

Generation Z Digital Wallet Users: Compliance Analysis in the Perspective of Fiqh Mu'amalah in the Era of Financial Technology

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ABSTRACT

Objective: This article aims to analyze the use of digital wallets by Generation Z from the perspective of sharia compliance in the perspective of fiqh mu'amalah in the era of financial technology. **Method:** The method used is a literature study with a normative-analytical approach to the concept of contract, prohibition of usury, gharar, and maisir, as well as the maqasid al-shari'ah approach. **Results:** The use of digital wallets is allowed as long as it meets the principle of contract clarity, is free from elements of riba and gharar, and is oriented towards benefits. However, structural challenges related to fund management, promotion transparency, and digital ethics require strengthening sharia governance. **Novelty:** This article contributes theoretically to contemporary mu'amalah fiqh studies and offers practical insights for developing fintech in alignment with Islamic values.

INTRODUCTION

Digital transformation in the financial sector is an inseparable phenomenon from the development of information technology [1]. One of the main manifestations of this transformation is the emergence of financial technology (fintech) that offers a digital-based financial transaction system with fast, efficient, and accessible characteristics. In Indonesia, the development of fintech is characterized by the increasing use of digital wallets (e-wallets) as non-cash payment instruments in various economic activities of the community.

Generation Z is the age group that has the highest rate of digital technology adoption [2]. The characteristics of Generation Z who are adaptive to technological innovation make digital wallets part of their daily lifestyle. Although it provides convenience, the use of digital wallets also raises normative problems from an Islamic perspective, especially related to compliance with the principles of fiqh mu'amalah. Islam emphasizes that every economic activity must be free from the elements of riba, gharar, and maisir and prioritize justice and benefit.

A number of previous studies have examined the use of fintech from the perspective of user satisfaction, technology adoption, and Islamic financial literacy. However, studies that specifically focus on the compliance of digital wallet use by Generation Z in the perspective of fiqh mu'amalah are still relatively limited. Therefore, this article seeks to fill this gap by analyzing the practice of using digital wallets by Generation Z from the perspective of contracts, sharia compliance, and maqasid al-shari'ah.

Qualitative research method with a library research approach [3]. Data was obtained from secondary sources in the form of books, scientific journal articles, fatwas of the National Sharia Council-Indonesian Ulema Council (DSN-MUI), as well as regulations related to electronic money and fintech. Data analysis was carried out normatively-analytically by examining relevant fiqh mu'amalah concepts, then contextualized with the practice of using digital wallets by Generation Z.

Digital Wallets and Characteristics of Generation Z Users

Digital wallets are electronic money instruments that function as a means of storing value and non-cash means of payment [4]. Users top up the balance through bank transfers or other means, then use the balance for various transactions. Ease of access, integration with various digital services, and promotions are the main factors in the high use of digital wallets among Generation Z.

Generation Z is known as Digital Generation Growing in a Technology Ecosystem and Cashless Society, so that they are very familiar with the transactions that Fast, easy, and practical through various digital platforms such as e-wallets and other online services [5]. This convenience allows economic needs to be met quickly, but it also often contributes to Consumptive behavior, especially when driven by promotional features, FOMO (Fear of Missing Out), and paylater offers which blurs the line between needs and desires alone. Research shows that the ease of transacting through e-wallets in Generation Z has a positive effect on their consumption patterns, increasing impulsive spending and the tendency to buy without careful planning if it is not accompanied by adequate financial literacy.

However, this consumptive tendency Not only is it an economic problem, but also related to the gap between practical behavior and ethical-religious consciousness. In the context of Muslim populations, excessive consumptive behavior is often at odds with Islamic economic principles that emphasize moderation (qisth), anti-israf (avoidance of waste), and moral responsibility in the use of wealth [6].

Thus, the integration of Islamic financial literacy and understanding of fiqh mu'amalah is an important strategy in shaping the consumption behavior of Generation Z Balance between the practicality of digital technology and ethical-religious awareness, so that their economic activities are not only functionally effective, but also in harmony with religious values and social welfare [7].

RESEARCH METHOD

This study adopts a qualitative research method with a library research approach, focusing on secondary sources such as books, scientific journal articles, fatwas from the National Sharia Council-Indonesian Ulema Council (DSN-MUI), and regulations on electronic money and fintech. Data analysis was carried out using a normative-analytical approach, examining the concepts of fiqh mu'amalah related to contracts, the prohibition of usury (riba), gharar (uncertainty), and maisir (gambling), while also incorporating the maqasid al-shari'ah framework to contextualize the practice of using digital wallets by Generation Z [8], [9].

RESULTS AND DISCUSSION

Digital Wallet Compliance Analysis in the Perspective of Mu'amalah Fiqh

In the perspective of fiqh mu'amalah, the relationship between users and digital wallet providers is closely related to the concept of contract [10]. When the user keeps a balance, the disputed contract is between wadiah yad dhamanah and qardh. This difference in the determination of the contract has implications for whether or not service providers can benefit from the funds. If the balance is categorized as qardh, then every benefit obtained by the service provider has the potential to contain an element of usury.

One of the crucial problems in conventional digital wallets is the management of float funds [11]. The placement of user funds in interest-bearing financial instruments has the potential to cause riba which is contrary to the principles of fiqh mu'amalah. This condition shows that sharia compliance does not only depend on user transactions, but also on the business structure and management of funds by service providers.

