



Bridging Faith and Finance: The Role of Financial Literacy and Behavior in Sharia-Compliant Fintech Adoption Among Entrepreneurs in Indonesia

Nabila Hidayati¹, Hismendi^{2*}, Busra²

¹ Master of Applied Islamic Finance Program, Department of Business, Lhokseumawe State Polytechnic, Aceh, Indonesia

² Department of Business Lecturer at Lhokseumawe State Polytechnic, Aceh, Indonesia

ARTICLE INFO

Article history:

Received : June, 2025

Received in revised from : July, 2025

Accepted : August, 2025

Available online : September, 28, 2025

Keywords:

Financial Knowledge; Financial Behavior; Islamic Fintech Lending; Sharia Compliance; MSMEs;

ABSTRACT

This study aims to examine the influence of financial knowledge and financial behavior on the interest in using Islamic financial technology (fintech) lending, with Sharia compliance as a moderating variable among MSME (Micro, Small, and Medium Enterprises) entrepreneurs in Lhokseumawe City. This is a field research employing a quantitative descriptive approach. The population comprises 6,352 MSME actors in Lhokseumawe, with samples selected through purposive sampling. A total of 144 respondents were included in the sample. Data analysis was conducted using Structural Equation Modeling (SEM). The results indicate that: (1) Financial knowledge and financial behavior have a positive and significant influence on Sharia compliance; (2) Sharia compliance and financial behavior significantly influence the interest in using Islamic fintech, while financial knowledge does not have a direct effect on fintech usage interest; (3) Sharia compliance fully mediates the relationship between financial knowledge and fintech usage interest, and partially mediates the relationship between financial behavior and fintech usage interest. These findings highlight the importance of adherence to Sharia principles as a key factor influencing the interest of entrepreneurs in adopting Sharia-based fintech services.

1. Introduction

Digitalization has significantly reshaped the landscape of business and finance, urging entrepreneurs to move away from conventional financing and adopt digital-based funding alternatives (Choiriyah & Purwanto, 2022). The advancement of technology, particularly in the financial sector, has had a substantial impact on improving the efficiency and effectiveness of business operations (Meutia et al., 2024). One of the most notable innovations is Financial Technology (Fintech), which has transformed the way individuals perceive and engage with financial systems. Fintech especially fintech lending offers ease and accessibility for many business practitioners through technology-driven lending platforms (Ferdinand, 2019).

Technological advancement, particularly in the financial sector, has significantly enhanced

* Corresponding author.

E-mail address: hismendi76@gmail.com

<https://doi.org/10.56806/jh.v6i3.301>

business operational efficiency. One of the most transformative innovations in this domain is Financial Technology (Fintech), especially Fintech lending, which facilitates access to funding through digital platforms. This model bridges traditional financial services with modern technology, thereby promoting financial inclusion and supporting entrepreneurs in obtaining working capital. As illustrated in Figure 1.1, the number of users, transaction volumes, and profitability within Indonesia's Fintech lending sector have consistently increased year over year. The income statements of Fintech lending providers also reflect this upward growth trend (OJK, 2024).



Fig. 1. Income Statement of Fintech Lending Providers (January–August 2024)

The chart illustrates the profit trends of Fintech lending providers from January to August 2024, measured in billion Rupiah. After a brief decline in March and April, profits increased significantly from May onward, peaking at IDR 24.64 billion in August. This consistent upward trend highlights the importance of analyzing the key drivers behind profit growth, particularly within the framework of Islamic finance. The chart illustrates the profit trends of Fintech lending providers from January to August 2024, measured in billion Rupiah. After a brief decline in March and April, profits increased significantly from May onward, peaking at IDR 24.64 billion in August. This consistent upward trend highlights the importance of analyzing the key drivers behind profit growth, particularly within the framework of Islamic finance.

The adoption of Islamic Financial Technology (Fintech) lending is influenced by several factors, including financial knowledge, financial behaviour, and Sharia compliance (Lusardi et al, 2019). Financial knowledge, as the first factor, serves as a critical asset for entrepreneurs in determining which financial products to utilize. It enables them to comprehend the features and mechanisms of fintech lending. Financial knowledge significantly influences the adoption of Islamic Financial Technology (Fintech) lending. Knowledge is considered a foundational element in shaping consumer behavior. It encompasses all that is known, or the result of an understanding process, which includes stages of recognition, awareness, exploration, comprehension, and mastery of information (Nurdin et al, 2020).

The second factor affecting the use of Islamic Financial Technology (Fintech) lending is financial behaviour (Rahma et al, 2022). Financial behaviour represents the outcome of an individual's desire to fulfill their life needs in accordance with their income level. It is closely related to one's financial responsibility and the manner in which they manage their financial resources. Financial behaviour has a significant effect on the adoption of Islamic Financial Technology (Fintech) lending (Sa'ida, 2024). The financial conduct of Muslim entrepreneurs significantly influences their intention to engage with Islamic fintech lending services. This is attributed to the service design, which is consistent with Islamic financial principles, highlighting values such as social justice, equity, and ethical financial practices (Remund, 2018).

