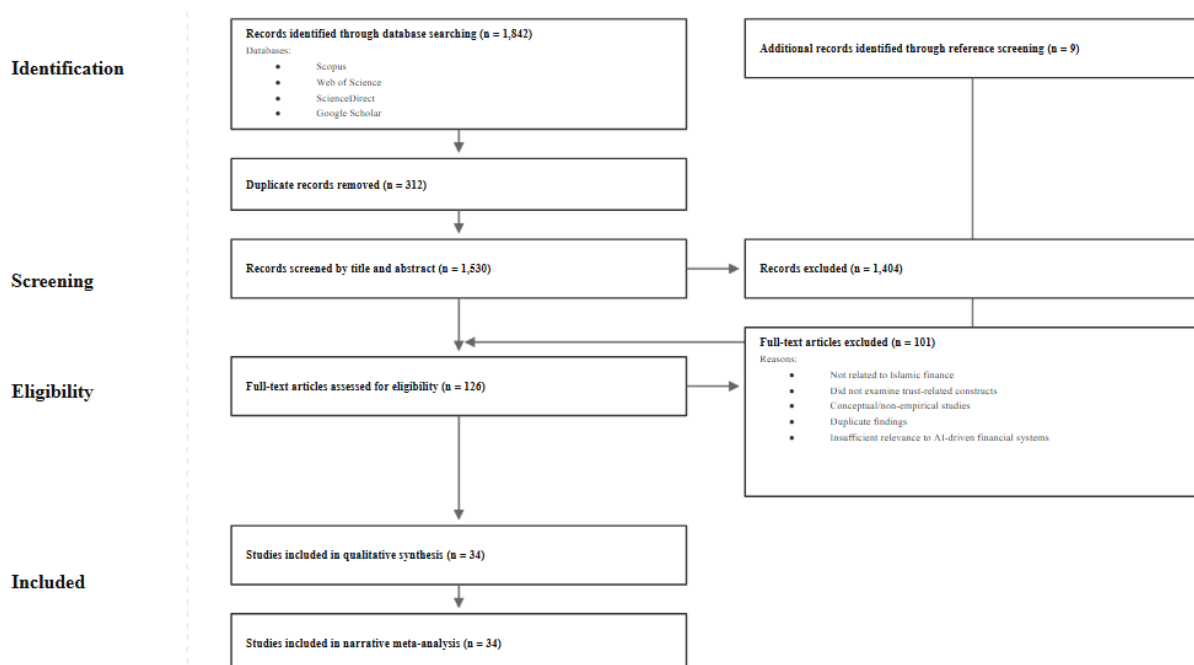


Figure 1: PRISMA Flow Diagram Examining Trust Formation in AI-driven Islamic Fintech

Source: Authors (2026)

We developed a structured data extraction protocol to ensure consistency and accuracy across all included studies. For each article, we extracted the author(s) and year of publication, country or geographical context, sample characteristics and size, research methodology and design, theoretical framework employed, trust-related variables examined, technological, institutional, and ethical determinants identified, and key findings and conclusions. We reviewed the extracted data multiple times to ensure completeness, consistency, and accuracy, while minimising potential errors during synthesis as shown in table 1.

Table 1: Search Protocol

Item	Description
Databases	Scopus, WoS, ScienceDirect, Google Scholar
Search Period	January-March 2026
Final Search Date	15 March 2026
Publication Years	2016-2025
Language	English
Document Type	Peer-reviewed journal articles
Google Scholar Screening	First 200 results
Sorting Method	Relevance and publication year
Additional Search	Backward reference search

Source: Authors (2026)

To assess the methodological robustness of the included studies, we conducted a quality appraisal. We evaluated each study against five criteria: clarity of research objectives, appropriateness of research design, adequacy of sampling procedures, validity and reliability of measurement instruments, and transparency of data analysis and reporting. Based on the evaluation, studies were categorised as high, moderate, or low quality. This assessment enabled the review to consider the strength of available evidence and supported a more balanced interpretation of findings.

