

Sensitivity Level Towards E-Wallet Transactions in Islam: A Case Study Among UniSHAMS Students

Nuryn Jazlina Hairullah¹, Sukriah Ismail¹, Marina Abu Bakar^{2*}

¹ Kulliyah of Shariah and Law, Universiti Islam Antarabangsa Sultan Abdul Halim Mu'adzam Shah (UniSHAMS), 09300, Kuala Ketil, Kedah, Malaysia

² Academy of Contemporary Islamic Studies (ACIS), Universiti Teknologi MARA (UiTM), Perlis Branch, 02600 Arau, Perlis, Malaysia

*Corresponding Author: marinaab@uitm.edu.my

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Abstract: *E-wallets are a modern transaction service that allows payments to be made through an application without the need for cash. The purpose of creating e-wallets is to facilitate direct payments for both physical and virtual purchases. However, confusion about the understanding of the legal aspects of e-wallet transactions and a lack of sensitivity towards e-wallet usage are the main issues in this study. Therefore, this study aims to examine the legal aspects of e-wallet transactions from the perspective of Shariah and law in Malaysia, and to measure the sensitivity level of UniSHAMS students towards the legal aspects of e-wallet transactions. This study employs a quantitative research design. Data were collected through questionnaires and analysed using Statistical Package for Social Science (SPSS). The results indicate that the sensitivity level of UniSHAMS students regarding the legal aspects of e-wallet transactions is still low. In terms of contribution, this study adds to the knowledge about the legal use of e-wallets. It is hoped that this study will have implications for the National Fatwa Council (NFC) in raising awareness among the public, especially e-wallet users.*

Keywords: Sensitivity Levels, E-Wallet Transaction, UniSHAMS, E-Wallet

1. Introduction

Sensitivity among students is crucial, especially in matters of buying and selling. E-wallets are one of the current focal points in society's transactions. Sensitivity refers to awareness (Kamus Dewan, 2019). Sensitivity among UniSHAMS students entails individuals responding effectively to the laws governing transactions using e-wallets. Individuals' sensitivity to buying and selling laws can influence actions and choices (Shah Alam et al., 2011). This study focuses on the laws governing e-wallet transactions, which are the primary focus for unraveling the legality of related transactions. In Arabic, buying and selling are referred to as *al-Bai'*. Linguistically, buying and selling mean transferring ownership rights to an object through an exchange agreement (Azzam, 2010), or exchanging one item for another (barter). Buying and selling has certain functions that facilitate daily transactions. Among them, e-wallet serves as a replacement for physical wallets, allowing individuals to store money using only an application without the need to carry physical cash to make a transaction (Jabatan Kemajuan Islam Malaysia, 2022).

In today's world, technology is a crucial asset in every aspect of an individual's life, whether it's in buying and selling, learning or personal matters. The advancement of technology has made it possible to facilitate and simplify tasks for individuals or specific parties without the need to meet in person. One of the technologies that has significantly impacted people's lives is online buying and selling, which can be done with just a few clicks. In other words, individuals don't need to be physically present to conduct transactions between two parties simultaneously (Idzulsyahril, 2013). It's worth noting that the use of e-wallets has not only been introduced internationally but has also gained attention domestically.

E-wallets have a lot of potential for widespread adoption because users find them more convenient and are starting to shift towards such payment methods. Therefore, Malaysia has a high penetration rate for cashless payments, reaching 67%. This includes debit cards (63%), online banking (57%), credit cards (27%), and e-wallets (8%) (Basaruddin, 2019). However, there are some drawbacks to conducting transactions via e-wallets. While e-wallets facilitate the payment process, they can also trap us without us realizing it. Invisible money can make us careless and unaware as our funds dwindle. Therefore, some individuals who can't control their spending prefer to pay with cash. This means that e-wallets can lead us to overspend, disrupting our budget (AIA, 2020).

There are two issues that need to be addressed here, namely confusion about understanding the law of e-wallet transactions and lack of sensitivity towards the use of e-wallets. Confusion arises because e-wallets offer several services and rewards if individuals use their services. For example, reload bonuses are a common promotion. Some e-wallet providers offer bonuses for every reload as an incentive for using their e-wallets. For instance, individuals top up RM100 into their e-wallet account and receive an additional RM5 bonus. Is this considered usury? In the view of the researcher, it needs thorough examination. Is the RM100 reload a form of a loan from the customer to the e-wallet provider? If it's a loan, then the RM5 bonus is considered interest on that loan, which undoubtedly constitutes usury, prohibited in Islam (Md Noor et al., 2021).