The third factor affecting the use of Islamic Financial Technology (Fintech) lending is Shariah compliance (Lusardi et al, 2019). Within Islamic financial institutions, Shariah compliance represents the commitment to ensuring that all operations align with the principles of Islamic law (Shariah). Sharia principles must be implemented in the operations of Islamic financial institutions. These institutions operate based on Islamic law, and therefore, their activities must adhere to Sharia provisions, particularly those related to Islamic commercial transactions (muamalah). These principles must be applied to the contracts (akad) used in the financial products offered by Islamic financial institutions (Mustafa, 2019).

In light of the significant growth of the micro, small, and medium enterprises (MSMEs) sector in Lhokseumawe City, particularly in the trade and industrial sectors, the demand for financing that is fast, accessible, and compliant with Sharia principles has become increasingly critical (Meutia et al., 2024). Entrepreneurs across various districts require adequate financial support to sustain and expand their businesses in order to remain competitive amid a dynamic and ever-evolving economic environment (Fathurrahman, 2019).

Based on the aforementioned background, while numerous studies have investigated the role of financial knowledge and financial behaviour in influencing consumer interest in fintech adoption, limited research has focused specifically on Sharia compliant fintech lending services among MSME entrepreneurs in regional cities such as Lhokseumawe (Nurdin et al, 2020); (Sa'ida, 2024); (Mustafa, 2019). Moreover, previous studies have not adequately examined the mediating or moderating role of Sharia compliance in the relationship between financial literacy, behaviour, and interest in Islamic fintech usage. This study fills the gap by exploring how financial knowledge and behaviour, moderated by Sharia compliance, affect the intention to adopt Islamic fintech lending in a developing region (Yanuar, 2022).

The significance of this study lies in its contribution to the development of Sharia compliant financial technology (fintech) by examining the behavioral and knowledge-based factors that influence its adoption among entrepreneurs. The results are expected to provide useful insights for policymakers, financial institutions, and business actors in enhancing financial literacy and behavior aligned with Islamic principles, particularly in regions such as Lhokseumawe where the MSME sector continues to grow.

Therefore, this study aims to: (1) analyze the influence of financial knowledge and financial behavior on Sharia compliance; (2) examine the effect of Sharia compliance, financial knowledge, and financial behavior on the intention to use Islamic fintech lending; and (3) determine the mediating role of Sharia compliance in the relationship between financial knowledge, financial behavior, and the intention to use Islamic fintech lending among entrepreneurs in Lhokseumawe.

2.1 Intention to Use Financial Technology (Fintech)

Interest in using Financial Technology (Fintech) reflects an individual's motivation and emotional inclination toward financial tools and services (Ahmad, 2019). It involves a cognitive understanding, emotional connection, and a behavioral intention to adopt fintech solutions. Interest is dynamic, shaped by both internal factors such as age, experience, and personal preference and external influences including environment, culture, and education. Indicators such as transactional, referential, preferential, and exploratory interest help explain users' willingness to adopt fintech products (Mustafa, 2019).

The rise of fintech in Indonesia is driven by technological advancements and demographic potential (Francis et al, 2019). The Market Pricing of Earnings Quality. Fintech services such as digital payments, P2P lending, account aggregators, and personal finance apps are reshaping the financial landscape. According to regulations and research institutions, fintech is defined as an

innovative, technology-driven solution to expand financial access, increase efficiency, and improve the user experience especially among underserved communities (Mustafa, 2019).

In Islamic contexts, fintech adoption must align with Sharia principles, avoiding *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation) (Nurhayati, 2020). Islamic fintech lending platforms are expected to incorporate Sharia Supervisory Boards and transparent contract systems to ensure compliance. As fintech grows, especially in Muslim-majority nations like Indonesia, Islamic fintech presents a strategic path to inclusive, ethical financial services that respect religious values while leveraging digital innovation (Mustafa, 2019).

1.2 Financial Knowledge

Financial knowledge refers to an individual's ability to understand basic financial concepts, make informed financial decisions, and assess the benefits and risks associated with financial products (Remund, 2018). Prior research has emphasized its significance in shaping financial behaviour and influencing the adoption of digital financial services. For entrepreneurs, adequate financial knowledge is crucial for selecting suitable financial products and avoiding potential risks in fintech-based lending (Lusardi et al, 2019).

1.3 Financial Behaviour

Financial behaviour involves an individual's habits and decision-making patterns regarding money management, such as budgeting, saving, and debt control (Yanuar, 2022). Responsible financial behaviour supports sustainable financial decision-making. In the context of fintech lending, such behaviour enhances an entrepreneur's credibility in the eyes of lending institutions (Mustafa, 2019).

