

The Role Of Trust And Transparency In Forming Shariah Bank Customer Loyalty

Nurhayati

¹Universitas Islam Negeri Sultan Syarif Kasim Riau

Email: nurhayatii251995@gmail.com

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Abstract

The purpose of this study is to analyze the role of trust and transparency in shaping Shariah bank customer loyalty. The method used is a literature review, examining various scientific sources, including journals, books, and publications relevant to the research topic. The data used is secondary data, analyzed descriptively and qualitatively through a process of reduction, presentation, and conclusion drawing. The results indicate that trust is a fundamental factor influencing customer loyalty because it reflects customer confidence in the integrity, security, and compliance of bank operations with Shariah principles. Meanwhile, transparency plays a crucial role in building and strengthening trust through information disclosure, clear contracts, and honest and accountable communication. Good transparency can increase customer understanding and comfort, thus encouraging the formation of long-term relationships. Trust and transparency are interconnected and simultaneously influence customer loyalty. Transparency is the foundation for building trust, while trust strengthens loyalty by increasing customer commitment and retention. However, challenges remain in its implementation, such as a lack of information transparency and suboptimal levels of customer trust. Therefore, integrating trust and transparency is key to increasing customer loyalty in Islamic banks. Therefore, a sustainable strategy is needed to improve both aspects to support the development of the Islamic banking industry.

INTRODUCTION

The development of the Islamic banking industry in Indonesia shows an increasingly positive trend, characterized by an increase in the number of customers, products and service innovations based on sharia principles. However, this growth does not automatically guarantee the formation of strong customer loyalty. Customer loyalty is an important aspect in the sustainability of financial institutions, because loyal customers not only make repeated transactions, but also have the potential to become promotional agents through recommendations to other parties. In this context, trust and transparency are two key factors that determine the level of loyalty of Islamic bank customers. Trust emerges as the main foundation in the relationship between customers and banks while transparency is an indicator of the openness and honesty of the institution in carrying out its operations according to sharia principles.

Phenomena in the field show that there are still challenges in building customer trust in Islamic banks. Several studies reveal that the level of customer trust in Islamic banks is not fully optimal, especially when compared to conventional banks. Safitri and Mu'arrif (2025) found that some customers still doubt the consistency of the application of sharia principles in banking practices, resulting in an impact on loyalty levels that have not been maximized. In addition, Mutma'inah and Suhatmi (2021) in their literature study emphasized that trust has a close relationship with customer

satisfaction and loyalty, where low trust will have implications for a decrease in customer commitment to continue using Islamic bank services.

On the other hand, transparency is also a crucial issue in building customer loyalty. Transparency in contracts, especially in financing products such as murabahah, is often in the spotlight. Research by Jureid et al. (2026) shows that there is still a negative perception from some customers regarding the lack of information disclosure regarding the mechanism for determining margins and fees in murabahah contracts. This condition can cause dissatisfaction and reduce customer trust. Tarigan et al. (2026) also emphasized that the value of transparency and trust is an important aspect that affects customer loyalty where customers tend to be more loyal to banks that are able to provide information clearly, honestly and easily understand.

Previous studies have also reinforced the importance of trust in shaping customer loyalty. Permatasari and Adiba (2024) stated that trust is one of the dominant factors that affect the loyalty of Bank Syariah Indonesia customers. This is in line with the findings of Mumtaz and Jaharuddin (2025) who emphasize that the strategy of increasing customer loyalty cannot be separated from efforts to build trust through service quality, religiosity values and institutional integrity. Rizoni et al. (2025) also found that customer trust has a significant influence on loyalty, especially when supported by ease of access and good information quality.

Furthermore, transparency is not only related to the delivery of information but also reflects the application of sharia values such as honesty (shiddiq) and trust. Salsabila and Putri (2025) emphasized that sharia values have an important role in shaping customer loyalty, because Islamic bank customers generally have high expectations for the suitability of banking practices with Islamic principles. Marshelyndna and Nisa (2024) also mentioned that transparent Islamic financial education and literacy can increase customer retention and advocacy so as to strengthen loyalty in the long term.