If observed, modern sales methods greatly influence an individual's life because many who use this e-wallet sales method pursue rewards regardless of the legality of those rewards. Hence, behavioral intention refers to the user's intention to use new products or services (Amin et al., 2022). It is also a motivational factor that influences behavior, where the stronger the user's intention, the higher the likelihood that the behavior will be carried out. Furthermore, perceived benefits represent users' perceptions of the benefits of digital payments that determine individual acceptance decisions (Razif & Aripin, 2023). Digital payments offer various benefits in terms of convenience, accessibility and flexibility and are better than cash payments. Perceived benefits help a better understanding of users' mental perceptions of the intention to use various technologies, such as online purchases, mobile banking and mobile payments (Razif & Aripin, 2023). Therefore, this study was conducted to identify the laws of buying and selling e-wallets from the perspective of Shariah and Malaysian law, and to measure the level of sensitivity of UniSHAMS students to the laws of buying and selling e-wallets.

2. Literature Review

2.1 Legal Status of E-Wallet Transactions According to Shariah and Malaysian Law

2.1.1 Legal Status of E-Wallet Transactions in Shariah Perspective

The legality of buying and selling is permitted based on the Quranic verse in Surah Al-Baqarah (2:275), which states: “*And Allah has permitted trade and forbidden usury....*”. al-Shafie comments on this verse in his book *al-Umm*, stating that all forms of trade are permitted if conducted with mutual consent between the parties, except for what has been specifically prohibited by the Prophet Muhammad (PBUH) (al-Shafie, 2001).

2.1.2 E-Wallet According to Shariah Perspective

A range of studies have explored the use of e-wallet from a Shariah perspective. Radzi (2024) highlight the potential for e-wallet to align with Shariah principles, particularly in Malaysia, despite some challenges. Sunarsa & Fauzi (2023) and Asnawi (2022) delve into the specific mechanisms and ethical considerations of e-wallet transactions, with Asnawi (2022) emphasizing the need for users to consider the validity of the contract and the transaction’s purpose. Razali et al. (2021) and Ni’mah & Yuliana (2020) both discuss the application of the concept of *hifz al-Mal* (preservation of property) in e-wallet transactions, with Razali et al. (2021) emphasizing the compliance of e-wallet with this concept. Lastly, Habib & Nofiardi (2023) underscores the importance of e-wallet in providing ease of transaction for Muslim consumers, aligning with the concept of *Maqasid al-Shariah*.

Moreover, several researchers, such as Zulkefli et al. (2019) and Shamsuddin et al. (2022) too have explored the legal status of e-wallets from Shariah perspective. Among their concerns are that users of e-wallets may not know where the issuer places the deposits and whether the money is used for Shariah-compliant purposes. Additionally, the practice of using e-wallets involves various transactions and contracts between parties that might include usury (*riba*), uncertainty (*gharar*), and gambling (*maysir*) (Shamsuddin et al., 2022). Noor & Yusoff (2022) discussed Shariah issues in e-wallets. His article analyzes the concepts used from a Shariah perspective (*takyif fiqhi*) and highlights issues related to its application. It emphasizes whether the money stored in e-wallets should be considered a loan (*qard*) or a deposit (*wadi’ah*). This distinction affects the nature of the contracts to avoid actions prohibited by Shariah, such as usury. Ramli et al. (2021), also investigates Shariah issues in e-wallets. Essentially, after general consideration, the author agrees with the permissibility of e-wallets, but Shariah issues arise in other circumstances. For example, promotional bonuses for top-ups could lead to usury (*riba*), and lucky draw promotions might involve gambling (*maysir*). The author acknowledges that there are issues in e-wallets, including technical processes and promotional methods that need scrutiny to ensure Shariah compliance (Ramli et al., 2021). One of the main concerns is the technical process of e-wallet implementation between parties, specifically the types of contracts and transactions involved. Another concern affecting Shariah compliance in the use of e-wallets is the intention or purpose of their use and the impacts or consequences of their practice.