1.4 Sharia Compliance

Sharia compliance refers to adherence to Islamic legal principles in financial transactions, including the prohibition of *riba* (interest), *gharar* (uncertainty), and unethical practices (Lusardi et al, 2019). Financial products offered by Islamic institutions must align with these principles. Sharia compliance serves as a moderating variable in this study, expected to influence the relationship between financial knowledge/behaviour and interest in using Islamic fintech lending (Mustafa, 2019).

Based on the conceptual framework, a hypothesis serves as an idea aimed at uncovering facts that need to be concluded. A hypothesis is a tentative question or the most plausible assumption that still requires verification. Drawing from the aforementioned theoretical framework and prior research conducted by several earlier scholars, the following hypothesis can be formulated:

- H1 : It is hypothesized that Financial Knowledge and Financial Behavior have a significant influence on Sharia Compliance among entrepreneurs in the city of Lhokseumawe.
- H2 : It is hypothesized that Sharia Compliance, Financial Knowledge, and Financial Behavior have a significant influence on the Interest in Using Financial Technology (Fintech) among entrepreneurs in the city of Lhokseumawe.
- H3 : It is hypothesized that Sharia Compliance mediates the influence of Financial Knowledge and Financial Behavior on the Interest in Using Financial Technology (Fintech) among entrepreneurs in the city of Lhokseumawe.

2. Methodology

This study adopts a quantitative descriptive approach using field research. The objective is to examine the influence of financial knowledge and financial behaviour on the intention to use Islamic fintech lending, with Sharia compliance as a moderating variable among MSME entrepreneurs in Lhokseumawe City, Indonesia.

2.1 Research Population and Sample

The population consists of 6,352 MSME entrepreneurs in Lhokseumawe. The sample size was determined using Hair et al.'s (2019) rule of thumb for SEM (Structural Equation Modeling), with a ratio of 9:1 to the number of indicators (16 indicators), resulting in a sample of 144 respondents. Sampling was conducted using purposive sampling, targeting entrepreneurs who were aware of and/or had experience with Sharia fintech lending services.

2.2 Data Collection Method

Primary data were collected through a structured questionnaire distributed directly to respondents. The questionnaire items were developed based on literature and measured using a 5-point Likert scale ranging from 1 ("Strongly Disagree") to 5 ("Strongly Agree") (Uma & Roger, 2019).

2.3 Variables and Operational Definitions

- a. Independent Variables: Financial Knowledge – knowledge, ability, confidence, and attitude (Santoso, 2019) Financial Behaviour – saving, spending, borrowing, and cash management (Francis et al., 2019)
- b. Moderating Variable: Sharia Compliance – adherence to Islamic principles: no riba, no gharar, no maysir, and trustworthy conduct (Mustafa, 2019).
- c. Dependent Variable: Intention to Use Sharia Fintech Lending – including transactional, referential, preferential, and exploratory interest (Kotler, 2019).

2.4 Data Analysis Technique

The data were analyzed using Structural Equation Modeling (SEM) (Sugiyono, 2018). The process involved two main stages:

1. Outer model testing to assess the reliability and validity of the measurement model (Ghozali, 2019).
2. Inner model testing to evaluate the relationships among the constructs and test the research hypotheses (Ghozali, 2019).

All data processing was carried out using appropriate statistical software following standard SEM procedures.