The included studies varied considerably in theoretical perspectives, research designs, sample characteristics, and trust measurement approaches. Given this heterogeneity, we adopted a narrative synthesis supported by thematic analysis.

The analysis proceeded in three stages. First, the analysis identified and coded trust-related determinants reported across studies. Second, we grouped similar concepts into broader categories. Third, we synthesised themes to identify recurring patterns and relationships across the literature.

The analysis produced four overarching themes. The first theme was technological factors, which encompassed system reliability, perceived security, service quality, and usability. The second theme comprised institutional factors, including governance mechanisms, organisational reputation, and regulatory support. The third theme focused on ethical factors, particularly Shariah compliance, transparency, accountability, and alignment with *Maqasid al-Shariah*. Finally, the fourth theme involved behavioural factors, encompassing user perceptions, trust beliefs, and adoption intentions.

Where comparable quantitative evidence was available, we examined findings comparatively to identify the relative prominence of different trust determinants. However, because the included studies varied substantially in methodology, a full statistical meta-analysis was not

feasible. Therefore, we used a narrative meta-analytic approach to synthesise the evidence and identify emerging trends, gaps, and future research directions.

As this study relied exclusively on published literature and did not involve human participants, ethical approval was not required. Nevertheless, we conducted all stages of the review in accordance with established academic standards of transparency, objectivity, and scholarly integrity.

Results & Discussions

Overview of Included Studies

Figure 2 below illustrates the annual distribution of publications on trust in AI-driven Islamic fintech between 2016 and 2025. The publication trend demonstrates a gradual increase in scholarly attention over the review period, indicating the growing importance of trust as a research theme within the intersection of Islamic finance, financial technology, and artificial intelligence. Between 2016 and 2019, the number of publications remained relatively low, reflecting the early stage of research in this domain. During this period, studies focused mainly on fintech adoption, digital banking acceptance, and technology-related behavioural factors, with limited attention to trust and ethical considerations.

Publications increased notably from 2020 onwards, suggesting heightened academic and industry interest in digital financial services. This growth may be attributed to the accelerated digital transformation of financial institutions, increased adoption of mobile financial platforms, and the expanding application of AI technologies within financial services. The trend also reflects growing recognition of trust as a critical factor influencing user acceptance and continued use of digital financial systems. As Islamic fintech platforms become more sophisticated and widely accessible, concerns about security, transparency, and governance have gained prominence in the research agenda.

The sustained publication growth observed between 2021 and 2025 further indicates the maturation of Islamic fintech as a distinct field of inquiry. However, despite the increasing number of studies, the literature remains concentrated on technological and behavioural determinants of trust. Research explicitly examining ethical dimensions, such as *Maqasid al-Shariah*, *niyyah*, transparency, and Shariah governance, remains comparatively limited. This pattern suggests that while trust has become an increasingly important topic, its conceptualisation remains heavily influenced by conventional technology adoption perspectives.

