

# LEGAL EXAMINATION OF DISCRIMINATION OF ISLAMIC BANKS IN NIGERIA: DISTINGUISHING BETWEEN HEARSAY AND ADMISSIBLE EVIDENCE

Aishat Abdul-Qadir Zubair Ph.D. \*

AY Muhammed Ph.D. \*\*

## ABSTRACT

*This research examines the allegation of discrimination against non-Muslims in the services of Islamic banks in Nigeria. The study aims to legally investigate and debunk claims that non-Muslims face discrimination when using Islamic banking services in Nigeria. The research adopts a cross-sectional survey approach involving questionnaires administered to 300 respondents who are customers of Islamic banks. The study finds that while a small percentage of respondents perceive some discrimination, a larger percentage are unsure or feel there is minimal discrimination. It highlights potential areas of discrimination such as dress codes, restrictions on unlawful businesses, and uneven scholarship distribution. However, it also reveals the presence of non-Muslim staff in Islamic banks. Generally, the research concludes that Islamic banks largely adhere to Shariah principles in delivering services to all customers, including non-Muslims. It recommends further enlightenment programs by Islamic banks to clarify misconceptions about discrimination and increase patronage across religious lines. The study contributes empirical evidence on a contentious issue and suggests ways to promote religious harmony through inclusive financial services.*

**Keywords:** Discrimination Allegation; Evidence; Islamic Banks; Non-Muslims; Legal Examination

## I. INTRODUCTION

The financial institution is an integral part of any banking institution, and its expansion is rooted in the industrial revolution of the sixteenth century, characterized by a high production volume. Thus, the need of industrialists to safeguard their money and their quest to get the funds to expand their production gave impetus to banking as a cooperating sector. Banks funded many industrialists in this period, and they (banks) were tagged as exploitative and not in any way better than crude money lenders because of their interest on loans. However, the need for a paradigm shift for an equity system in the financial realm opened the door for an interest-free financial system to salvage

this precarious situation. The main objective of Islamic banking, a typical illustration of an interest-free banking system, is to create a socially just and equitable economic system.<sup>1</sup>

The conventional banking system (CBS) originated in modern Iraq (the Babylonian City of Mesopotamia) about 500 years ago. In contrast, Islamic nations around the world, where the economic system of these nations is largely built around *Shariah* (Islamic law), are where the development of the interest-free financial system (IFFS) originated. The Islamic Financial Banking System (IFBS) has had a long history that began in or around 1963 in the small Egyptian town of Mit Ghamr.<sup>2</sup> To avoid projecting an Islamic image for fear of being seen as a sign of Islamic extremism, which was opposed to the political regime, the Egyptians undertook the first experiment that symbolized the historical start of Islamic banking covertly. Ahmad El Najjr is an economist who led the first attempt at an experiment, and the first Islamic banking institution (*Mudarabah*) was started as a savings institution with profit sharing. The investigation persisted until 1967 when nine (9) such savings institutions were in Egypt. Records show that these banks directly participated in trade and industry, partnership business, and similar activities. They split the profit with their depositor at the bank. The first Islamic bank to conduct business in modern-day Egypt was primarily a savings and investment institution. The operation of standard banking is thought to be extensive by design. The Bank Nasir Al-Ijtmahiy was founded in 1971, and as a result, the Saudi Arabian Islamic Development Bank was founded in 1977. This followed the establishment of the Dubai Islamic Bank (DIB) in 1975. In a similar vein, the Islamic Bank for Finance and Investment, also known as JIBFI, was established in 1978 after the establishment of Kuwait's *Baitul Tamuwily* and Egypt's Faisal Islamic Bank in 1977. Meanwhile, about two decades ago, Islamic banking was accepted and graduated to the international level, and its principles of operation have been adopted all over the world.

Before this time, Muslim adherents in Egypt and other Muslim nations were restricted to conventional banking business and transaction activities like current accounts, money transfers,

---

\* Kwara State University, Malete 08092853404,08164693492 [ayyeesha@gmail.com](mailto:ayyeesha@gmail.com)

\*\* Prof. Law, Faculty of Law, University of Ilorin,

<sup>1</sup> Aziz, A. A. "Islamic banks are also responsible for the global financial crisis: experts". (2009). Retrieved 7th March 2009 from [www.khaleejtimes.com](http://www.khaleejtimes.com).

<sup>2</sup> Mouawad, S. G. "The development of Islamic finance: Egypt as a case study". *Journal of Money Laundering Control*, (2009). 12(1), 74-87.

bank loans, and depositing (saving) with these institutions. However, this was challenging for them because it was at odds with their Iman (faith). Muslim academics have expressed concern over the need to uphold Islamic principles in banking and financial transactions.<sup>3</sup> The Islamic community developed Islamic banking to serve Muslims. Still, it has since migrated into non-Muslim neighbourhoods, extending its reach to non-Muslim clients. In other words, Islamic banking may be attractive to non-Muslim individuals and groups seeking morally sound financial options.<sup>4</sup>

The Banks and Other Financial Institutions Acts (BOFIA), which took the place of the Banking Acts of 1969, opened the door for the implementation of non-interest/Islamic banking in Nigeria in that year. 1991. In the year that followed, in 1992, Habib Nigeria Bank Limited was established with the main objective of fostering "window basis" interest-free banking services. Before becoming Keystone Bank Plc, the bank was known as Bank PHB. In particular, the Central Bank of Nigeria (CBN), headed by Governor Charles Chukuwuma Soludo, joined the International Financial Services Board (IFSB) and the Islamic Development Bank (IDB) as an active member on June 15, 2005.

