



University of Dundee

Perceptions on the Accessibility of Islamic Banking in the UK – Challenges, Opportunities and Divergence in Opinion

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Table 1: Demographic Characteristics of the Interviewees

Participants	Occupation	Age	Ethnicity	Gender	Length of Experience of Islamic Banking
Resp. 1	Treasury Manager	31-40	Pakistani	Male	NA
Resp. 2	Lecturer	31-40	Pakistani	Female	1 year
Resp. 3	Solicitor	20-30	Pakistani	Female	1 year
Resp. 4	Chartered Accountant	20-30	Pakistani	Male	1-5 years
Resp. 5	Wedding Coach	31-41	British Pakistani	Female	1-5 years
Resp. 6	Financial Adviser	41-50	British Pakistani	Male	5+ years
Resp. 7	Accountant	>50	British Pakistani	Male	NA
Resp. 8	Entrepreneur	31-40	British Indian	Male	5+ years
Resp. 9	Network Engineer	31-40	British Pakistani	Male	1-5 years
Resp. 10	Planning Manager	20-30	British Pakistani	Male	1-5 years
Resp. 11	School Teacher	20-30	British Pakistani	Male	1 year
Resp. 12	House Wife	20-30	British Pakistani	Female	5+ years
Resp. 13	Engineer	31-40	British	Male	5+ years
Resp. 14	University Lecturer	31-40	Arab	Male	1-5 years
Resp. 15	University Student	20-30	Pakistani	Male	NA
Resp. 16	Property Manager	41-50	British Pakistani	Male	NA
Resp. 17	Entrepreneur	41-50	British Pakistani	Male	5+ years
Resp. 18	Administrator	20-30	British	Female	1-5 years
Resp. 19	Driving Instructor	20-30	British Pakistani	Male	1-5 years
Resp. 20	Property Manager	>50	British Pakistani	Male	1-5 years
Resp. 21	House Wife	20-30	European	Female	1 year
Resp. 22	Dentist	31-40	British	Male	NA

Note: This table provides summary demographic details regarding the 22 interviewees.

Table 2: Demographic Characteristics of the Questionnaire Survey Respondents

Variables	Categories	Islamic Scholars			Total	Islamic Banks			Total
		ML	IM	MU		MG	AD	DR	
Gender	Male	23	23	11	57	15	11	7	33
	Female	3	0	0	3	3	1	1	5
Age Group	Less than 30	N/A	N/A	N/A	N/A	0	0	0	0
	From 31 to 40					2	5	0	7
	From 41 to 50					3	2	3	8
	From 51 to 60					0	0	1	1
Level of Education	Less than Bachelors	7	4	0	11	1	1	0	2
	Bachelors	10	7	4	21	5	0	1	6
	Masters	6	11	3	20	9	3	4	16
	PhD	1	0	0	1	0	4	1	5
	Professional	2	1	4	7	3	3	2	8
Years of Experience in Current Role	Less than 1 year	0	5	1	6	4	0	0	4
	From 1 to 5 years	10	10	4	24	8	3	0	11
	From 6 to 10 years	10	4	1	15	6	5	4	15
	More than 10 years	6	4	5	15	0	4	4	8
Islamic Banks Dealt With	Al-Buraq	N/A	N/A	N/A	N/A	4	2	1	7
	HSBC Amanah					3	5	1	9
	Islamic Bank of Britain					5	2	4	11
	Lloyds TSB <i>Shariah</i>					2	1	2	5
	Al-Ansar Muslim					4	2	0	6
Dealing with Islamic Banks	Less than 1 year	3	5	0	8	N/A	N/A	N/A	N/A
	From 1 to 5 years	10	6	5	21				
	From 6 to 10 years	1	1	2	4				
	More than 10 years	0	1	1	2				
	Not Dealing	11	10	3	25				

Note: This table provides summary demographic information about the questionnaire respondents. The Islamic Scholar survey has three groups: ML = Molanas, IM = Imams, MU = Muftis. The Islamic bank employee survey also has three groups: MG = Management, AD = Advisors and DR = Directors.