However, there is still a gap between expectations and reality felt by customers. Some studies show that a lack of effective and transparent communication can hinder the formation of trust. Ekoprasetyo and Sahrul (2025) revealed that poor communication ethics can reduce customer loyalty, while Ahmad (2025) emphasized the importance of strategic management in building trust through transparency and consistent service. In addition, Khaddafi et al. (2024) stated that the quality of transparent sharia accounting services also contributes to increasing customer trust.

Based on this description, it can be concluded that trust and transparency have a very strategic role in forming the loyalty of Islamic bank customers. However, there are still various problems that need to be studied more deeply, especially related to how the two factors interact with each other and affect customer loyalty simultaneously. Therefore, this research is important to be carried out to comprehensively analyze the role of trust and transparency in shaping the loyalty of Islamic bank customers, and is expected to contribute both theoretically and practically to the development of the Islamic banking industry in Indonesia.

METHODS

The research method used in this study is library research or literature review. This method was chosen because the research focuses on an in-depth study of concepts, theories, and empirical findings related to the role of trust and transparency in the formation of customer loyalty of Islamic

banks. Literature studies allow researchers to collect, review and analyze a wide range of relevant scientific sources without conducting data collection directly in the field.

The data sources in this study consist of secondary data obtained from various scientific literature, such as national and international journals, books, seminar proceedings and other scientific publications relevant to the research topic. The main sources used are journal articles that discuss customer trust, transparency and loyalty in the context of Islamic banking, especially those that have been published in recent years to be in line with the latest developments. The literature used is selected based on certain criteria, such as the relevance of the topic, the credibility of the publisher and the clarity of the research methodology used in the source.

The data collection technique is carried out through systematic search of various scientific databases and other sources. The data analysis technique used is qualitative descriptive analysis. In this stage, the researcher reviewed, compared and synthesized various findings from the selected literature. The analysis was carried out by identifying patterns, relationships, and differences in research results related to the role of trust and transparency in customer loyalty. In addition, the researcher also interprets the main concepts found in the literature to build a comprehensive framework of thought.

The analysis process is carried out through several stages, namely data reduction, data presentation and conclusion drawn. Data reduction is carried out by filtering information relevant to the focus of the research, while the presentation of data is carried out in the form of a systematic descriptive narrative. The final stage is the drawing of conclusions based on the results of a synthesis of various literature that has been analyzed.

By using the literature study method, this research is expected to be able to provide a comprehensive and in-depth picture of the role of trust and transparency in shaping the loyalty of Islamic bank customers. In addition, this method also allows researchers to identify research gaps and provide recommendations for further research.

RESULTS AND DISCUSSION

The Role of Customer Trust in Shaping Customer Loyalty to Islamic Banks

Customer trust is one of the fundamental factors in forming customer loyalty to Islamic banks. In the context of banking, trust is not only related to the customer's belief in the safety of the funds deposited, but also includes the belief that all bank operations are carried out in accordance with sharia principles that uphold the values of honesty, fairness and trust. This trust is the main foundation in the long-term relationship between customers and banks because without trust, customers are less likely to maintain a sustainable transaction relationship. Azizah and Udayana (2020) stated that trust has a direct influence on customer loyalty, where the higher the level of trust, the higher the level of loyalty shown by customers.

In practice, customer trust is formed through various factors such as service quality, information transparency and bank consistency in implementing sharia principles. Gaddafi et al. (2024) explained that the quality of good sharia accounting services can increase customer trust, because customers feel that they are getting professional service and in accordance with Islamic values. In addition, Wulandari and Abdullah (2025) added that customer comfort and satisfaction in using bank services, both digital and non-digital, also contribute to the formation of trust. This shows that trust does not stand alone but is influenced by the customer's experience in interacting with the bank.

Trust is also closely related to customers' interests and commitments to continue using Islamic bank services. Novianto and Nisa (2024) found that customer trust has a significant effect on interest in saving at Islamic banks. When customers have a high level of trust, they tend to not only maintain relationships but also increase the intensity of using products and services. This is in line with the findings of Rizoni et al. (2025) who stated that trust is one of the variables that significantly affects customer loyalty, especially when supported by information quality and ease of service access.