Additionally, the widespread adoption of the non-interest banking system in Nigeria was facilitated by the Central Bank of Nigeria's (CBN) 2003 approval of the establishment of Jaiz Bank. As a result, certain traditional financial institutions requested a license from the CBN to operate a window for non-interest-based banking. The Central Bank of Nigeria and the national banking regulator issued a license to Jaiz Bank Plc on November 11th, 2011, allowing it to function as a regional bank. Jaiz Bank Plc commenced operations on January 6, 2012, with branches and offices in different parts of Nigeria, like Abuja, Kaduna, and Kano.<sup>5</sup> However, there have been multiple challenges to the expansion and several setbacks, including the allegation of discrimination against

---

<sup>3</sup> Ahasanul, H., Jamil. O. and Ahmad, Z. "Islamic Banking: Customer Perception and its Prospect on Bank Product Selection towards Malaysian Customer Perspectives", (2007). 5th International Islamic Finance Conference.

<sup>4</sup> Bello, A.D. "Financial Inclusion in Nigeria and the Prospects and Challenges of Islamic Microfinance Banks". (2011a) Prepared for presentation at the 2nd international conference on inclusive Islamic financial sector development, Khartoum, Sudan.

<sup>5</sup> Jaiz Bank Plc Annual Report and Accounts 2014, 3

non-Muslims. This study would therefore seek to critically examine this misconception to investigate and enhance Nigeria's growth from a financial angle.

## **2.0. STATEMENT OF THE PROBLEM/JUSTIFICATION**

In recent times, Islamic banking in Nigeria has faced many impediments which have influenced the successful establishment and management of banks given some of the religious colourations and cultural differences. The arguments of some non-Muslims on the position that Islamic banking was introduced to Nigeria to Islamize the country are no longer news. Many non-Muslims thought that some fundamentalist religious groups had funded and financed some Islamic banks in Nigeria. Some argued that calling an Islamic bank an interest-free bank is more suitable if the aim of this bank is not to Islamize Nigeria. In addition, proponents of Islamic banking contend that a bank can be interest-free if it operates in accordance with Islamic law. However, a core Islamic banking concern is the mode of operation or instruments, not the only interest. For instance, investing in any business activity that is not Islamic is prohibited, such as the sale of alcoholic drinks.

Non-Muslims think that by creating a Sharia Council to oversee Sharia banking activities, the CBN is attempting to impose Sharia on Nigerians of all faiths. Mallam Sanusi was accused of being the backbone of the conversion of Nigeria to Islam. On the contrary, Sanusi declares that the CBN is not establishing or promoting Islamic banks but rather granting licenses to the sector to conduct Islamic banking. The Advisory Council of Experts (ACE) has been established to replace the Sharia Council and suppress the belief.<sup>6</sup>

Furthermore, it is a known fact that people other than Muslims have put forth multiple attempts to thwart the emergence of Islamic financial services in Nigeria, giving a few unfair justifications based on feelings that are purely emotional and sentimental. The definition of an interest-free financial institution varies between two important pieces of legislation, the Non-Interest Financial Institutions (NIFI) Guidelines 2011 and the Banks and Other Financial Institutions Act (BOFIA) 1991. Additionally, the opposition alleged that the CBN's composition violated the federal character principle and that non-Muslims were discriminated against in using the services of Islamic banks. Similar charges have been levelled against the growth of Islamic finance as an

---

<sup>6</sup> Sanusi, S. L. "The global financial meltdown and the reforms in the Nigerian banking sector". *CBN Journal of Applied Statistics (JAS)*, . (2011). 2(1), 7.

integral component of a plan to Islamize the world. It is impressive how many rational justifications have been offered to disprove every charge levelled by the adversaries.<sup>7</sup>

Following the appointment of the then CBN governor as chairman of the International Islamic Liquidity Management Corporation (IILM), a multilateral organization created to provide Shari'ah-compliant liquidity-management instruments for Islamic financial institutions, the Nigerian chapter of the Christian Association of Nigeria (CAN) announced a new and improved commitment to preventing the growth of Islamic banking in the nation. According to This Day Live New 2016, CAN demanded that Nigeria remove its membership from the IILM and that the CBN governor resign from his leadership. Nevertheless, despite these desperate tactics, some non-Muslims continue to use Islamic banking. Due to some inherently advantageous factors that encourage patronage even from non-Muslims, the campaign against Islamic banking in Nigeria appears to be less effective. Examining all of the traits and factors that sway non-Muslims in Nigeria to use or adopt Islamic banking is crucial given the rising demand for Islamic banking services.

Islamic banking needs the cooperation of all parties, regardless of their faith, because it is not discriminatory by nature. However, the rise of Islamic banking is seriously threatened due to the persistent opposition of a portion of the Nigerian population. Nigeria will not benefit from a boycott of such a vitally developing Islamic financial system, especially at this time when the country is working hard to become Africa's largest and most powerful International Finance Corporation (IFC). Everyone should therefore take steps to identify the phobia's root sources, weigh any adverse effects that may have followed, and suggest countermeasures.