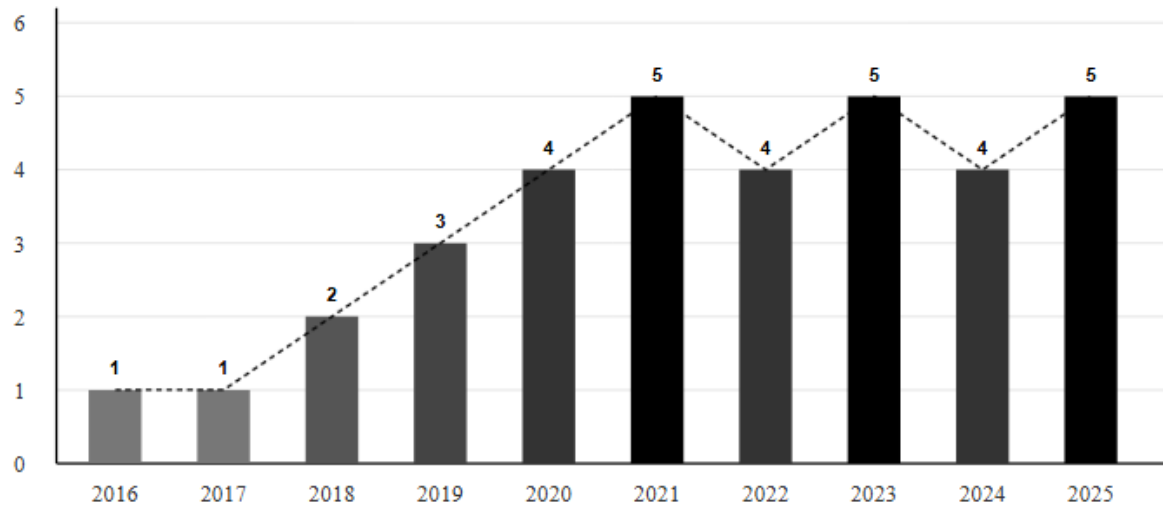


Figure 2: Annual Publication Output Trajectory (2016–2025) Derived from Scopus Bibliographic Database search

Source: Authors (2026)

Characteristics of Included Studies

The characteristics of the 34 included studies were examined by geographical region, research methodology, and theoretical framework. As presented in Table 2, the studies were predominantly conducted in Malaysia and Indonesia, with a smaller proportion covering GCC countries and other geographical contexts. Quantitative research methods were the most commonly adopted, while TAM was the most frequently employed theoretical framework. Overall, the findings indicate substantial reliance on conventional technology adoption theories, whereas Islamic ethical frameworks remain relatively underutilised.

Table 2: Characteristics of Included Studies (n = 34)

Characteristic	Category	Frequency
Region	Malaysia	12
	Indonesia	10
	GCC Countries	7
	Others	5
Methodology	Quantitative	24
	Qualitative	6
	Mixed Methods	4
Theory Used	TAM	13
	TPB	8
	UTAUT	5
	Islamic Ethics Frameworks	3
	Others	5

Source: Authors (2026)

The findings suggest substantial reliance on conventional technology adoption theories, while Islamic ethical frameworks remain relatively underutilised.

Determinants of Trust in AI-Driven Islamic Fintech

The analysis identified three broad categories of factors influencing trust formation in AI-driven Islamic fintech: technological, institutional, and ethical factors. Among these, technological factors emerged as the most dominant determinants across the reviewed studies. Variables such as perceived security, system reliability, service quality, and ease of use were consistently associated with higher levels of trust and adoption intention. These findings suggest that users place considerable emphasis on the functional performance of digital financial systems when evaluating their trustworthiness.

Institutional factors constituted the second most frequently examined category. Governance mechanisms, regulatory oversight, and institutional reputation were commonly identified as important sources of confidence in Islamic fintech platforms. The findings indicate that trust depends not only on system performance but also on the credibility and accountability of the institutions delivering financial services. Effective governance structures and regulatory compliance provide assurance that financial transactions are conducted reliably and responsibly.

In contrast, ethical factors received comparatively limited attention despite their central importance within Islamic finance. Constructs such as Shariah compliance, transparency, *Maqasid al-Shariah*, and *niyyah* were examined in substantially fewer studies. This imbalance suggests that existing research continues to prioritise technological and operational considerations over the ethical foundations that distinguish Islamic financial systems from their conventional counterparts. Consequently, the current literature provides only a partial understanding of trust formation in Islamic fintech, particularly in environments increasingly shaped by artificial intelligence and automated decision-making.

Figure 3 below illustrates the distribution of trust determinants identified in the reviewed studies. Technological factors accounted for the largest proportion (52%), followed by institutional factors (28%) and ethical factors (20%). The figure clearly demonstrates the dominance of technology-centred perspectives within the existing literature and highlights the relative underrepresentation of ethical considerations in trust-related research.