In addition, the religiosity aspect also strengthens the role of trust in shaping the loyalty of Islamic bank customers. Nurrachmi and Setiawan (2020) emphasized that trust based on belief in sharia principles will encourage customers to remain loyal to Islamic banks, because they feel that transactions made are not only economically valuable but also worshipworthy. Salsabila and Putri (2025) also added that sharia values consistently applied by banks can increase trust and ultimately form stronger customer loyalty.

However, several studies show that the level of customer trust in Islamic banks still faces various challenges. Safitri and Mu'arrif (2025) found that some customers still have doubts about the consistency of applying sharia principles in bank operations, which can hinder the formation of loyalty. Mutma'inah and Suhatmi (2021) also emphasized that low trust will have an impact on declining customer satisfaction and loyalty. Therefore, Islamic banks need to continue to increase efforts in building and maintaining trust through quality service, transparency and effective communication with customers.

Overall, it can be concluded that trust has a very significant role in shaping the loyalty of Islamic bank customers. Trust not only serves as an initial driving factor in attracting customers, but it is also a determining factor in maintaining a long-term relationship. With a high level of trust, customers will be more likely to continue using the service, make repeat transactions and recommend the bank to others. Therefore, efforts to build trust must be a top priority for Islamic banks in order to increase customer loyalty in a sustainable manner.

The Role of Transparency in Increasing Customer Loyalty in Islamic Banks

Transparency is one of the important factors in increasing customer loyalty to Islamic banks, because it is directly related to the level of information disclosure, honesty and accountability of institutions in carrying out their operations. In the context of Islamic banking, transparency is not only interpreted as the delivery of information in general, but also includes the clarity of contracts, cost details, financing mechanisms, and conformity of practices with sharia principles. Islamic bank customers generally have high expectations for information disclosure because they not only consider the profit aspect, but also compliance with Islamic values. Therefore, transparency is a key element in building a strong relationship between banks and customers.

Phenomena in the field show that there are still problems related to transparency, especially in financing products such as murabahah. Jureid et al. (2026) revealed that some customers have the perception that information related to profit margins and additional costs has not been conveyed clearly and in detail. This condition can cause misunderstandings and reduce the level of customer trust in banks. When customers feel that they do not get adequate information, doubts will arise which ultimately have an impact on low loyalty. This shows that transparency is not just a formality, but a fundamental necessity in providing a sense of security and certainty to customers.

Transparency is also closely related to the values of trust and honesty which are basic principles in Islamic economics. Tarigan et al. (2026) emphasized that transparency and trust have a very important meaning in forming customer loyalty where customers tend to be more loyal to banks that are able to show openness and integrity in every transaction. Good transparency will create a positive perception of the bank, so that customers feel valued and involved in every decision-making process related to the products they use.

In addition, transparency can also increase understanding and literacy of Islamic finance among customers. Marshelyndna and Nisa (2024) explained that education that is carried out openly and transparently can increase retention and encourage customers to become advocates, namely those who voluntarily recommend banks to others. With transparency, customers not only become service users but also deeply understand the mechanisms and benefits of the products offered, thus strengthening emotional attachment with the bank.

On the other hand, a lack of transparency can negatively impact customer loyalty. Ekoprasetyo and Sahrul (2025) stated that unclear and less open communication can reduce the level of trust and ultimately affect customer loyalty. This is reinforced by Ahmad (2025) who emphasizes that transparency must be part of the management strategy in building long-term relationships with customers. Without transparency, it will be easier for customers to move to other institutions that are considered more open and trustworthy.

Overall, transparency has a very strategic role in increasing the loyalty of Islamic bank customers. Transparency not only functions as a means of conveying information, but also as a form of implementation of sharia values that emphasize honesty and openness. With good transparency, customers will feel more trusted, comfortable and confident in using bank services, thus encouraging the creation of sustainable loyalty. Therefore, Islamic banks need to continue to improve the quality of transparency in every aspect of services to strengthen relationships with customers and increase competitiveness in the banking industry.