Therefore, this study would clarify the misunderstandings about Islamic banking regarding alleged prejudice because it emphasizes the element that discourages new potential non-Muslim customers from engaging in Islamic banking or non-interest banking services. Meanwhile, if the necessary measures are not taken, this will affect, and influence the growth of Islamic financial services in Nigeria. This is generally thought to be the gap that this study is attempting to fill.

### **3.0. OBJECTIVES OF THE STUDY**

---

<sup>7</sup> Olayemi, A. A. M. "The legality of Islamic banking in Nigeria: A critical approach." (2011). Available at SSRN 1941010.

This study aims to investigate and debunk the claim that non-Muslims are discriminated against when using Islamic banking services in Nigeria. Thus, these specific objectives will form the basis for the investigation.

1. To ascertain the allegation of discrimination.
2. To examine the opportunities available for non-Muslims to work for banks.
3. To analyze the risk involved in denying those who are not Muslims access to banking services.
4. To proffer ways forward and recommendations to the inherent problems associated with the allegations.

#### **4.0. METHODOLOGY**

The present investigation was conducted using a cross-sectional survey research approach. We were able to collect information from the field regarding the claim of non-Muslim discrimination in the services provided by Islamic banks. As part of the methodology, a comparative analysis was also adopted to use the Qur'an and *Sunnah* to expatiate some nitty-gritty of Islamic banking that seems unrelatable to people. The participants in this study were those who have accounts with various Islamic banks such as Jaiz Bank Plc and Lotus Bank in particular and staff of these banks. This helped with the collection of accurate data that reflects the customers' opinions. The study chose a sample of 300 participants, including clients of Islamic banks. For quantitative information, however, staff members of the aforementioned banks were also questioned.

A sample was used to make empirical generalizations because of the size of the study population and the perceived difficulty in studying the entire population. Therefore, 300 Respondents made up the sample. 300 people filled out the survey, and the remaining 5 were interviewed. Purposive sampling was used to choose the respondents for the in-depth interview. This is so that a key informant could provide the information that was required. In order to ensure adequate representation of the study population and to elicit more detailed information, a multi-stage sampling approach was used in this study. This increased the reliability of the results.

## **5.0. VALIDITY/RELIABILITY OF INSTRUMENTS**

Validity is the attribute that an approach or tool used in the research is accurate, true, correct, meaningful, and right. The responsible supervisor's expert opinion and additional expert counsel from other important departmental specialists helped to guarantee the research instruments' content validity. By precisely defining the domain of the particular content that the test is assumed to represent, content validity is achieved.

The measurement's consistency and repeatability are referred to as reliability. In other words, the degree to which an instrument measures in the same manner every time was used under the same circumstances with the same subjects is referred to as reliability. Using the test-retest method, which involved handing out questionnaires for completion while manually scoring the responses, the consistency of the instrument was assessed.

## **6.0. DATA BACKGROUND**

Both quantitative and qualitative instruments were used in this study to gather data. The questionnaire, which had two sections, assisted in gathering the quantitative data. While section B concentrated on the study's core issues, section A concentrated on the socio-demographic characteristics of the respondent. For literate respondents, it was self-administered, but non-literate respondents needed an interpreter to help them fill it out. The target demographic was used to select the survey respondents.

To gather qualitative data, the in-depth interview guide was employed. This increased the validity of the quantitative data and the accuracy of the conclusions. The respondents to the in-depth interviews were bank employees.

## **7.0. DATA ANALYSIS/INTERPRETATION**

The Statistical Package for Social Sciences (SPSS) was used for the processing, computation, and analysis of the quantitative data. The data was presented using descriptive statistics like percentages and frequency tables, and variables were tested using regression.

In respect to this research work, a total number of three hundred (300) questionnaires were administered. Therefore, the data presented and analyzed below were done based on the retrieved questionnaires. The data analysis was made in three sections. Firstly, the presentation of respondents' biodata. Secondly, allegations of discrimination against non-Muslims. Thirdly, allegations of discrimination against non-Muslims and services of Islamic banks.

## 8.0. RESPONDENTS' BIODATA

The respondents' bio-data are displayed in Table 1 below. Major variables considered are sex, age, educational qualification, marital status, occupation, religion and household size. The primary benefit of examining this bio-data is that it grants the researcher the ability to distinguish between respondents and explain key differentiations that may account for similarities and variations in responses to important research questions.

**Table 1: Respondents' Bio Data**

| Variables             | Frequency | Percentage (%) |
|-----------------------|-----------|----------------|
| <b>Sex</b>            |           |                |
| <b>Male</b>           | 127       | 42.3           |
| <b>Female</b>         | 173       | 57.7           |
| <b>Total</b>          | 300       | 100            |
| <b>Age</b>            |           |                |
| <b>Below 20 Years</b> | 80        | 26.7           |
| <b>21-30</b>          | 201       | 67.0           |
| <b>31-40</b>          | 14        | 4.7            |
| <b>41-50</b>          | 3         | 1.0            |
| <b>Over 51 Years</b>  | 2         | .7             |
| <b>Total</b>          | 300       | 100            |

Educational Qualification

|                                   |     |      |
|-----------------------------------|-----|------|
| <b>None</b>                       | 3   | 1.0  |
| <b>Primary</b>                    | 2   | .7   |
| <b>Secondary</b>                  | 39  | 13.0 |
| <b>Tertiary</b>                   | 253 | 84.3 |
| <b>For others, please specify</b> | 2   | .7   |
| <b>Missing Value</b>              | 1   | .3   |
| <b>Total</b>                      | 300 | 100  |