Table 3: Spreading Knowledge about Islamic Banking and Finance

Panel A: Scholars										
Method	No	Mean Rank	StDv	Group Means			K-W	M-W P-values		
				ML	IM	MU	P-values	ML-IM	ML-MU	IM-MU
Q1a. Internet Advertisement	60	5.883	1.795	6.000	5.73	5.909	0.745	0.548	0.825	0.500
Q1b. Door to door visits and leaflets	60	4.183	2.404	3.800	4.434	4.545	0.615	0.348	0.521	0.985
Q1c. Conferences and workshops	60	5.983	1.556	6.307	5.869	5.454	0.243	0.266	0.117	0.475
Q1d. TV ads	60	5.083	1.670	5.038	5.173	5.000	0.899	0.674	0.748	0.896
Q1e. Mosque visits	60	6.516	1.761	6.500	6.869	5.818	0.213	0.448	0.258	0.076
Q1f. Direct mailing	60	3.366	1.437	3.615	3.130	3.272	0.309	0.137	0.342	0.876
Q1g. Newspapers and Magazines	60	3.033	1.517	3.153	2.826	3.181	0.464	0.227	0.918	0.442
Q1h. Radio	60	2.066	1.466	1.576	2.260	2.818	0.164	0.225	0.078	0.332
Panel B: Bankers										
Method	No	Mean Rank	StDv	Group Means			K-W	M-W P-values		
				MG	AD	DR	P-values	MG-AD	MG-DR	AD-DR
Q1a. Internet Advertisement	38	3.973	2.541	3.166	4.500	5.000	0.168	0.227	0.072	0.645
Q1b. Door to door visits and leaflets	38	4.447	2.423	5.222	4.250	3.000	0.081	0.263	0.030*	0.302
Q1c. Conferences and workshops	38	3.578	2.261	2.888	4.583	3.625	0.132	0.037*	0.587	0.418
Q1d. TV ads	38	5.552	2.036	5.722	5.583	5.125	0.723	0.959	0.450	0.514
Q1e. Mosque visits	38	6.578	1.793	7.227	5.333	6.875	0.064	0.023*	0.437	0.197
Q1f. Direct mailing	38	4.263	1.926	4.166	3.333	5.875	0.019*	0.251	0.040*	0.009*
Q1g. Newspapers and Magazines	38	4.258	1.753	4.227	4.416	4.125	0.942	0.824	0.899	0.772
Q1h. Radio	38	3.421	1.810	3.277	4.000	2.875	0.497	0.388	0.450	0.364
Panel C: Scholars-Bankers										
Method	Mean SC Rank	Mean BK Rank	Group Means SC-BK	M-W P-values SC/BK						
a. Internet Advertisement	5.883	3.973	5.142	0.000*						
b. Door to door visits and leaflets	4.183	4.447	4.285	0.562						
c. Conferences and workshops	5.983	3.578	5.051	0.000*						
d. TV ads	5.083	5.552	5.265	0.191						
e. Mosque visits	6.516	6.578	6.540	0.911						
f. Direct mailing	3.366	4.263	3.714	0.014*						
g. Newspapers and Magazines	3.033	4.258	3.520	0.000*						
h. Radio	2.066	3.421	2.591	0.000*						

Note: Panel A and B of the table show the mean and standard deviation (StDv) for all respondents regarding questions about ways in which knowledge of Islamic banking can be spread. It also provides the mean for each group and p-values for the Kruskal-Wallis (K-W) and the Mann-Whitney (M-W) tests. Panel C of the table shows the mean for the Scholars' and Bankers' questionnaire surveys regarding the methods by which knowledge of Islamic banking can be spread in the UK. The table documents the group means for both surveys and p-values for the Mann-Whitney (M-W) tests. A * indicates significance at the 5% level. SC = Scholars (ML = Molanas, IM = Imams and MU = Muftis). BK= Islamic Banks (MG = Management, AD = Advisors and DR = Directors). Responses are based on an eight-point ranking where 8 = most popular and 1 = most unpopular.