The Relationship and Influence of Trust and Transparency Simultaneously on the Formation of Sharia Bank Customer Loyalty

The relationship and influence of trust and transparency simultaneously on the formation of customer loyalty of Islamic banks shows a mutually reinforcing and inseparable linkage. Trust and transparency are not two variables that stand alone, but interact with each other in forming a positive perception of customers towards banks. Good transparency will encourage the formation of trust while the trust that has been formed will strengthen customer acceptance of various information submitted openly by banks. In this context, customer loyalty is not only influenced by a single factor but is the result of a combination of various factors, especially trust and transparency as the main foundation of long-term relationships.

Empirically, various studies show that trust has a direct influence on loyalty, while transparency plays a role as a factor that strengthens or mediates the relationship. Permatasari and

Adiba (2024) revealed that trust is the dominant factor in determining the loyalty of Islamic bank customers, especially when supported by service quality and information disclosure. This is in line with the findings of Rizoni et al. (2025) who stated that trust supported by good information quality will significantly increase customer loyalty. The quality of information in this case is closely related to transparency, so it can be concluded that transparency plays a role in strengthening the effect of trust on loyalty.

Transparency also serves as a trust-building mechanism. Jureid et al. (2026) show that customers' perception of contract transparency, especially in murabahah financing, greatly affects their level of trust in banks. When information is conveyed clearly and openly, customers will feel more confident and trust in the integrity of the bank. On the contrary, a lack of transparency can create doubts that ultimately undermine trust. Tarigan et al. (2026) also emphasized that transparency and trust are interrelated values in forming customer loyalty where both work simultaneously in creating a strong relationship between banks and customers.

In addition, the simultaneous relationship between trust and transparency is also strengthened by the application of sharia values in bank operations. Salsabila and Putri (2025) stated that sharia values, such as honesty and openness, are important factors in shaping customer loyalty. These values are realized through consistent transparency practices, thereby increasing customer trust. Nurrachmi and Setiawan (2020) also emphasized that beliefs supported by religiosity will result in stronger loyalty because customers feel that banks not only meet their financial needs but also their spiritual values.

On the other hand, the lack of integration between trust and transparency can be an obstacle in forming customer loyalty. Safitri and Mu'arrif (2025) found that there are still doubts from some customers about the consistency of the application of sharia principles, which shows that there is a gap in transparency and trust. Ahmad (2025) emphasized that strategic management that is unable to effectively integrate transparency and trust will have difficulty in maintaining customer loyalty. Therefore, these two factors must be managed simultaneously and continuously.

Overall, it can be concluded that trust and transparency have complementary relationships and have simultaneous influences in shaping the loyalty of Islamic bank customers. Transparency plays a role as a basis for building trust, while trust is a reinforcer in maintaining customer loyalty. When these two factors are managed properly, a strong long-term relationship between customers and banks will be created, which is characterized by increased service usage, high commitment and a tendency to recommend banks to other parties. Therefore, the integration between trust and transparency is the main key in the strategy to increase the loyalty of Islamic bank customers.

CONCLUSION

Trust and transparency are two main factors that have a very strategic role in forming the loyalty of Islamic bank customers. Trust is the basic foundation in the relationship between customers and banks because it reflects the customer's belief in the security, integrity and operational suitability of the bank with sharia principles. The higher the level of customer trust, the more likely they are to continue using the service, make repeat transactions, and show a long-term commitment to the bank.

On the other hand, transparency plays a supporting factor that strengthens the formation of trust. Information disclosure, clarity of contracts, and honest and easy-to-understand communication are important aspects in creating a sense of security and comfort for customers. Good transparency not only increases customer understanding of products and services, but also reflects the application of sharia values such as honesty and trust which ultimately encourages the formation of loyalty.

Trust and transparency have interrelated relationships and work simultaneously in shaping customer loyalty. Consistent transparency will build and strengthen trust, while high trust will increase customer acceptance of the information provided by the bank. The combination of these two factors results in a strong and sustainable relationship between customers and banks, which is characterized by increased retention, satisfaction and the tendency of customers to recommend banks to other parties.

However, there are still challenges in its implementation, such as lack of information disclosure and the suboptimal level of customer trust. Therefore, Islamic banks need to integrate strategies to increase trust and transparency in a sustainable manner through improving service quality, customer education and the consistent application of sharia principles. Thus, customer loyalty can be built in a stronger and more sustainable manner, thereby supporting the development of the Islamic banking industry in the future.

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