Marital Status

|                |     |      |
|----------------|-----|------|
| <b>Single</b>  | 268 | 89.7 |
| <b>Married</b> | 28  | 9.3  |
| <b>Divorce</b> | 3   | 1.0  |
| <b>Total</b>   | 300 | 100  |

Occupation

|                                   |     |      |
|-----------------------------------|-----|------|
| <b>Trading</b>                    | 14  | 4.7  |
| <b>Civil Servant</b>              | 21  | 7.0  |
| <b>Self-Employed</b>              | 113 | 37.7 |
| <b>Unemployed</b>                 | 82  | 27.3 |
| <b>Farming</b>                    | 8   | 2.7  |
| <b>For others, please specify</b> | 62  | 20.7 |
| <b>Total</b>                      | 300 | 100  |

Religion

|                             |     |      |
|-----------------------------|-----|------|
| <b>Christian</b>            | 129 | 43.0 |
| <b>Muslim</b>               | 170 | 56.7 |
| <b>Traditional Religion</b> | 1   | .3   |
| <b>Total</b>                | 300 | 100  |
| House Hold Size             |     |      |
| <b>Less than 5 Members</b>  | 168 | 56.0 |
| <b>6-10 Members</b>         | 122 | 40.7 |
| <b>Over 15 Members</b>      | 9   | 3.0  |
| <b>Missing value</b>        | 1   | .3   |
| <b>Total</b>                | 300 | 100  |

**Source: Authors**

Table 1: This table shows data collected on the respondents' biodata. According to this data, the respondents' sex was either male or female, with the majority of them being Female 173 (57.7%) while Male respondents are 127 (42.3%). This is to say that the majority of customers who patronized Islamic banks are female. However, this does not imply that male customers are not found in Islamic banks considering the close range in the percentage of respondents. Another important variable is the, in given data obtained from the respondents, whose ages ranged from 21-30 representing 201 (67.0%) constituted the large majority of the age bracket that uses Islamic banks. Respondents that were Below 20 Years constituting 80 (26.7%) picked the second position in the age brackets of Islamic bank users. Also, respondents within the age brackets of 31-40, 41-50 and Over 51 Years representing 14 (4.7%), 3 (1.0%) and 2 (.7%) enjoyed customer relationships with Islamic banks. Inferring from the respondent's age bracket, it is evident that the customers' strength of Islamic banks are the youths who are familiar with trends of the banking system and opportunities.

By educational qualification, the table shows that the large majority of the customers that bank with Islamic banks are graduates of one tertiary institution or the other with a frequency display of

253 (84.3%) while 39 respondents (13.0%), 3 (1.0%), 2 (.7%) and 2 (.7%) had their educational qualifications as Secondary, None, Primary and Others respectively. It should be noted that this variable had 1 missing value representing (.3%). The number of respondents with tertiary education qualifications adopted Islamic Banks. To this end, it is safe to say that the level of educational attainment has a significant influence on the choice of banking with Islamic banks. In terms of respondents' Marital Status, 269 (89.7%) were identified to be Single, while 28 (9.3%) and 3 (1.0%) represent respondents that are Married and Divorced respectively. What this implies is that those who choose Islamic banks are majorly people with fewer family responsibilities tied to them and with the capacity to explore business opportunities available around them.

Examining the respondents' occupation, it was discovered from the table that 113 (37.7%) respondents are self-employed, while 82 (27.3%) and 62 (20.7%) are unemployed and chose other forms of occupation respectively. Also, 21 (7.0%), 14 (4.7%) and 8 (2.7%) are said to be civil servants, trading and farming respectively. Going by the statistics available in the table above, the occupational status of Islamic bank customers is self-employed. Self-employed in this regard are people who are engaged in Small and Medium Scale Enterprise (SMEs) or an operator of a particular business outlet. This is to say that the majority of those who shared customer relationships with Islamic banks are business-oriented people. In the choice of respondents' religion, Muslims are more represented in this research with total statistics of 170 (56.7%) while 129 (43.0%) and 1 (.3%) are Christian and Traditional Religion by affiliation. Although the option was made available for respondents to specify their religion if it is not stated in the options, none of the respondents identified with other religions. Thus, it is evident that Muslim customers largely enjoyed the services of Islamic banks. This is not to say Christians are deprived putting into consideration the slight difference margin that exists between the two prominent religions.

Lastly, in terms of respondents' household size, respondents who identified with a family that has less than 5 Members are 168 (56.05%), 6-10 Members 122 (40.7%) and Over 15 Members 9 (3.0%). Importantly, 1 (.3%) missing value was recorded in this variable. However, this table shows that Islamic bank customers are primarily households with less than 5 members. This happens because small household size allows managing savings and viable economic management.

**Table 2: Distribution of Responses on Whether there is a difference between the Operation of Conventional Banks and Islamic Banks.**

| Items                    | Frequency  | Percentage (%) |
|--------------------------|------------|----------------|
| <b>Wide Difference</b>   | 91         | 30.3           |
| <b>Slight Difference</b> | 139        | 46.3           |
| <b>No Difference</b>     | 33         | 11.0           |
| <b>Neutral</b>           | 37         | 12.3           |
| <b>Total</b>             | <b>300</b> | <b>100</b>     |

**Source: Authors**

As depicted in the table above, 91 (30.3%) indicated that there is a Wide Difference in the operation of conventional banks and Islamic banks, 139 (46.3%) maintained that there is a slight difference, while 33 (11.0%) and 37 (12.3%) respondents indicated No Difference and Neutral. This shows that a large percentage of the respondents are of the view that there is a slight difference in the operation of Islamic banks compared to conventional banks. They must have interacted with and evaluated the services of the two patterns of banking through years of experience for them to submit this way. Furthermore, 91 (30.3%) suggested that there is a wide difference in the operation of conventional banks and Islamic banks. To this end, respondents in this regard had enjoyed the facilities and window of opportunities provided by Islamic banks at the expense of conventional banks.