One of the crucial problems in the use of conventional digital wallets is the management of float funds, which are user-owned funds that are temporarily stored at the service provider before being reused for transactions [11]. In practice, these funds are often placed in conventional financial instruments that generate interest. The placement of funds in such interest-bearing instruments has the potential to contain an element of usury, which is expressly prohibited in fiqh mu'amalah because it is contrary to the principle of justice and prohibits taking profits without legitimate business activities (*al-kasb al-mashru'*).

Furthermore, the issue of float funds shows that the issue of sharia compliance in the digital financial ecosystem cannot be reduced only to user transaction behavior, such as buying and selling or payment alone. Sharia compliance is also highly determined by the business structure, fund management mechanism, and investment policies implemented by service providers. Several studies confirm that sharia inconsistencies often arise at the institutional level, especially when the company's profit orientation ignores sharia principles such as the prohibition of riba, gharar, and maysir in the management of customer funds.

From the perspective of fiqh mu'amalah, the management of float funds should be directed to a scheme that is free of usury and oriented towards benefits, for example through the placement of funds in Islamic banks or financial instruments that are in accordance with the principles of sharia contracts. This emphasizes that the implementation of sharia-based digital finance requires integration between technology, regulations, and Islamic ethical values, so that financial services are not only technically efficient, but also meet the demands of justice, transparency, and blessings in the economic activities of the people.

Promotional programs such as cashback and discounts are the main attraction for Generation Z [12]. However, if the terms and conditions of the promotion are not clearly conveyed, it has the potential to contain elements of gharar. The principle of clarity (*al-ablutun*) in the contract is an important prerequisite so that digital transactions do not harm one of the parties. Promotional programs such as cashback, discounts, and instant

discounts are the main attractions for Generation Z who tend to be responsive to economic incentives in digital transactions [12]. Generation Z characters who love practicality and speed often make them focus more on the immediate benefits of promotions, without critically examining the terms and conditions inherent in them. This condition has the potential to give rise to transaction practices that are not fully understood by users, especially when promotional information is presented in a limited, ambiguous, or difficult to access manner.

From the perspective of fiqh mu'amalah, the lack of clarity of information in the promotion contract can contain elements of gharar, which is uncertainty that has the potential to harm one of the parties. Therefore, the principles of clarity (al-*ablution*) and transparency are fundamental prerequisites in contracts, including promotion-based digital transactions. Clarity regarding the cashback mechanism, deadline, terms of use, and other financial consequences must be conveyed openly so that the contract takes place fairly and in accordance with sharia principles. Thus, the application of the principle of al-*ablution* not only protects consumers, but also ensures that digital promotion practices are in line with the values of justice and benefit in the Islamic economy [13], [14], [15].

The approach of *maqāṣid al-sharī'ah* emphasizes that every economic activity is judged not only from the legal-formal aspects of the contract, but also from the extent to which it maintains and realizes the benefits (*maṣlaḥah*) for humans. One of the main goals of *maqāṣid* is the protection of property (*ḥifẓ al-māl*) and the enforcement of justice ('*adl*) in all mu'amalah practices [3]. This principle requires that economic systems, including those based on digital technology, do not cause losses, exploitation, or inequality in the relationship between business actors and users.

In the context of digital wallets, asset protection is no longer limited to physical aspects or monetary value alone, but also includes the security of funds, transaction data, and users' personal information. Personal data has a high economic value and has the potential to be misused if it is not managed safely and responsibly. Therefore, the practice of managing user data that is not transparent or solely oriented to commercial interests can be seen as contrary to the objectives of *ḥifẓ al-māl* and the principle of justice in *maqāṣid al-sharī'ah*.

Furthermore, transparency in the use of data has become an integral part of contemporary mu'amalah ethics, as the data-based digital economy develops. Digital wallet service providers are required to publicly explain the purpose of collecting, utilizing, and distributing user data so as not to cause elements of injustice or injustice. Thus, the application of *maqāṣid al-sharī'ah* in the digital financial ecosystem not only serves as a normative foundation, but also as an ethical framework to ensure that technological innovation goes hand in hand with the protection of user rights, justice, and the common good.

CONCLUSION

Fundamental Finding : The use of digital wallets by Generation Z is permissible under fiqh mu'amalah as long as it adheres to sharia principles, such as contract clarity, freedom from riba, gharar, and maisir, and focuses on achieving benefits. The main challenge lies not only in user behavior but also in structural and institutional aspects, including fund management, transparency, and personal data protection. **Implication :** Financial technology can facilitate transactions and enhance economic efficiency, but it must align with Islamic values, including ethics and justice. Strengthening sharia governance is crucial through rigorous supervision, audits, and responsive regulations. Enhancing Islamic financial literacy for Generation Z is essential for promoting critical, responsible usage of digital financial services. **Limitation :** The article does not address specific regional or institutional differences in implementing sharia compliance in digital financial services, which may vary significantly. **Future Research :** Future research could explore the effectiveness of sharia governance mechanisms, the role of Islamic financial literacy in digital wallet adoption, and regional variations in regulatory approaches to fintech in alignment with sharia principles.

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