2.1.3 E-Wallet According to Malaysian Law

According to Malaysian law, several acts specify the conditions for appointing service providers. Ministries or departments are only allowed to appoint service providers that have received approval from Bank Negara Malaysia (BNM), as listed on the BNM website. Service providers that have received BNM approval must be licensed under the Financial Services Act 2013 [Act 758], the Islamic Financial Services Act 2013 [Act 759], or the Development Financial Institutions Act 2002 [Act 618], or be established under the Companies Act 2016

[Act 777], and have their headquarters or principal place of business in Malaysia and be under local control, as per the Malaysian Treasury Amendment (2023).

Additionally, there are studies that explain several legal issues related to the application of e-wallets. First, the liability of e-wallet operators must be clearly stated in the Policy Document on Electronic Money (E-Money) 2022. Second, there is a prohibition against providing credit or paying interest to users. Non-compliance with this prohibition could raise Shariah issues regarding the payment of interest (Bank Negara Malaysia, 2022).

2.2 Knowledge of the Law, Transaction Experience and E-Wallet Usage

E-wallet services don't violate Shariah principles; in fact, they help people facilitate their daily transactions. However, there are technical processes and promotional methods that need to be scrutinized by e-wallet providers to ensure their services comply with Shariah (Jabatan Kemajuan Islam Malaysia, 2022). Additionally, a fatwa issued by the Kedah Mufti addresses the issue of e-wallet transactions, stipulating several conditions: transactions involving digital transactions must be conducted through e-wallet operators approved and regulated by the relevant authorities; both users and operators must have knowledge of how to use e-wallets and understand their rights and responsibilities as contracting parties; and operators are advised to seek advisory services for compliance (Jabatan Mufti Negeri Kedah, 2020).

Yazid et al. (2016) examined the acceptance of online buying and selling practices. The findings revealed that members of society, particularly students, engage in online purchases every month. This practice is encouraged among them as it simplifies their buying needs, allowing them to purchase items online without having to leave their homes. For e-wallet usage, Norezam & Man (2023) study in rural areas revealed that e-wallet payments provide convenience to local residents if its usage is expanded. However, there are still residents who aren't open to e-wallet payments due to a lack of exposure to this modern payment method.

Based on the analysis of the conducted research, numerous studies on the legality of buying and selling have been carried out by previous researchers. However, most of these studies focus on face-to-face transactions without involving online transactions, such as those using e-wallets. Additionally, most of the studies conducted by previous researchers are qualitative, and there aren't many quantitative studies. Furthermore, these studies have been focused solely on UniSHAMS students. Therefore, this study is conducted to examine the legality of e-wallet transactions from the perspectives of Sharia and Malaysian law and to measure the sensitivity of UniSHAMS students to the legality of e-wallet transactions.

2.3 Research Variables

2.3.1 Dependent Variable (DV)

The dependent variable is a variable that is affected by one or more independent variables, either manipulated or observed by the researcher (Idris, 2012). The dependent variable in this study is the sensitivity level towards the legality of e-wallet transactions.

2.3.2 Independent Variable (IV)

The independent variable is a stimulus variable or a variable that influences other variables. The independent variable is a variable whose factors are measured, manipulated, or selected by the researcher to determine its relationship with an observed phenomenon. The independent variables in this study are knowledge of the law, e-wallet usage and transaction experience. Knowledge of the law refers to the level of knowledge UniSHAMS students have about the legality of e-wallet transactions. E-wallet usage is the extent to which UniSHAMS students use

e-wallets in their transactions. Whereas, transaction experience notes the experience students have in conducting transactions using e-wallets. Figure 1 below succinctly illustrates the dependent and independent variables present in this study.

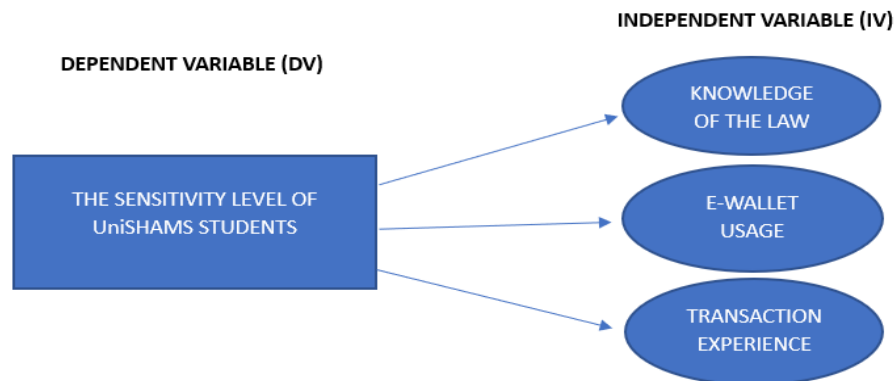


Figure 1: The relationship between Study Variables

2.4 Research Hypothesis

2.4.1 Hypothesis Related to Knowledge of the Law:

H0: Knowledge of the law does not affect students' sensitivity towards the legality of e-wallet transactions.