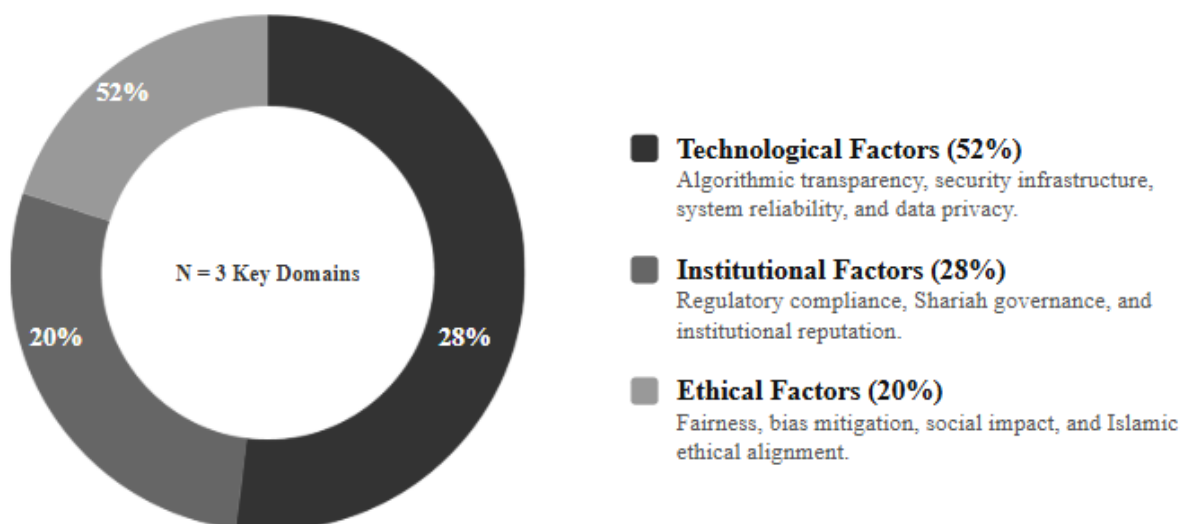


Figure 3: Distribution of Trust Determinants in AI-Driven Islamic Fintech

Source: Authors (2026)

In addition, Table 3 demonstrates a clear imbalance in existing research. While technological determinants dominate scholarly discussions of trust in Islamic fintech, ethical determinants remain underexplored. This pattern suggests that future studies should develop more integrated trust models that combine technological reliability, institutional legitimacy, and Islamic ethical principles to better understand trust formation in AI-driven Islamic financial systems.

Table 3: Trust Determinants Identified in the Literatures

Dimension	Determinants	Frequency of Occurrence
Technological	Security	High
	Reliability	High
	Ease of Use	High
	Service Quality	High
Institutional	Governance	Moderate
	Regulatory Support	Moderate
	Institutional Reputation	Moderate
Ethical	Shariah Compliance	Low
	Transparency	Low
	Maqasid al-Shariah	Very Low
	Niyyah	Very Low

Source: Authors (2026)

Security and reliability emerged as the most consistently reported determinants of trust. These findings align with broader fintech literature, where risk reduction remains central to trust development.

Ethical Dimensions of Trust

Although Islamic finance is fundamentally grounded in ethical principles, few studies explicitly incorporated constructs related to Shariah compliance, transparency, Maqasid al-Shariah, or niyyah. This suggests that researchers still examine trust in Islamic fintech primarily through functional and technological perspectives rather than through a holistic Islamic worldview. Notably, comprehensive frameworks linking technological performance with ethical intentionality are absent. Consequently, current trust models underrepresent the ethical distinctiveness of Islamic finance.

Trust Challenges in AI-Driven Islamic Fintech

The reviewed literature suggests that trust formation in AI-driven Islamic fintech is not determined by a single factor but emerges from the interaction of technological, institutional, and ethical dimensions. While technological factors provide the functional foundations for operating digital financial systems, institutional and ethical factors shape perceptions of legitimacy, accountability, and compliance. Together, these dimensions shape users' overall confidence in Islamic fintech services and influence their willingness to engage with AI-enabled financial platforms.

The findings indicate that technological factors such as security, reliability, service quality, and usability remain the primary drivers of trust. These factors reduce perceived risks in digital transactions and strengthen users' confidence in financial systems. However, technological performance alone is insufficient to establish sustainable trust, particularly within Islamic financial environments where financial activities are expected to conform to broader ethical and religious principles.