1. Financial Knowledge

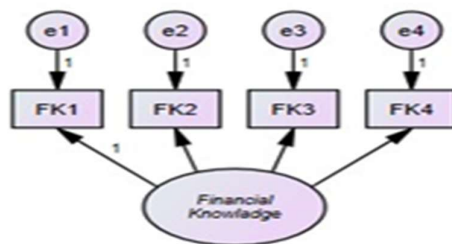


Fig. 2. Indicator Financial Knowledge

$$FK1 = \lambda_1 FK + \epsilon_1$$

$$FK2 = \lambda_2 FK + \epsilon_2$$

$$FK3 = \lambda_3 FK + \epsilon_3$$

$$FK4 = \lambda_4 FK + \epsilon_4$$

2. Financial Behavior

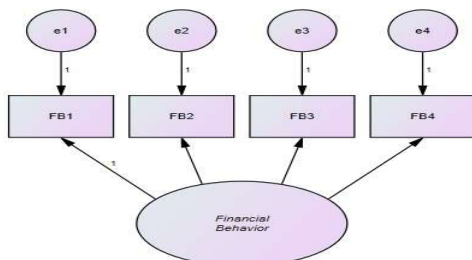


Fig. 3. Indicator Financial Behavior

$$FB1 = \lambda_1 FB + \epsilon_1$$

$$FB2 = \lambda_2 FB + \epsilon_2$$

$$FB3 = \lambda_3 FB + \epsilon_3$$

$$FB4 = \lambda_4 FB + \epsilon_4$$

3. Syariah Compliance

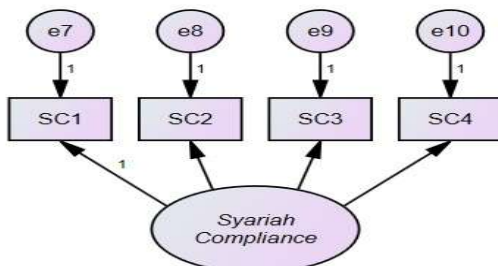


Fig. 4. Indicator Syariah Compliance

$$SC1 = \lambda_1 SC + \epsilon_1$$

$$SC2 = \lambda_2 SC + \epsilon_2$$

$$SC3 = \lambda_3 SC + \epsilon_3$$

$$SC4 = \lambda_4 SC + \epsilon_4$$

4. Interest of Financial Teschnology (Fintech)



Fig. 5. Indicator Syariah Compliance

$$SC1 = \lambda_1 SC + \epsilon_1$$

$$SC2 = \lambda_2 SC + \epsilon_2$$

$$SC3 = \lambda_3 SC + \epsilon_3$$

$$SC4 = \lambda_4 SC + \epsilon_4$$

Conversion of Flow Diagrams into Equations After developing and illustrating the theoretical model in the form of a flow diagram, researchers may begin converting the model specification into a series of equations. The resulting equations will consist of two structural equations, namely:

Sub-Structural Equation 1
 Syariah Compliances = $\beta_1FK + \beta_2FB + Z1$(1)

Sub-Structural Equation 2
 Behavioral Intention to Use Fintech = $\beta_1SC + \beta_2FK + \beta_3FB + Z2$(2)

3. Results

The study analyzed responses from 144 MSME entrepreneurs in Lhokseumawe City using Structural Equation Modeling (SEM) to assess the relationship between financial knowledge, financial behaviour, Sharia compliance, and the intention to use Islamic fintech lending.

3.1 Measurement Model

3.1.1 Confirmatory Factor Analysis (CFA) Test of the Financial Knowledge Variable

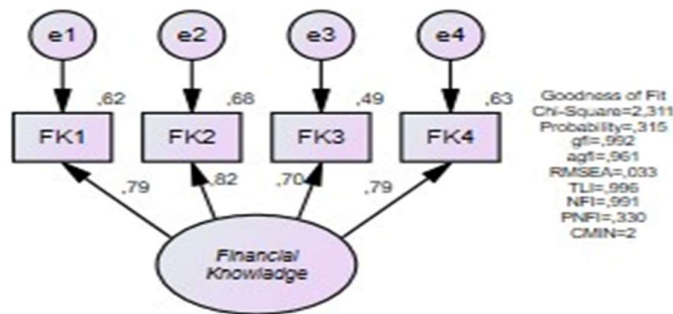


Fig. 6. CFA Test of the Financial Knowledge Variable

Although not all indicators of the Financial Knowledge variable exhibit strong convergent validity, the factor loadings exceed the threshold of 0.60 (Ghozali, 2019), indicating that the construct is acceptable and suitable for further analysis.

3.1.2 Confirmatory Factor Analysis (CFA) Test of the Financial Behavior Variable

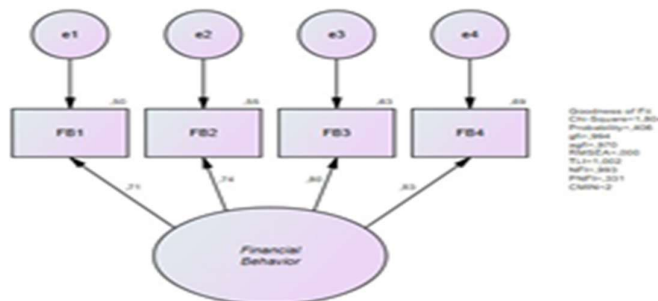


Fig. 7. CFA Test of the Financial Behavior Variable

Although not all indicators of the Financial Behavior variable demonstrate strong convergent validity, the factor loadings exceed the minimum threshold of 0.60 (Ghozali, 2019), indicating that the construct is acceptable and can be utilized in the full model analysis.

3.1.3 Confirmatory Factor Analysis (CFA) Test of the Syariah Compliance Variable

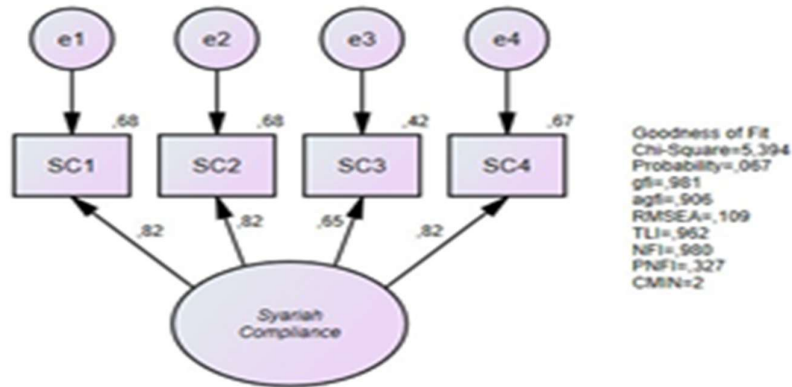


Fig. 8. CFA Test of the Syariah Compliance Variable

Although not all indicators of the Financial Behavior variable demonstrate strong convergent validity, the factor loadings exceed the minimum threshold of 0.60 (Ghozali, 2019), indicating that the construct is acceptable and can be utilized in the full model analysis.