**Table 3: Distribution of Response on Whether Islamic Banks Discriminate against Non-Muslims.**

| Items            | Frequency | Percentage (%) |
|------------------|-----------|----------------|
| <b>Very High</b> | 18        | 6.0            |
| <b>High</b>      | 24        | 8.0            |
| <b>Low</b>       | 123       | 41.0           |

|                   |            |            |
|-------------------|------------|------------|
| <b>Don't Know</b> | 135        | 45.0       |
| <b>Total</b>      | <b>300</b> | <b>100</b> |

Source: Authors.

In line with the data obtained from the respondents in the table above, 18 (6.0%) of the respondents agreed that Islamic banks discriminate against non-Muslims. On the other hand, 24 (8.0%) chose a High level of discrimination while 123 (41.0%) and 135 (45%) indicated Low and Don't Know respectively for the question. Drawing these responses, it is evident 135 (45%) respondents which constitute the highest percentage of the entire distribution are of the view that they don't know or decide whether there is a presence of discrimination against non-Muslims. Close to this representation are the 123 (41.0%) respondents who indicated a low presence of discrimination against non-Muslims. Respondents in this regard might have experienced one form of discrimination or the other in the course of engaging in banking relationships with Islamic banks.

**Table 4: Distribution of Responses on Whether Islamic Banks Prohibit Financial Transactions from Unlawful Business Owners.**

| Items           | Frequency  | Percentage (%) |
|-----------------|------------|----------------|
| <b>Yes</b>      | 122        | 40.7           |
| <b>No</b>       | 42         | 14.0           |
| <b>Not Sure</b> | 111        | 37.0           |
| <b>Neutral</b>  | 25         | 8.3            |
| <b>Total</b>    | <b>300</b> | <b>100</b>     |

Source: Authors.

Given the responses extracted from respondents in the above table, 122 (40.7%) are of the view that Islamic banks prohibit financial transactions from unlawful business owners. In a similar vein, 111 (37.0%) respondents are not sure in their response while 42 (14.0%) and 25 (8.3%) are no and neutral respectively. Relying on the responses obtained from this table, it is evident that Islamic banks frown at unlawful business owners like betting and liquor among other businesses that are

not inclined with the principles and teachings of Islam. Respondents with 42 (14.0%) affiliation with this poser can be said to belong to the category of people who are not fully aware whether there is an established limitation or prohibition by Islamic banks in their choice of customers' selection and facilities distribution.

**Table 5: Distribution of Responses on Whether Islamic Banks State Specific Dressing for their Employees.**

| Items                | Frequency  | Percentage (%) |
|----------------------|------------|----------------|
| <b>True</b>          | 169        | 56.3           |
| <b>False</b>         | 43         | 14.3           |
| <b>Don't Know</b>    | 84         | 28.0           |
| <b>Missing Value</b> | 4          | 1.3            |
| <b>Total</b>         | <b>300</b> | <b>100</b>     |

Source: Authors

The table above reveals that 169 (56.3%) identified with the poser that Islamic banks truly state-specific dressing for their employees, 43 (14.3%) chose False, 84 (28.0%) Don't Know and 4 (1.3%) Missing Value was recorded. Relying on these responses, Islamic banks have established dress codes that conform to the organization's ethics and principles.

**Table 6: Distribution of Responses on whether there are no Non-Muslim staff in Islamic banks.**

| Items             | Frequency | Percentage (%) |
|-------------------|-----------|----------------|
| <b>True</b>       | 77        | 25.7           |
| <b>False</b>      | 95        | 31.7           |
| <b>Not Sure</b>   | 65        | 21.7           |
| <b>Don't Know</b> | 62        | 20.7           |

|                      |            |            |
|----------------------|------------|------------|
| <b>Missing Value</b> | <b>1</b>   | <b>.3</b>  |
| <b>Total</b>         | <b>300</b> | <b>100</b> |

Source: Authors.

This table represents respondents' positions on whether there are no non-Muslim staff in Islamic banks, with the responses obtained, 95 (31.7%) identified False, 77 (25.7%) as True, 65 (21.7%), 62 (20.7%) and 1 (.3%) Missing value. Inferring from this table, it is evident that a large percentage of the respondents chose False which represents 95 (31.7%) what this implies is that there are non-Muslim staff in Islamic banks, this is against the public hearsay that the Islamic banks are strictly for Muslims.

**Table 7: Distribution of Responses on whether Islamic banks give more opportunities than conventional banks.**

| Items             | Frequency  | Percentage (%) |
|-------------------|------------|----------------|
| <b>True</b>       | 88         | 29.3           |
| <b>False</b>      | 37         | 12.3           |
| <b>Not Sure</b>   | 98         | 32.7           |
| <b>Don't Know</b> | 77         | 25.7           |
| <b>Total</b>      | <b>300</b> | <b>100</b>     |

Source: Authors.