H1: Students with higher knowledge of the law will be more sensitive to the legality of e-wallet transactions.

2.4.2 Hypothesis Related to E-Wallet Usage:

H0: E-wallet usage does not affect students' sensitivity towards the legality of e-wallet transactions.

H1: E-wallet usage affects students' sensitivity towards the legality of e-wallet transactions.

2.4.3 Hypothesis Related to Transaction Experience:

H0: Transaction experience does not affect students' sensitivity towards the legality of e-wallet transactions.

H1: Transaction experience affects students' sensitivity towards the legality of e-wallet transactions.

3. Research Methodology

3.1 Research Design

In this study, the researchers used a quantitative method. Quantitative research is generally a study that employs statistical analysis. It is more objective and result-oriented (Chua, 2014). This research approach was conducted through quantitative methods to focus on specific themes among UniSHAMS students. The study employed quantitative methods to facilitate data collection among Shariah students and obtain precise insights from them. On average, UniSHAMS students who have taken the (SFS 6323) Contemporary Issues in Islamic Commercial Law subject, responded to the questionnaire. Data processing techniques utilized a case study method to investigate all the research questions outlined.

The instrument used in this study is the questionnaire. This quantitative study also targets Bachelor of Shariah students in general and specifically those who have taken the (SFS 6323) Contemporary Issues in Islamic Commercial Law subject. This is to ensure a solid and satisfactory final outcome for the researchers.

3.2 Data Collection

3.2.1 Research Data

This study utilized primary data, namely questionnaires. Additionally, the researchers employed secondary data sources such as books, magazines, and journal articles. A questionnaire consists of a set of written questions or items. It is a tool specifically designed to gather information for analysis, addressing the research question -why this study used a questionnaire (Chua, 2014). Constructing a questionnaire requires broad knowledge to ensure the questions formulated are appropriate, reliable, and not influenced by emotions. According to Gillham (2000), there are several reasons why questionnaires are preferred by most researchers, including low cost and short time required to construct them. Researchers can obtain data or information from a larger and faster number of respondents. The questionnaire was distributed to respondents using modern technology, simply by providing a website to fill out the form. In the study questionnaires, the researchers preferred using communication language over writing words.

3.2.2 Sampling Technique

Sampling in research refers to the selection of a group (individuals, institutions, places, or phenomena) that the researcher wishes to investigate. Sampling is the process of selecting a subset (individuals, institutions, places, or phenomena) by the researcher for a particular investigation that represents a larger group (individuals, institutions, places or phenomena) that has been chosen (Sugiyono, 2018). In this study, the researchers selected UniSHAMS students among those who are in the field of Islamic Studies, specifically Bachelor of Shariah students. The researcher chose these students because they have studied the (SFS 6323) Contemporary Issues in Islamic Commercial Law subject which is the main subject in their field. Furthermore, the researchers selected the sample using the convenience sampling method. Convenience sampling means that the sample is chosen based on the availability of elements and the ease of obtaining them (Sugiyono, 2018).

3.3 Data Analysis

SPSS stands for Statistical Package for Social Science. Through SPSS, both simple and complex data can be analyzed quickly, and it is capable of generating relevant graphs and charts from the analyzed data. SPSS is software used to analyze research data that has been collected and organized (Dhia, n.d). The researchers chose SPSS as the method of data analysis because it facilitates the generation of graphs and charts based on the questionnaire responses distributed to students. SPSS is used to analyze the primary data of this study.