3.1.4 Confirmatory Factor Analysis (CFA) of the Intention to Use Fintech Variable

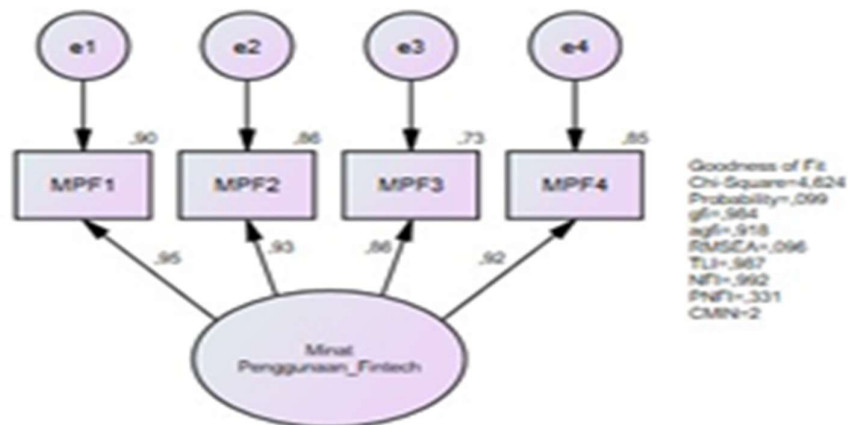


Fig. 9. CFA Test of the Intention to Use Fintech Variable

Although not all indicators of the Intention to Use Fintech variable exhibit strong convergent validity, the factor loadings are above the threshold of 0.60 (Ghozali, 2019). Therefore, the construct is considered fit and appropriate for use in the full model analysis.

3.2 Construct Reliability Test Results

The construct reliability test was carried out in three stages: Variance Extracted, Construct Reliability, and Discriminant Validity. The testing was applied to both exogenous and endogenous constructs using formulas as described in the research methodology section.

Table 1 Construct Validity of the Intention to Use Fintech Variable

Indikator	Standar Loading (SL)	Standar Loading (SL) ²	1-Standar Loading (SL) ²
MP1 <--- Intention to Use Fintech	0,950	0,9025	0,903
MP2 <--- Intention to Use Fintech	0,926	0,8575	0,857
MP3 <--- Intention to Use Fintech	0,856	0,7327	0,733
MP4 <--- Intention to Use Fintech	0,920	0,8464	0,846
Jumlah	3,6520	3,3391	3,3390
Construct Reliability (CR)=($\sum SL$)²/$(\sum SL$)²+1-SL²)	0,8555		
Variance Extracted (VE)=($\sum SL$)²/$(\sum SL$)²+1-SL²)	0,5001		
Discriminant Validity = \sqrt{AVE}	0,6527		

As shown in Table 4.12, the Intention to Use Fintech variable has a Construct Reliability (CR) value of 0.8555, which is well above the threshold of 0.70. Therefore, it can be concluded that this variable demonstrates a high level of reliability. The Variance Extracted (VE) value is 0.5001, exceeding the required minimum of 0.50, indicating that the Intention to Use Fintech variable has good convergent validity (it shares a high proportion of variance among its indicators). Meanwhile, the Discriminant Validity value of 0.6527 will be interpreted collectively for all variables in a subsequent section.

3.3 Full Structural Model Analysis (SEM)

The structural equation modeling (SEM) approach was employed to assess the relationships among financial knowledge, financial behaviour, Sharia compliance, and the intention to use Islamic fintech lending. The full model was tested to evaluate both direct and indirect effects among the variables.