This table shows that 88 (29.3%) chose True in their response to whether Islamic banks give more opportunities than conventional banks, 37 (12.3%) False, 98 (32.7%) and 77 (25.7%) Don't Know. What these responses mean is that the majority of the respondents are not sure whether Islamic banks give more opportunities than conventional banks. This may be because some of the respondents only bank with Islamic banks and could not have the grasp of opportunities at the conventional banks to make a clear-cut decision. On the other hand, 88 (29.3%) who identified with True is a clear pointer that to a reasonable extent Islamic banks give many opportunities. The

opportunities in this regard are not limited to scholarships, loan facilities and good customer relations to attract more customers.

**Table 8: Distribution of Responses on whether Respondents Consider Islamic banks before dealing with the bank.**

| Items                | Frequency  | Percentage (%) |
|----------------------|------------|----------------|
| <b>Yes</b>           | 78         | 26.0           |
| <b>No</b>            | 101        | 33.7           |
| <b>Not Necessary</b> | 121        | 40.3           |
| <b>Total</b>         | <b>300</b> | <b>100</b>     |

Source: Authors.

Table 8 shows that 121 (40.3%) respondents are said to choose Not Necessary, 101 (33.7%) No and 78 (26.0%) Yes. What this implies is that the majority of the respondents are not concerned about whether Islamic banks are the best for them or not in the course of deciding their choice of financial institution. This follows with a few close respondents that identified with No at 101 (33.7%). In this regard, Islamic bank customers are not necessarily motivated by the services rendered by the financial institutions but rather decided based on the recommendation of the proximity.

**Table 9: Distribution of Responses on who influenced respondents to open an account with an Islamic bank.**

| Items                  | Frequency | Percentage (%) |
|------------------------|-----------|----------------|
| <b>Family</b>          | 36        | 12.0           |
| <b>Friends</b>         | 96        | 32.0           |
| <b>Work Colleagues</b> | 16        | 5.3            |
| <b>Bank Advert</b>     | 52        | 17.3           |

|                          |            |            |
|--------------------------|------------|------------|
| <b>Personal Decision</b> | 94         | 31.3       |
| <b>Religious Group</b>   | 6          | 2.0        |
| <b>Total</b>             | <b>300</b> | <b>100</b> |

Source: Authors.

From the table above, 96 (32.0%) of the respondents in this poser are of the view that they were influenced by friends to open an account with Islamic banks, while 94 (31.3%) identified with Personal Decision, 36 (12.0%) picked Family, 52 (17.3) Bank Advert and 6 (2.0%) Religious Group. What this pattern of responses imply is that the majority of customers who bank with Islamic banks are largely influenced by their friends and subsequently customers' Personal Decisions.

**Table 10: Distribution of Responses on How Long Have You Being in a Customer Relation with Islamic Banks.**

| Items                | Frequency  | Percentage (%) |
|----------------------|------------|----------------|
| <b>One Year</b>      | 193        | 64.3           |
| <b>1-5 Year</b>      | 94         | 31.3           |
| <b>6 Year above</b>  | 12         | 4.0            |
| <b>Missing Value</b> | 1          | .3             |
| <b>Total</b>         | <b>300</b> | <b>100</b>     |

Source: Authors

Considering the findings shown in the table above, it can be inferred that 193 (64.3%) respondents had One Year customer relation with an Islamic bank while 94 (31.3) respondents were 1-5 Years, 12 (4.0%) are 6 Year Above and 1 (.3%) Missing Value.

**Table 11: Distribution of Responses on whether Information about the Operations of Islamic Banks is Known to you**

| Items                | Frequency  | Percentage (%) |
|----------------------|------------|----------------|
| <b>Very Known</b>    | 49         | 16.3           |
| <b>Known</b>         | 77         | 25.7           |
| <b>Bit Known</b>     | 102        | 34.0           |
| <b>Not Known</b>     | 71         | 23.7           |
| <b>Missing Value</b> | 1          | .3%            |
| <b>Total</b>         | <b>300</b> | <b>100</b>     |

Source: Authors.

The table above shows whether information about the operations of Islamic banks is known to the respondents, from the responses retrieved, 102 (34.0%) are of the view that the information is Bit Known, 77 (25.7%) Known, 71 (23.7%) Not Known and 49 (16.3%) identified with Very Known. In the same table, 1 (.35) Missing Value was recorded. Given the findings obtained from this table, the majority of the respondents are only aware of little information about the operation of Islamic banks, thus reducing the chances of having high patronage level.

**Table 12: Distribution of Responses on whether features and benefits of Islamic banks are better than Conventional Banks.**

| Items              | Frequency  | Percentage (%) |
|--------------------|------------|----------------|
| <b>Very Better</b> | 56         | 18.7           |
| <b>Better</b>      | 64         | 21.3           |
| <b>Fair</b>        | 83         | 27.7           |
| <b>Worse</b>       | 5          | 1.7            |
| <b>Neutral</b>     | 92         | 30.7           |
| <b>Total</b>       | <b>300</b> | <b>100</b>     |

Source: Authors.

Table 12 shows respondents' decisions on whether the features and benefits of Islamic banks are better than conventional ones. Findings show that 92 (30.7%) are Neutral in this regard, 83 (27.7%) think that Islamic banks are fairly better than conventional banks while 56 (18.7%), 64 (21.3%) and 5 (1.7%) are Very Better, Better and Worse respectively. What these findings indicate is that the majority of the respondents stay neutral and this might be because they enjoyed both services.