4. Analysis and Discussion

4.1 Analysis of E-Wallet Transaction Law from the Perspectives of Shariah and Malaysian Law

4.1.1 Respondent Demographics

i. Respondent Background by Gender:

Table 1: Percentage by Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	7	17.5	17.5	17.5
	Female	33	82.5	82.5	100.0
	Total	40	100.0	100.0	

The majority of respondents who completed the questionnaire were female students as shown in Table 1. This is because there are more female students continuing their studies at UniSHAMS compared to male students. This is evident from the number of respondents, with 82.5% of the questionnaires being completed by female students from UniSHAMS.

ii. Respondent Background by Semester of Study:

Table 2: Percentage by Semester of Study

	Frequency	Percent	Valid Percent	Cumulative Percent
1 st Semester	6	15.0	15.0	15.0
2 nd Semester	4	10.0	10.0	25.0
3 rd Semester	12	30.0	30.0	55.0
4 th Semester	5	12.5	12.5	67.5
Valid 5 th Semester	1	2.5	2.5	70.0
6 th Semester	6	15.0	15.0	85.0
7 th Semester	4	10.0	10.0	95.0
8 th Semester	2	5.0	5.0	100.0
Total	40	100.0	100.0	

Based on Table 2, the distribution of respondents' study semesters who completed the questionnaire falls within the range of level three. Students in their third semester are those who are currently taking the course (SFS 6323) Contemporary Issues in Islamic Commercial Law, which is related to contemporary laws of transactions. Therefore, the researcher can measure the sensitivity level of students regarding the laws of buying and selling using e-wallets, which they are currently studying.

iii. Respondent Background by Age:

Table 3: Percentage by Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-21	5	12.5	12.5	12.5
22-23	24	60.0	60.0	72.5
24-25	9	22.5	22.5	95.0
26 years - above	2	5.0	5.0	100.0
Total	40	100.0	100.0	

Based on Table 3, the percentage of respondents by age group who completed the questionnaire falls within the range of 22-23 years old. At this age group, the students who answered this questionnaire are also in their third and fourth years of study, namely in semesters five to seven.

4.1.2 Analysis of Independent Variables

i. Legal Knowledge: To what extent do you understand the Islamic law related to buying and selling using e-wallets?

Table 4: Percentage by Legal Knowledge

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Poor Understanding	3	7.5	7.5	7.5
	Poor Understanding	3	7.5	7.5	15.0
	Moderate	15	37.5	37.5	52.5
	Good	17	42.5	42.5	95.0
	Very Good	2	5.0	5.0	100.0
	Total	40	100.0	100.0	

Based on Table 4, the majority of respondents chose “good” as their answer, accounting for 42.5% of all respondents. This choice was made by respondents because most of them only understand the external aspects of using e-wallets, namely the necessity, without knowing the evidence that legitimizes the use of these e-wallets.

ii. E-Wallet Usage: To what extent do you use e-wallets for buying and selling transactions?

Table 5: Percentage by E-Wallet Usage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	4	10.0	10.0	10.0
	Rarely	9	22.5	22.5	32.5
	Sometimes	6	15.0	15.0	47.5
	Often	20	50.0	50.0	97.5
	Every day	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

Based on the percentages in Table 5, most respondents chose “often” as their answer. The frequent use of e-wallets among students is encouraged at UniSHAMS, particularly in the university cafe, to avoid congestion during payments. Additionally, the use of e-wallets has been promoted among Malaysians, especially after the COVID-19 pandemic.

iii. Transaction Experience: How long have you been using e-wallets for buying and selling transactions?

Table 6: Percentage by Transaction Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 6 months	8	20.0	20.0	20.0
	6 months to 1 year	13	32.5	32.5	52.5
	1 to 2 years	10	25.0	25.0	77.5
	More than 2 years	9	22.5	22.5	100.0
	Total	40	100.0	100.0	

Based on Table 6, it is clear that 32.5% of all respondents have been using e-wallets for transactions for 6 months to 1 year. This percentage indicates that UniSHAMS students are utilizing e-wallets for their daily transactions because it simplifies their buying and selling processes.

4.1.3 Sensitivity Level Towards E-Wallet Transaction Law

i. How do you assess the importance of understanding the laws of e-wallet transactions before making a transaction?

Table 7: Percentage by Understanding the Laws of E-Wallet Transactions Before Making a Transaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Moderate	11	27.5	27.5	27.5
	Important	13	32.5	32.5	60.0
	Very Important	16	40.0	40.0	100.0
	Total	40	100.0	100.0	

Based on the percentages in Table 7, 40% of respondents agree that it is very important for students to understand the laws of e-wallet transactions before making a transaction. This is crucial among students because every action is related to the law, and it is important for students to have a detailed understanding, including the relevant evidence, before proceeding.

ii. What is your view on compliance with laws in e-wallet transactions?