Institutional factors further reinforce trust by assuring governance, regulatory compliance, and organisational credibility. Strong governance structures and effective oversight mechanisms signal accountability and responsible conduct, thereby enhancing stakeholder confidence in digital financial services. In Islamic finance, institutional legitimacy matters because users expect financial institutions to adhere to both regulatory requirements and Shariah principles. Ethical factors add another layer that distinguishes trust formation in Islamic fintech from conventional digital finance. Elements such as Shariah compliance, transparency, *Maqasid al-Shariah*, and *niyyah* contribute to perceptions of moral legitimacy and ethical alignment. Although these factors received less attention in the reviewed studies, they play a crucial role in ensuring that technological innovation remains consistent with the objectives and values of Islamic finance.

Based on these findings, this study proposes an integrated framework of trust formation. As illustrated in Figure 4, technological, institutional, and ethical factors collectively influence trust formation, which subsequently affects adoption intention, user confidence, and the long-term sustainability of Islamic fintech ecosystems. The framework highlights the need for future research and practice to move beyond technology-centric approaches by incorporating ethical considerations as essential components of trustworthy AI-driven financial services.

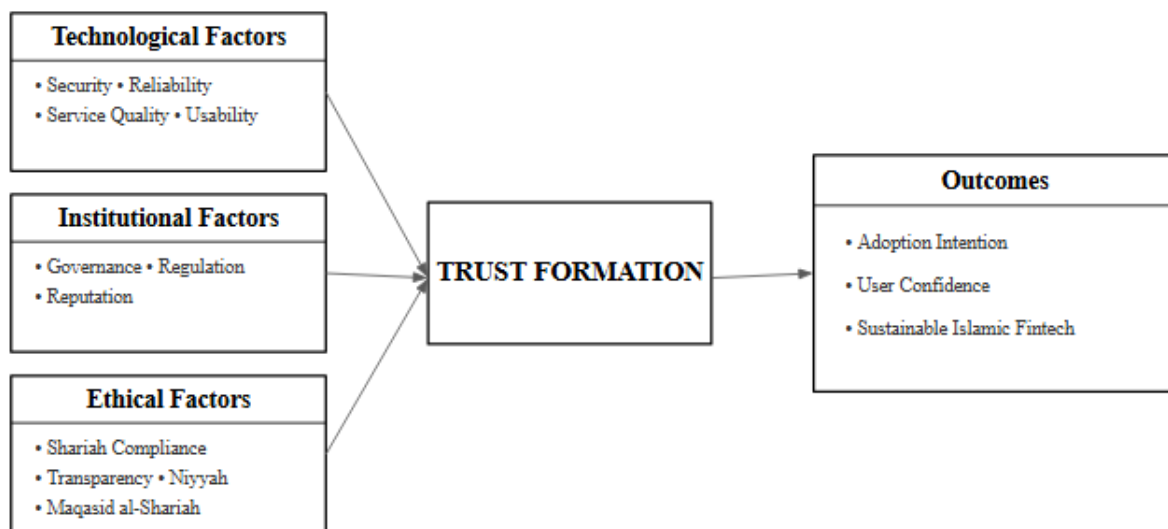


Figure 4: Integrated Trust Framework Emerging from the Review

Source: Authors (2026)

Research Gaps and Future Directions

Despite the growing literature on trust in AI-driven Islamic fintech, several important gaps remain. As summarised in Table 3, existing studies focus mainly on technological determinants such as security, usability, and system reliability, while ethical dimensions unique to Islamic finance receive comparatively little attention. This imbalance suggests that current trust models may not fully capture the multidimensional nature of trust within Islamic financial ecosystems. Another notable gap relates to the limited incorporation of Islamic ethical constructs, particularly *Maqasid al-Shariah* and *niyyah*, into empirical investigations. Although these concepts form the normative foundation of Islamic finance, researchers rarely operationalise them as measurable determinants of trust. Consequently, existing research provides only a partial understanding of how ethical values influence user perceptions and decision-making within digital financial environments.