Table 4: Islamic Bank Choice Determinants

Panel A: Scholars										
Questions	No	Mean	StDv	Group Means			K-W P-values	M-W P-values		
				ML	IM	MU		ML-IM	ML-MU	IM-MU
Q2a. Presence of a <i>Shariah</i> board of high-profile Islamic scholars	60	4.583	0.907	4.576	4.826	4.090	0.045*	0.733	0.056	0.019*
Q2b. Bank Reputation	60	4.083	1.124	4.192	4.304	3.363	0.316	0.939	0.173	0.164
Q2c. Provision of internet banking facilities	60	4.050	1.064	4.153	4.374	3.181	0.041*	0.313	0.047*	0.019*
Q2d. Quality of service	60	4.416	0.743	4.500	4.565	3.909	0.193	0.549	0.149	0.089
Q2e. Knowledge of employees about the products	60	4.466	0.724	4.500	4.478	4.363	0.903	0.900	0.718	0.660
Q2f. Advice from friends and relatives	60	3.556	0.980	3.769	3.652	2.909	0.075	0.703	0.021*	0.079
Q2g. Country-wide branch network	60	4.083	0.961	4.384	4.130	3.272	0.018*	0.474	0.004*	0.044
Q2h. Competitive packages and rates	60	4.300	0.829	4.423	4.347	3.909	0.544	0.602	0.282	0.491
Q2i. Inclusion of <i>Qard Hassan</i> in products	60	4.066	1.071	4.115	4.391	3.272	0.024*	0.475	0.038*	0.006*
Q2j. The amount of funds available	60	4.266	0.860	4.076	4.521	4.181	0.348	0.169	0.915	0.305
Panel B: Bankers										
Questions	No	Mean	StDv	Group Means			K-W P-values	M-W P-values		
				MG	AD	DR		MG-AD	MG-DR	AD-DR
Q2a. Presence of a <i>Shariah</i> board of high-profile Islamic scholars	36	4.578	0.500	4.500	4.750	4.500	0.364	0.260	1.000	0.356
Q2b. Bank Reputation	36	4.368	0.785	4.444	4.000	4.750	0.115	0.357	0.216	0.091
Q2c. Provision of internet banking facilities	36	3.842	1.103	3.833	3.750	4.000	0.675	0.682	0.612	0.370
Q2d. Quality of service	36	4.526	0.556	4.555	4.333	4.750	0.285	0.368	0.420	0.167
Q2e. Knowledge of employees about the products	36	4.421	0.598	4.333	4.500	4.500	0.670	0.454	0.712	1.000
Q2f. Advice from friends and relatives	36	3.342	1.279	3.333	3.583	3.000	0.589	0.585	0.589	0.299
Q2g. Country-wide branch network	36	3.657	1.145	3.500	3.833	3.750	0.679	0.399	0.576	1.000
Q2h. Competitive packages and rates	36	4.000	1.039	3.888	4.166	4.000	0.820	0.573	1.000	0.608
Q2i. Inclusion of <i>Qard Hassan</i> in products	36	3.684	0.933	3.833	3.666	3.375	0.604	0.700	0.345	0.611
Q2j. The amount of funds available	36	3.710	1.037	3.722	3.750	3.625	0.934	0.998	0.793	0.788
Panel C: Scholars - Bankers										
Questions	Mean SC	Mean BK	Group Means SC-BK	M-W P-values SC/BK						
a. Presence of a <i>Shariah</i> board of high-profile Islamic scholars	4.583	4.578	0.005	0.165						
b. Bank Reputation	4.083	4.368	-0.285	0.333						
c. Provision of internet banking facilities	4.050	3.842	0.208	0.307						
d. Quality of service	4.416	4.526	-0.11	0.614						
e. Knowledge of employees about the products	4.466	4.421	0.045	0.493						
f. Advice from friends and relatives	3.556	3.342	0.124	0.437						
g. Country-wide branch network	4.083	3.657	0.426	0.070						
h. Competitive packages and rates	4.300	4.000	0.30	0.163						
i. Inclusion of <i>Qard Hassan</i> in products	4.066	3.684	0.382	0.033*						
j. The amount of funds available	4.266	3.710	0.556	0.005*						