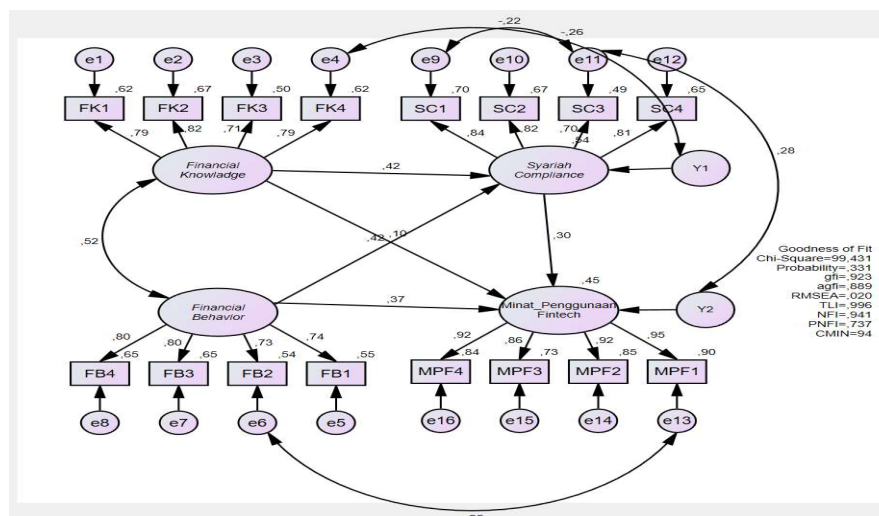


Fig. 10. Full Model After Modification

The analysis revealed that financial knowledge and financial behaviour significantly influenced Sharia compliance, indicating that entrepreneurs with a higher understanding of finance and responsible financial habits are more likely to value and seek out Sharia-compliant financial

services. In turn, both financial behaviour and Sharia compliance had a direct and significant impact on the intention to use Islamic fintech lending. Notably, financial knowledge did not have a significant direct effect on usage intention.

Furthermore, the model confirmed the mediating role of Sharia compliance. It fully mediated the effect of financial knowledge on the intention to use Islamic fintech, and partially mediated the relationship between financial behaviour and usage intention. These results highlight the importance of perceived Sharia compliance as a critical mechanism through which financial literacy and behaviour translate into actual adoption intentions in Islamic fintech contexts.

3.4 Hypothesis Testing

3.4.1 Direct Effects

Table 2 Direct Effects

		Stand Estimate	Unstd. Estimate	S.E.	C.R.	P
<i>Syariah_Compliance</i>	<--- <i>Financial_Knowledge</i>	,370	,361	,095	3,816	***
<i>Syariah_Compliance</i>	<--- <i>Financial_Behavior</i>	,458	,461	,100	4,598	***
Intention to Use Fintech	<--- <i>Syariah_Compliance</i>	,348	,425	,143	2,973	,003
Intention to Use Fintech	<--- <i>Financial_Knowledge</i>	,113	,135	,116	1,169	,243
Intention to Use Fintech	<--- <i>Financial_Behavior</i>	,328	,403	,130	3,096	,002

Based on the figures presented in Table 2, it can be explained that:

1. The coefficient for the effect of Financial Knowledge on Sharia Compliance is 0.370, with a p-value of 0.000 (***), which is well below 0.05. This indicates that Financial Knowledge has a positive and significant effect on Sharia Compliance among entrepreneurs in Lhokseumawe.
2. The coefficient for the effect of Financial Behavior on Sharia Compliance is 0.458, with a p-value of 0.000 (***). This result confirms that Financial Behavior has a positive and significant effect on Sharia Compliance among entrepreneurs in Lhokseumawe.
3. The coefficient for the effect of Sharia Compliance on the Intention to Use Financial Technology (Fintech) is 0.348, with a p-value of 0.003, which is less than 0.05. This indicates that Sharia Compliance has a positive and significant effect on the Intention to Use Fintech among entrepreneurs in Lhokseumawe.
4. The coefficient for the effect of Financial Knowledge on the Intention to Use Fintech is 0.113, with a p-value of 0.243, which exceeds 0.05. This suggests that Financial Knowledge does not have a significant effect on the Intention to Use Fintech among entrepreneurs in Lhokseumawe.
5. The coefficient for the effect of Financial Behavior on the Intention to Use Fintech is 0.328, with a p-value of 0.002, which is below 0.05. This indicates that Financial Behavior has a positive and significant effect on the Intention to Use Fintech among entrepreneurs in Lhokseumawe.

3.4.2 Indirect Effect

The direct effects examined in this study include the influence of Financial Knowledge and Financial Behavior on Sharia Compliance. In addition, the direct effects of Sharia Compliance, Financial Knowledge, and Financial Behavior on the Intention to Use Financial Technology (Fintech) among entrepreneurs in Lhokseumawe were also tested. Meanwhile, the indirect effect refers to

the influence of Financial Behavior on the Intention to Use Fintech through Sharia Compliance as a mediating variable.