Table 8: Percentage by Compliance with Laws in E-Wallet Transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Moderate	9	22.5	22.5	22.5
	Important	14	35.0	35.0	57.5
	Very Important	17	42.5	42.5	100.0
	Total	40	100.0	100.0	

Based on Table 8, respondents' opinion on compliance with laws in e-wallet transactions is very important, at 42.5%. This percentage illustrates that students prioritize legal compliance in using e-wallet transactions because, as Muslims, they should perform actions mandated by Shariah and abstain from actions prohibited by Shariah.

iii. To what extent do you feel confident in your knowledge of the laws regarding e-wallet transactions?

Table 9: Percentage by Confidence in Knowledge of E-Wallet Transaction Laws

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Confident	1	2.5	2.5	2.5
	Moderate	9	22.5	22.5	25.0
	Confident	15	37.5	37.5	62.5
	Very Confident	15	37.5	37.5	100.0
	Total	40	100.0	100.0	

Based on Figure 10, the percentage of respondents indicates that students choose "confident" and "very confident", totaling 37.5%. This percentage shows that students are confident in the laws regarding e-wallet transactions because they have studied them. Therefore, students are more confident about using them.

4.1.4 Hypothesis Regarding Legal Knowledge and Law

i. Are you aware of the regulations and laws governing e-wallet transactions in Malaysia?

Table 10: Percentage by Legal Knowledge

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	45.0	45.0	45.0
	No	22	55.0	55.0	100.0
	Total	40	100.0	100.0	

Based on the percentages in Figure 11, the researchers found that 22 respondents, or 55% of the total, do not know the laws in Malaysia related to e-wallet transactions. This occurs because students usually do not prioritize legal matters due to lack of exposure in their environment. Therefore, the researchers suggest that every student should be encouraged to learn about the laws in Malaysia, especially those related to buying and selling, to prevent any fraud.

ii. How often do you access legal information sources related to the use of e-wallets?

Table 11: Percentage by Accessing Legal Information Sources Using E-Wallets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	2	5.0	5.0	5.0
	Rarely	18	45.0	45.0	50.0
	Sometimes	9	22.5	22.5	72.5
	Often	9	22.5	22.5	95.0
	Always	2	5.0	5.0	100.0
	Total	40	100.0	100.0	

Figure 12 shows that the highest percentage is 45%, which is rarely accessed, and there are also 5% among students who have never accessed legal information related to e-wallets. Among students, accessing information about something is important to ensure the validity of that matter. Therefore, more respondents choose “rarely” as their answer because they will develop curiosity about the laws of using e-wallets when an issue arises among the Malaysian public.

iii. How do you assess the necessity for students to have adequate legal knowledge in the context of using e-wallets?

Table 12: Percentage by the Necessity of Students to Have Knowledge About E-Wallet Laws

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Moderate	4	10.0	10.0	10.0
	Important	24	60.0	60.0	70.0
	Very Important	12	30.0	30.0	100.0
	Total	40	100.0	100.0	

The percentage in Figure 13 indicates that students consider it important to have knowledge regarding the laws of using e-wallets, totaling 60%. This aligns with the researchers’ opinion because every student should be aware of the laws of buying and selling in the modern era, so they can serve as a reference for the community in case of disputes.

4.1.5 Hypothesis Regarding E-Wallet Usage

i. What type of purchases do you usually make using e-wallets?

Table 13: Percentage by Type of Purchases Using E-Wallets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily Payments	11	27.5	27.5	27.5
	Online Shopping	18	45.0	45.0	72.5
	Banking Transactions	11	27.5	27.5	100.0
	Total	40	100.0	100.0	

Based on the percentages in Figure 14, there are 45% of respondents who use e-wallets for making online purchases. Respondents choose online shopping because they are students. Typically, students are pressed for time to go to a physical location and purchase their necessities, so they opt for online shopping using e-wallets to save time and convenience. Online shopping also often offers lower prices compared to physical purchases. Therefore, students can also save on their expenses.

ii. Does using e-wallets facilitate your buying and selling process?

Table 14: Percentage by Level of Ease of E-Wallet Transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Difficult	2	5.0	5.0	5.0
	Moderate	3	7.5	7.5	12.5
	Easy	16	40.0	40.0	52.5
	Very Easy	19	47.5	47.5	100.0
	Total	40	100.0	100.0	

Based on the percentages in Figure 15, it is clear that respondents choose the process of using e-wallets as very easy, with 47.5% agreeing. Here, we can also say that the use of e-wallets does not burden students to carry cash because they prefer to use e-wallets instead. It is not surprising because students typically follow the developments in modern technology, especially technologies that facilitate their daily activities. However, there are also respondents who find it very difficult because using e-wallets inevitably requires a fast internet connection when making payments.

iii. How confident do you feel about the security of buying and selling transactions using e-wallets?