Note: Panel A and B of the table report the mean and standard deviation (StDv) for all respondents regarding questions about the factors in making a choice between Islamic banks in the UK. It also provides the mean for each group and p-values for the Kruskal-Wallis (K-W) and the Mann-Whitney (M-W) tests. Panel C of the table shows the mean for the Scholars' and Bankers' questionnaire surveys regarding questions about the factors used in making choice between Islamic banks in the UK. It also provides the group means for both surveys and p-values for the Mann-Whitney (M-W) tests. A * indicates significance at the 5% level. SC = Scholars (ML = *Molanas*, IM = *Imams* and MU = *Muftis*). BK = Islamic Banks (MG = Management, AD = Advisors and DR = Directors). Responses are based on a 5-point Likert Scale where 5 = Most important, 4 = important, 3 = neutral, 2 = of little importance and 1 = not important at all.

Table 5: Bankers' View on Islamic Banking Products

Panel A: Popularity of Islamic Products in the UK										
Products	No	Mean	StDv	Group Means			K-W P-values	M-W P-values		
				MG	AD	DR		MG-AD	MG-DR	AD-DR
Q3a. <i>Mudarabah</i>	38	2.500	1.084	2.555	2.666	2.125	0.645	0.750	0.519	0.403
Q3b. <i>Musharakah</i>	38	2.078	1.216	1.888	2.500	1.875	0.967	0.832	1.000	0.887
Q3c. <i>Murabahah</i>	38	2.315	1.397	2.222	2.666	2.000	0.767	0.838	0.576	0.491
Q3d. <i>Ijara</i>	38	3.868	1.359	4.222	3.000	4.375	0.019*	0.017*	1.000	0.008
Q3e. <i>Salam</i>	38	4.763	1.364	4.7222	4.666	5.000	0.874	0.935	0.690	0.655
Q3f. <i>Istisna</i>	38	4.815	1.674	4.555	4.916	5.250	0.564	0.536	0.333	0.624
Q3g. <i>Sukuk</i>	38	3.000	2.000	2.1667	4.083	3.250	0.063	0.020*	0.239	0.459

Panel B: Islamic Banking Products				
Products	Modified according to UK laws	Ethical	Fully Shariah-compliant	Both (Ethical & Shariah-compliant)
Q3a. <i>Mudarabah</i>	-	8	12	14
Q3b. <i>Musharakah</i>	-	4	21	9
Q3c. <i>Murabahah</i>	-	7	15	12
Q3d. <i>Ijara</i>	-	5	10	19
Q3e. <i>Salam</i>	9	12	9	4
Q3f. <i>Istisna</i>	-	11	13	10
Q3g. <i>Sukuk</i>	13	14	3	3

Note: This table reports the mean and standard deviation (StDv) for all respondents regarding questions about which of their products are most popular in the UK. It also provides the mean for each groups and p-value for the Kruskal-Wallis (K-W) and the Mann-Whitney (M-W) tests. A * indicates significance at the 5% level. MG = Management, AD = Advisors and DR = Directors. Responses in Panel A are based on a seven-point rating scale where 1 = most popular, 2 = popular, 3 = somewhat popular, 4 = neutral, 5 = somewhat unpopular, 6 = unpopular, 7 = most unpopular.