Table 3 Indirect Effects

	<i>Financial Knowledge</i>	<i>Financial Behavior</i>	<i>Syariah Compliance</i>
<i>Direct Effect</i>			
<i>Syariah Compliance</i>	0,370	0,458	-
<i>Minat Penggunaan Fintech</i>	0,113	0,328	0,348
<i>Indirect Effect</i>			
<i>Syariah Compliance</i>	-	-	-
<i>Minat Penggunaan Fintech</i>	2,063	2,149	0,348
<i>Total Effect</i>			
<i>Syariah Compliance</i>	0,370	0,458	-
<i>Minat Penggunaan Fintech</i>	2,168	2,477	0,348

Based on the results presented in Table 4.19 regarding the direct, indirect, and total effects of Financial Knowledge, Financial Behavior, and Sharia Compliance on the Intention to Use Fintech, it can be concluded that both Financial Knowledge and Financial Behavior have significant effects, both directly and indirectly. Financial Knowledge has a direct effect of 0.113 and an indirect effect through Sharia Compliance of 2.063, resulting in a total effect of 2.168. Financial Behavior has a direct effect of 0.328 and an indirect effect of 2.149, with a total effect of 2.477. Sharia Compliance has a direct effect of 0.348 on the Intention to Use Fintech, indicating its role as a mediating variable that strengthens the influence of Financial Knowledge and Financial Behavior. Thus, improving financial knowledge and behavior among entrepreneurs in Lhokseumawe will further encourage the use of fintech, especially when supported by strong awareness and adherence to Sharia principles.

3.5 Discussion

3.5.1 The Influence of Financial Knowledge and Financial Behavior on Sharia Compliance among Entrepreneurs in Lhokseumawe

The study reveals that both Financial Knowledge (coefficient = 0.370; $p = 0.000$) and Financial Behavior (coefficient = 0.458; $p = 0.000$) have a positive and significant effect on Sharia Compliance among entrepreneurs in Lhokseumawe. Entrepreneurs with strong financial knowledge are better able to understand financial concepts and assess whether financial products align with Sharia principles. Likewise, those who practice sound financial behavior, such as responsible money management and ethical decision-making, are more likely to comply with Sharia regulations that prohibit *riba*, *gharar*, and *maysir*. These findings are consistent with previous studies by Choiriyah & Purwanto (Choiriyah & Purwanto, 2022) which confirmed the role of financial literacy and behavior in supporting Sharia-compliant financial conduct among individuals and businesses.

3.5.2 The Influence of Sharia Compliance, Financial Knowledge, and Financial Behavior on the Intention to Use Financial Technology (Fintech) among Entrepreneurs in Lhokseumawe

The findings show that Sharia Compliance significantly influences the intention to use fintech (coefficient = 0.348; $p = 0.003$), as entrepreneurs who adhere to Islamic principles tend to prefer financial technology services that align with those values. Financial Behavior also has a significant positive effect (coefficient = 0.328; $p = 0.002$), indicating that financially responsible entrepreneurs are more open to adopting fintech for its efficiency and transparency. However, Financial

Knowledge does not show a significant direct effect on fintech adoption (coefficient = 0.113; $p = 0.243$). This suggests that while knowledge alone may not be sufficient to drive fintech usage, it can support adoption when paired with strong behavior and religious compliance. These results align with studies by Nurdin et al (Nurdin et al, 2020) who found a link between financial knowledge and the use of Sharia-compliant fintech services.

3.5.3 The Mediating Role of Sharia Compliance in the Relationship between Financial Knowledge, Financial Behavior, and the Intention to Use Fintech

Sharia Compliance is found to fully mediate the relationship between Financial Knowledge and the intention to use fintech. This is evidenced by a significant indirect path ($a = 0.370$, $b = 0.348$, $c' = 2.063$; $p = 0.039$) and a non-significant direct path ($c = 0.113$; $p = 0.243$). This implies that Financial Knowledge affects fintech adoption only when mediated by Sharia Compliance. In contrast, the relationship between Financial Behavior and fintech adoption is partially mediated by Sharia Compliance, as both the direct path ($c = 0.328$; $p = 0.002$) and indirect path ($c' = 2.149$; $p = 0.031$) are significant. Entrepreneurs with good financial behavior are more likely to adopt fintech, especially when they also adhere to Sharia principles. These findings are consistent with Meutia et al (Meutia et al, 2024) who found that Sharia Compliance moderates the effect of Financial Behavior on the use of Sharia fintech among entrepreneurs.

4. Conclusions

This study concludes that both financial knowledge and financial behaviour significantly influence Sharia compliance, which in turn plays a vital role in shaping entrepreneurs' intention to adopt Islamic fintech lending. While financial knowledge does not directly affect the intention to use Islamic fintech services, it has an indirect impact through Sharia compliance as a mediating factor. On the other hand, financial behaviour influences the intention both directly and indirectly. These findings underscore the critical role of Sharia compliance as a moderating and mediating construct in financial decision-making within the Islamic context. Entrepreneurs in Lhokseumawe are more likely to engage with fintech lending platforms that visibly adhere to Islamic financial principles.

4.1 Recommendations

- a. For Entrepreneurs: It is recommended that entrepreneurs not only improve their financial literacy and financial behaviour, but also deepen their understanding of Sharia compliance. This will enable them to utilize fintech services more effectively and in accordance with their ethical and religious values, thereby improving operational efficiency and building consumer trust.
- b. For Fintech Institutions: Providers of Islamic fintech lending should prioritize transparency and compliance with Sharia principles, as these are key determinants of user trust and intention.
- c. For Future Research: Future studies may explore additional variables such as digital literacy, trust in technology, and perceived risk, as well as comparative studies across regions to generalize findings beyond Lhokseumawe.