Table 15: Percentage by Confidence in Security of Transactions Using E-Wallets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Uncertain	2	5.0	5.0	5.0
	Uncertain	2	5.0	5.0	10.0
	Moderate	10	25.0	25.0	35.0
	Confident	17	42.5	42.5	77.5
	Very Confident	9	22.5	22.5	100.0
	Total	40	100.0	100.0	

Based on the percentages in Figure 16, respondents are only at the level of confidence in the security of transactions using e-wallets, totaling 42.5%. This indicates that there are still

respondents who are less confident in e-wallet transactions because they have more faith in physical buying and selling agreements.

4.1.6 Hypothesis Regarding Transaction Experience

i. How do you evaluate your transaction experience using e-wallets?

Table 16: Percentage by Transaction Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Moderate	8	20.0	20.0	20.0
	Good	21	52.5	52.5	72.5
	Very Good	11	27.5	27.5	100.0
	Total	40	100.0	100.0	

Based on the percentages in Figure 17, transaction experience shows that 21 people, or 52.5% of respondents, choose ‘good’ as their level of transaction experience. This indicates that there are still some constraints in using e-wallets as a method of buying and selling.

ii. Does previous transaction experience affect your trust in using e-wallets?

Table 17: Percentage by Influence of Trust in Using E-Wallets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Uninfluential	1	2.5	2.5	2.5
	Uninfluential	6	15.0	15.0	17.5
	Moderate	7	17.5	17.5	35.0
	Influential	19	47.5	47.5	82.5
	Very Influential	7	17.5	17.5	100.0
	Total	40	100.0	100.0	

Based on the percentages in Figure 18, transaction experience influences respondents’ trust in using e-wallets by 47.5%. This percentage does not reach the level of “uninfluential” because there are several issues related to transactions using e-wallets, such as money being deducted from the bank but not processed by the e-wallet. Therefore, respondents are more cautious when using this service to avoid fraud during buying and selling transactions.

4.2 Analysis of the Study Hypothesis on UniSHAMS Students’ Sensitivity to E-Wallet Transaction Laws

The primary hypothesis of the study revolves around respondents’ legal knowledge. This aligns with studies conducted Zulkefli et al. (2019) and Shamsuddin et al. (2022) which found that many e-wallet users are unaware of various legal prohibitions related to e-wallet usage. Additionally, 30% of respondents consider it very important for individuals to understand the laws related to e-wallets. Therefore, this can increase the level of sensitivity among students regarding legal knowledge in using e-wallets.

Furthermore, regarding the use of e-wallets among respondents, the researcher found that 47.5% agree that using e-wallets can facilitate their transactions. This finding is consistent with a study conducted by Norezam & Man (2023), where individuals choose to use e-wallets in their daily transactions because it provides convenience and saves time.

Finally, transaction experience is an important issue in e-wallet usage because the frequency of students’ transactions using e-wallets can influence their sensitivity. This finding aligns with

a study conducted by Yazid et al. (2016), where individuals prefer using e-wallets for transactions when shopping online.

In essence, this study was conducted based on the research issues observed by the researchers, namely the level of sensitivity among UniSHAMS students and the laws related to e-wallet transactions. Based on these two research issues, two objectives were formulated to address these research questions. Firstly, to examine the legal aspects of e-wallet transactions from the perspective of Shariah and law in Malaysia. Secondly, to measure the sensitivity level of UniSHAMS students towards the legal aspects of e-wallet transactions. Meanwhile, this study employed a quantitative approach involving a case study at UniSHAMS. To address the objectives and research questions as stated, the researchers collected data through library research and distributed questionnaires. The collected data were then analyzed using Statistical Package for Social Science (SPSS). The implications of the study resulting from the findings and conclusions of this research can be presented in two main forms; knowledge and empirical. In terms of knowledge, this study was conducted to examine the legal aspects of e-wallet transactions from the perspective of Shariah and law in Malaysia, and to measure the sensitivity level of UniSHAMS students towards the legal aspects of e-wallet transactions. Therefore, it can be formulated that this study is able to fill gaps and deficiencies in the aspect of knowledge. Meanwhile, in terms of empirical aspects, this study utilized a sample of UniSHAMS students because it is a Private Higher Education Institution (IPTS) with an Islamic status. Additionally, the majority of respondents are from the Kulliyyah of Shariah and Law, UniSHAMS. This is important because the majority of students at UniSHAMS are Bachelor of Shariah students.

