

Web of Science



Look Up Full Text

Full Text from Publisher



Save to EndNote online

Add to Marked List

The feasibility of online dispute resolution in the Islamic banking industry in Malaysia: An empirical legal analysis

By: Oseni, UA (Oseni, Umar A.)^[1]; Adewale, AA (Adewale, Abideen Adeyemi)^[2]; Omoola, SO (Omoola, Sodiq O.)^[3]

INTERNATIONAL JOURNAL OF LAW AND MANAGEMENT

Volume: 60 Issue: 1 Pages: 34-54

DOI: 10.1108/IJLMA-06-2016-0057

Published: 2018

Document Type: Article

Abstract

Purpose The paper aims to examine the perceptions of three major stakeholders - bankers, lawyers and customers - in the Islamic banking industry in Malaysia to assess their behavioural intention to use the proposed online dispute resolution (ODR) mechanism.

Design/methodology/approach The study modifies the unified theory of acceptance and use of technology (UTAUT) within the context of ODR and its feasibility in the Malaysian Islamic banking industry. The model was extended to include trust in technology and trust in bank, which might have significant influences on the intentions of major stakeholders to use ODR for banking-related disputes. Actual use of the ODR was not included in the model as specified in the original UTAUT. Based on an internet survey, responses were obtained from about 109 respondents. The data obtained were subjected to multivariate statistical analyses.

Findings Results obtained indicate that trust in technology and effort expectancy are the most influencing determinants of the behavioural intention to use ODR among stakeholders in the Islamic banking industry in Malaysia. However, performance expectancy and social influence did not produce significant effects on behavioural intention.

Research limitations/implications Applying ODR in the banking industry in Malaysia will contribute to sustainable banking businesses in major Islamic finance jurisdictions. Being the most advanced region in global Islamic banking business, Asia sets the pace through theoretical and empirical studies in exploring innovative ideals such as ODR to promote sustainable business that not only ensures proper customer relationship management but also promotes consume protection.

Practical implications Results obtained suggest that the increasing use of internet banking will make ODR the preferable mechanism for dispute resolution in small-scale disputes in retail banking. This will also require some form of predictability, enforceability and Shariah compliance in the process of dispute resolution for the major stakeholders to have full confidence in the ODR mechanism. The recently introduced Financial Ombudsman Scheme in the Islamic Financial Services Act 2013 of Malaysia is expected to serve as a good legal basis for the ODR mechanism.

Originality/value This appears to be one of the earliest attempts to examine the application of ODR in resolving Islamic banking disputes with a detailed analysis on its legal basis and implication.

Keywords

Author Keywords: UTAUT: Islamic banking: Alternative dispute resolution: Online dispute resolution:

Citation Network

In Web of Science Core Collection

0

Times Cited

Create Citation Alert

60

Cited References

View Related Records

Use in Web of Science

Web of Science Usage Count

0

Last 180 Days

0

Since 2013

Learn more

This record is from:

Web of Science Core Collection

- Emerging Sources Citation Index

Suggest a correction

If you would like to improve the quality of the data in this record, please suggest a correction.

IFSA 2013; Islamic banking disputes

KeyWords Plus: TECHNOLOGY ACCEPTANCE MODEL; SERVICE RECOVERY; FINANCE INDUSTRY; ADOPTION; TRUST; NIGERIA; UTAUT; RISK

Author Information

Reprint Address: Oseni, UA (reprint author)

+ Int Islamic Univ Malaysia, Law & Regulat Islamic Finance, Kuala Lumpur, Malaysia.

Addresses:

+ [1] Int Islamic Univ Malaysia, Law & Regulat Islamic Finance, Kuala Lumpur, Malaysia

+ [2] Int Islamic Univ Malaysia, Inst Islamic Banking & Finance liBF, Kuala Lumpur, Malaysia

+ [3] Int Islamic Univ Malaysia, Fac Law, Kuala Lumpur, Malaysia

E-mail Addresses: umaroseni@gmail.com

Publisher

EMERALD GROUP PUBLISHING LTD, HOWARD HOUSE, WAGON LANE, BINGLEY BD16 1WA, W YORKSHIRE, ENGLAND

Categories / Classification

Research Areas: Government & Law

Web of Science Categories: Law

Document Information

Language: English

Accession Number: WOS:000432831100003

ISSN: 1754-243X

eISSN: 1754-2448

Other Information

IDS Number: GG6TI

Cited References in Web of Science Core Collection: 60

Times Cited in Web of Science Core Collection: 0

See fewer data fields

◀ 1 of 1 ▶

Cited References: 60

Showing 30 of 60 [View All in Cited References page](#)

(from Web of Science Core Collection)

1. **FINANCIAL EXCLUSION AND LIVELIHOOD ASSETS ACQUISITION AMONG MUSLIM HOUSEHOLDS IN ILORIN, NIGERIA: A STRUCTURAL INVARIANCE ANALYSIS** **Times Cited: 3**
By: Adewale, A. A.
INTERNATIONAL JOURNAL OF ECONOMICS MANAGEMENT AND ACCOUNTING Volume: 22 Issue: 2 Pages: 69-94
Published: 2014
2. **A second-order factor gender measurement invariance analysis of financial exclusion in Ilorin, Nigeria** **Times Cited: 2**
By: Adewale, A. A.; Mustafa, D.; Salami, L. Q.
International Journal of Trade, Economics and Finance Volume: 4 Issue: 6 Pages: 398-402 Published: 2013
3. **A Measurement Model of the Determinants of Financial Exclusion among Muslim Micro-Entrepreneurs in Ilorin, Nigeria** **Times Cited: 5**