The review also identified methodological inconsistencies across studies, including variations in research design, measurement instruments, and conceptual definitions of trust. Such heterogeneity restricts cross-study comparability and limits opportunities for robust meta-analytic assessment. Furthermore, the geographical concentration of studies in Malaysia and Indonesia raises concerns regarding the generalisability of findings to other Islamic finance jurisdictions with different regulatory, cultural, and technological contexts.

In addition, relatively few studies have examined emerging issues associated with artificial intelligence, including explainability, algorithmic transparency, accountability, and human oversight. As AI becomes increasingly embedded in financial decision-making processes, understanding the implications of these factors for trust formation is becoming increasingly important.

Table 4: Research Gaps Identified

Gap	Evidence from Review	Future Research Direction
Overemphasis on technological factors	Majority of studies focus on security and usability	Develop integrated technology-ethics models
Limited ethical constructs	Few studies assess <i>Maqasid al-Shariah</i> and <i>niyyah</i>	Incorporate Islamic ethical variables
Geographic concentration	Mostly Malaysia and Indonesia	Conduct cross-country comparisons
Measurement inconsistency	Diverse trust scales used	Establish standardised instruments
AI transparency issues	Limited attention to explainability	Explore Explainable AI (XAI) in Islamic fintech

Source: Authors (2026)

Table 4 highlights several priorities for future research, including the development of integrated trust frameworks that combine technological, institutional, and ethical dimensions; the incorporation of Islamic ethical constructs into empirical models; the establishment of standardised measurement instruments; and greater attention to Explainable Artificial Intelligence (XAI) and transparent governance mechanisms within Islamic fintech. Addressing these gaps will contribute to a more comprehensive understanding of trust and support the development of sustainable, trustworthy, and Shariah-aligned digital financial ecosystems.

Conclusions

This study systematically reviewed the literature on trust formation in AI-driven Islamic fintech to examine how technological, institutional, and ethical dimensions contribute to trust development in digital financial environments. Drawing on 34 empirical studies published between 2016 and 2025, the review synthesises current knowledge and identifies key trends, challenges, and gaps in the literature.

The findings show that trust in AI-driven Islamic fintech is shaped mainly by technological factors, particularly system reliability, perceived security, service quality, and ease of use. Institutional factors, including governance mechanisms, regulatory frameworks, and organisational reputation, also play a significant role in enhancing stakeholder confidence. These findings suggest that users place considerable importance on both the technical performance of financial systems and the credibility of the institutions providing digital financial services.

However, the review reveals that ethical dimensions remain relatively underrepresented despite their fundamental importance in Islamic finance. Elements such as Shariah compliance, transparency, *Maqasid al-Shariah*, and *niyyah* are infrequently incorporated into existing trust models, creating a gap between technological development and the ethical foundations that distinguish Islamic finance from conventional financial systems. The increasing adoption of AI further intensifies these concerns, particularly regarding algorithmic opacity, accountability, and explainability. As financial decision-making becomes increasingly automated, ensuring AI systems operate transparently and in an ethically aligned manner is essential to sustaining user trust.

The review further highlights considerable methodological and conceptual diversity across studies, limiting the comparability of findings and hindering the development of a unified understanding of trust formation. This observation underscores the need for more robust theoretical frameworks that integrate technological, institutional, and ethical perspectives. Such frameworks are necessary to reflect the multidimensional nature of trust within Islamic financial ecosystems and to support the responsible deployment of AI-driven technologies.

Overall, this study contributes to the growing body of knowledge on Islamic fintech by bridging technology and ethics in the analysis of trust formation. The proposed synthesis highlights the importance of moving beyond technology-centred approaches towards a more holistic understanding of trust that incorporates both functional performance and Islamic ethical values. Future research should prioritise developing integrated trust models, incorporating *Maqasid al-Shariah* and *niyyah* into empirical investigations, and exploring explainable and ethically governed AI systems. Such efforts will be critical for advancing transparent, trustworthy, and sustainable Islamic fintech ecosystems in the era of digital transformation.

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