**Table 13: Distribution of Responses on Whether Islamic Banks Prohibit Interest on All Forms of Transaction.**

| Items             | Frequency  | Percentage (%) |
|-------------------|------------|----------------|
| <b>True</b>       | 144        | 48.0           |
| <b>False</b>      | 35         | 11.7           |
| <b>Not Sure</b>   | 71         | 23.7           |
| <b>Don't Know</b> | 50         | 16.7           |
| <b>Total</b>      | <b>300</b> | <b>100</b>     |

Source: Authors.

Findings in Table 12 revealed that 144 (48.0%) are of the view that Islamic banks truly prohibit interest on all forms of transactions, 35 (11.7%) false and 71 (23.7%) are not sure whether Islamic banks prohibit interest on all forms of transactions.

**Table 14: Distribution of Responses on Whether Services Offered by Islamic Banks are Effective.**

| Items                 | Frequency | Percentage (%) |
|-----------------------|-----------|----------------|
| <b>Very Effective</b> | 81        | 27.0           |
| <b>Effective</b>      | 114       | 38.0           |
| <b>Fair</b>           | 58        | 19.3           |
| <b>Worse</b>          | 3         | 1.0            |

|                      |            |            |
|----------------------|------------|------------|
| <b>Don't Know</b>    | 43         | 14.3       |
| <b>Missing Value</b> | 1          | .3         |
| <b>Total</b>         | <b>300</b> | <b>100</b> |

Source: Authors.

Examining the effectiveness of services offered by Islamic banks, 114 (38.0%) respondents maintained that the services are effective, 81 (27.0%) very effective, 58 (19.3%) fair while 43 (14.3%), 3 (1.0%) and 1 (.3%) respondents chose Don't Know, Worse and Missing Value respectively. Inferring from the results here, the services offered by Islamic banks are to be considered effective.

**Table 15: Distribution of Responses on whether Regardless of Religion, Staff of Islamic Banks treat all Customers fairly and equally.**

| Items             | Frequency  | Percentage (%) |
|-------------------|------------|----------------|
| <b>True</b>       | 186        | 62.0           |
| <b>False</b>      | 26         | 8.7            |
| <b>Not Sure</b>   | 49         | 16.3           |
| <b>Don't Know</b> | 39         | 13.0           |
| <b>Total</b>      | <b>300</b> | <b>100</b>     |

Source: Authors.

According to the results in the table above, 186 (62.0%) of people are choosing True to the poser that regardless of religion, staff of Islamic banks treat all customers fairly and equally, 49 (16.3% as not sure, 39 (13.0%) as don't know and 26 (8.7%) as false. In line with the results here, there is no disparity in the ways and manners in which Islamic banks treat both Muslim and non-Muslims customers.

**Table 16: Distribution of Responses on whether the Guidelines and Conditions set by the Islamic Banks are Acceptable to you.**

| Items                          | Frequency  | Percentage (%) |
|--------------------------------|------------|----------------|
| <b>Completely Acceptable</b>   | 127        | 42.3           |
| <b>Bit Acceptable</b>          | 84         | 28.0           |
| <b>Completely Unacceptable</b> | 7          | 2.3            |
| <b>Not Acceptable</b>          | 19         | 6.3            |
| <b>Neutral</b>                 | 63         | 21.0           |
| <b>Total</b>                   | <b>300</b> | <b>100</b>     |

Source: Authors.

Table 16 consider the acceptability of the guidelines and conditions set by the Islamic banks for customers, results from this table reveal that 127 (42.3%) are completely acceptable with the guidelines and conditions, 84 (28.0%) are bit acceptable, 63 (21.0%) neutral, 19 (6.3%) not acceptable and 7 (2.3%) completely unacceptable. Relying on these results, the majority of the respondents accepted the guidelines and principles of Islamic banks.

**Table 17: Distribution of Responses on Why Do You Choose Islamic Banks?**

| Items                                     | Frequency  | Percentage (%) |
|-------------------------------------------|------------|----------------|
| <b>Friendly Services</b>                  | 110        | 36.7           |
| <b>Shariah Compliance</b>                 | 84         | 28.0           |
| <b>Bank Reputation</b>                    | 38         | 12.7           |
| <b>Availability of Finance Facilities</b> | 52         | 17.3           |
| <b>Absence of Discrimination</b>          | 16         | 5.3            |
| <b>Total</b>                              | <b>300</b> | <b>100</b>     |

Source: Authors.

On why respondents choose Islamic banks, 110 (36.7%) are of the view that friendly services attracted them to choose Islamic banks, 84 (28.0%) *Shariah* compliance, 52 (17.3%) availability of finance facilities, 38 (12.7%) bank reputation and 16 (5.3%) absence of discrimination. The outcome of these findings revealed that a large percentage of the respondents predominantly aligned with the friendly services of Islamic banks.

**Table 18: Distribution of Responses on Whether More Promotional Works Should Be Done by Islamic Banks.**

| Items             | Frequency  | Percentage (%) |
|-------------------|------------|----------------|
| <b>Yes</b>        | 204        | 68.0           |
| <b>No</b>         | 12         | 4.0            |
| <b>Not Really</b> | 43         | 14.3           |
| <b>Don't Know</b> | 41         | 13.7           |
| <b>Total</b>      | <b>300</b> | <b>100</b>     |

Source: Authors.