References

- [1] Choiriyah, N., & Purwanto, E. (2022). Analisis Financial Knowledge dan Minat Transaksi terhadap Penggunaan Fintech Peer-To-Peer Lending di Kota Surabaya. 6(September), 511–517. <https://doi.org/10.33087/ekonomis.v6i2.598>
- [2] Fathurrahman, D. (2019). Hukum Ekonomi Islam, Sejarah, Teori dan Konsep. Sinar Grafika.
- [3] Ferdinand, A. (2019). Metode Penelitian Manajemen Pedoman Penelitian untuk Penulisan Skripsi, Tesis, dan Disertasi Ilmu Manajemen (Edisi Ketiga). AGF Books, Fakultas Ekonomika dan Bisnis Universitas Diponegoro.
- [4] Francis, J., Lafond, R., & Schipper, K. (2019). The Market Pricing of Earnings Quality. <https://bulletin.bmeb-bi.org/bmeb/vol21/iss2/3> DOI: 10.21098/bemp.v21i2.966
- [5] Ghozali, I. (2019). Structuran Equation Modeling Metode Alternatif dengan Partial Least Square. Badan Penerbit Universitas Deponogoro.
- [6] Hidayati, Hismendi and Busra : BRIDGING FAITH AND FINANCE :THE ROLE OF FINANCIAL LITERACY AND BEHAVIOR IN SHARIA COMPLIANT FINTECH ADOPTION AMONG ENTREPRENEURS IN INDONESIA
- [7] Kotler, P., & Keller, K. L. (2019). Manajemen pemasaran.
- [8] Lusardi, Annamaria. Mitchell, Olivia S. Curto, V. (2019). Financial Literacy Among The Young: Evidence and Implications For Consumer Policy. National Bureau of Economic Research Working Paper Series No.15352.
- [9] Margaretha, F & Pambudhi, R. A. (2019). Tingkat Literasi Keuangan pada. Mahasiswa S-1 Fakultas Ekonomi. Jurnal Manajemen Dan Kewirausahaan., 17. No 1.
- [10] Meutia, S., Sofyan, D. K., & Maulana, T. (2024). Identification of MSMEs ' Decision in Using Digital Payment as Part of the Smart City Concept Implementation in Lhokseumawe City. 9(2).
- [11] Mustafa. (2019). Analisis Syariah Compliance Koperasi Syariah Maqasid Index dan Peraturan Deputi Pengawasan Kementerian Koperasi dan UMKM”, Mahkamah, Vol. 3 No. 2 (2018) 312. <https://journal.iainnumetrolampung.ac.id/index.php/jm/article/view/325/321>.
- [12] Nurdin, N., Azizah, W. N., & Rusli, R. (2020). Pengaruh Pengetahuan , Kemudahan dan Risiko Terhadap Minat Bertransaksi Menggunakan Finansial Technology (Fintech) Pada Mahasiswa Institut Agama Islam Negeri (IAIN) Palu. 2(2).
- [13] Nurhayati, S. (2020). Akuntansi Syariah di Indonesia. Salemba Empat.
- [14] Rahma Eka Putri, Goso, Rahmad Solling Hamid, I. U. (2022). Pengaruh Literasi Keuangan , Financial Technology dan Inklusi Keuangan terhadap Kinerja Keuangan Pengusaha. June. <https://doi.org/10.33395/owner.v6i2.790>
- [15] Remund, D. L. (2018). Financial Literacy Explicated : The Case for a Clearer Definition in an Increasingly Complex Economy. 44(2), 276–295.
- [16] Sa'ida, U. (2024). Pengaruh Financial Knowledge Dan Financial behavior Terhadap Minat Penggunaan Financial Technology (Fintech) Lending Syariah Bagi Pengusaha Anggota Forum Bisnis Ikpm Gontor, Dengan Syariah Compliance Sebagai Variabel Moderasi.
- [17] Santoso, S. (2019). Structural Equation Modeling (SEM) Konsep dan Aplikasi dengan AMOS 18. Penerbit PT. Elex Media Komputindo.
- [18] Sholihin, A. (2019). Buku Pintar Ekonomi Syariah. Gramedia Pustaka Utama.
- [19] Sugiyono. (2018). Metode Penelitian Kuantitatif Kualitatif dan R&D. Alfabeta.
- [20] Uma Sekaran dan Roger Bougie. (2019). Metode Penelitian untuk Bisnis: Pendekatan Pengembangan-Keahlian, (Edisi 6, B). Salemba Empat.
- [21] Yanuar, H. A. (2022). Pengaruh Financial behavior dan Financial Attitude Terhadap Penggunaan Layanan Fintech di Indonesia.