This study offers significant contributions to various stakeholders requiring research data on the use of e-wallets among university students. These stakeholders include Bank Negara Malaysia (BNM), the National Fatwa Council (MFK), academics in the fields of finance and Islamic banking, and the broader community. Firstly, Bank Negara Malaysia (BNM) stands to gain from this study by ensuring that every transaction conducted by the public is based on legitimate sources. This is crucial in maintaining the integrity of financial transactions and preventing fraud. By having access to detailed research data, BNM can better monitor and regulate e-wallet transactions, thereby enhancing the security and reliability of the financial system. Secondly, the National Fatwa Council (MFK) may benefit from the study as it provides a clearer understanding of the laws related to e-wallet transactions. This clarity is essential for MFK to effectively communicate and explain these laws to the Muslim community, ensuring that their financial practices are in accordance with Islamic principles. Thirdly, academics in the fields of Islamic banking and finance may find the study invaluable. It will assist them in their efforts to ensure that the services offered within the financial sector do not contradict Islamic law. This is particularly important for educational institutions like UniSHAMS, where students are trained to navigate and integrate Islamic principles with contemporary financial practices. Finally, the community at large may benefit from the insights provided by this study. As there are several concerns regarding the legality of using e-wallet services for transactions, the findings of this research will help address these issues. By clarifying the lawful use of e-wallets, the study can aid in fostering trust and confidence among users, thereby encouraging wider adoption and utilization of e-wallet services.

This study, designed as a case study, involved a limited number of respondents with the aim of obtaining a detailed analysis. Consequently, the findings have opened up broader possibilities for related follow-up research. However, the study also encountered several limitations, leading to results that are confined within the specific framework outlined by the researcher. To address

these limitations and expand the scope of research, several suggestions for future studies are proposed.

One of the primary recommendations is to conduct comparative studies among Islamic universities in Malaysia. This approach aims to compare and expand the scope of the units studied or to focus on specific aspects, such as age groups. By examining a single driving factor, this method will yield more in-depth results. For instance, understanding how different age groups within Islamic universities perceive and utilize e-wallets can provide a clearer picture of the factors influencing their adoption and usage patterns. Another significant suggestion is to undertake qualitative studies. The current study was quantitative, focusing on numerical data and statistical analysis. To complement this, future research should consider using different samples and populations in a qualitative study. This approach involves analyzing results through interviews, providing a more nuanced understanding of the informants' opinions on the laws of transactions and their level of sensitivity towards these laws. Through qualitative research, researchers can delve deeper into the reasons behind the acceptance or resistance to e-wallet usage, uncovering personal experiences and societal influences that quantitative data might overlook.

To summarize, while this study has provided valuable insights into the sensitivity of UniSHAMS students towards the laws of e-wallet transactions, there is a need for more extensive research to fill the gaps and limitations identified. By conducting comparative studies among different Islamic universities and employing qualitative research methods, future studies can offer a more comprehensive understanding of the factors influencing e-wallet usage and sensitivity towards its legal implications. These efforts will not only enhance academic knowledge but also provide practical insights for policymakers, financial institutions and the broader community.

5. Conclusion

This study delved into the sensitivity of UniSHAMS students towards e-wallet transaction laws. It uncovered that while students recognize the importance of understanding these laws, there remains skepticism regarding the security of e-wallet transactions. This underscores the need for enhanced security measures and better education on legal frameworks. UniSHAMS, with its focus on Islamic principles, plays a crucial role in educating students on how modern financial practices align with Islamic law. This dual focus is essential for students to navigate digital finance ethically and effectively. The implications of this study extend to financial institutions and advisory bodies like Bank Negara Malaysia (BNM) and the National Fatwa Council (MFK), which can utilize insights to develop better guidelines and educational programs. Future research could explore comparative studies among different Islamic universities and qualitative research to gain deeper insights into students' experiences. In essence, this study emphasizes the pivotal role of education in enhancing students' sensitivity towards e-wallet laws, paving the way for a more secure and ethically sound adoption of digital financial technologies.

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