This table centered on whether more promotional works should be done by Islamic banks or not, out of the 300 respondents to which the questionnaire was administered, 204 (68.0%) chose yes, 43 (14.3%) not really, 41 (13.7%) don't know and 12 (4.0%) no. To this end, the respondents agreed more promotional work should be done to keep more people aware of the operation of Islamic banks.

**Table 19: Distribution of Responses on Whether Efforts Should Be Made to Inform the Public Regardless of Religions on the Services of Islamic Banks.**

| Items      | Frequency | Percentage (%) |
|------------|-----------|----------------|
| <b>Yes</b> | 247       | 82.3           |
| <b>No</b>  | 11        | 3.7            |

|                      |            |            |
|----------------------|------------|------------|
| <b>Not Really</b>    | 16         | 5.3        |
| <b>Don't Know</b>    | 25         | 8.3        |
| <b>Missing Value</b> | 1          | .3         |
| <b>Total</b>         | <b>300</b> | <b>100</b> |

Source: Authors.

Table 19 represents whether efforts should be made to inform the public regardless of religion about the services of Islamic banks, the report from this table shows that 247 (82.3%) chose yes, 25 (8.3%) don't know, 16 (5.3%) not really and 11 (3.7%) no. importantly, 1 (.3%) missing value was recorded. It can however be deduced from the findings that a significant portion of the respondents agreed that concerted efforts should be made to inform the public about the operation of Islamic banks.

## 9.0. A TEST OF DATA NORMALITY

|                                                   | Kolmogorov-Smirnov <sup>a</sup> |      | Shapiro-Wilk |      |
|---------------------------------------------------|---------------------------------|------|--------------|------|
|                                                   | Statistic                       | Sig. | Statistic    | Sig. |
| Allegation of Discrimination against Non-Muslims. | .087                            | .000 | .983         | .001 |
| Services of Islamic Banks.                        | .104                            | .000 | .946         | .000 |

In an attempt to analyze the distribution of data obtained from the respondents, a test of normality is conducted. This will help to determine whether there is a balance between the data distribution of the dependent variable and the independent variable. Importantly, Kolmogorov is used to check the statistical significance of data distribution. Premising on the results of the Kolmogorov table above, the dependent variable (Allegation of Discrimination against non-Muslims) represents .087 statistics with a .000 significance level while the independent variable (Services of Islamic banks) figured out a statistical figure of .104 with a significance level of .000. However, the principle of Kolmogorov states that if the significant level is less than 0.05 or is 0.05, it is concluded that the

distribution of data is statistically significant. In essence, the significance level of both independent and dependent variables is less than 0.05. This means the data distribution for both variables are statistically significant.

Put differently, Shapiro-Wilk defines the level of normality in the distribution of data. However, the Shapiro-Wilk table visualized that the dependent variable has a statistic of .983 with .001 significance. On the side of the independent variable, a statistical figure of .946 was realized with a .000 significance. Importantly, the fundamental principle of Shapiro-Wilk compares the significance level, where the significance level is greater than 0.05 which suggests normality. Given the result from the Shapiro-Wilk table that identified .001 significance for the dependent variable and .000 for the independent variable, it is safe to conclude that the data are statistically significant and normally distributed.

## 10.0. DESCRIPTION OF REGRESSION ANALYSIS AND TESTING OF HYPOTHESIS

**Table: Model Summary of Variation**

| Model | R                 | R Square | Adjusted R Square | Std. The error in the Estimate | Change Statistics |          |     |     |               |
|-------|-------------------|----------|-------------------|--------------------------------|-------------------|----------|-----|-----|---------------|
|       |                   |          |                   |                                | R Square Change   | F Change | df1 | df2 | Sig. F Change |
| 1     | .584 <sup>a</sup> | .341     | .339              | .47943                         | .341              | 154.303  | 1   | 2   | .000          |

### a. Predictors: (Constant), Services of Islamic Banks.

This Table measures the proportion of variance in the dependent variable which can be explained by the independent variables. According to the variation results in this table, R Square indicated that there is a 34.1% variation in the variables under investigation. What this implies is that the allegation of discrimination comes to bear as a result of the services of Islamic banks.

**Table: Analysis of Significance Variables using ANOVA**

| Model      | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|------------|----------------|-----|-------------|---------|-------------------|
| Regression | 35.467         | 1   | 35.467      | 154.303 | .000 <sup>b</sup> |
| 1 Residual | 68.496         | 298 | .230        |         |                   |
| Total      | 103.963        | 299 |             |         |                   |

F Stat tests the overall significance of the regression model. In this regard, table 2 measure whether the relationship between the independent variable and the dependent variable is statistically significant. However, the F Stat indicated 154.303 with a significance level less than 0.05, this means the services rendered by Islamic banks are significant and possess the potential to constitute discrimination against non-Muslims. To this end, it is safe to say that the allegation against non-Muslims in the services of Islamic banks is far from hearsay, rather it is evidence-based.

**Table 20: Analysis of Beta and t-Stat**

**Coefficients**

| Model                          | Unstandardized Coefficients |            | T      | Sig. |
|--------------------------------|-----------------------------|------------|--------|------|
|                                | B                           | Std. Error |        |      |
| (Constant)                     | .811                        | .059       | 13.748 | .000 |
| 1<br>Services of Islamic Banks | .565                        | .045       | 12.422 | .000 |

This Table shows the Beta (Regression Coefficient) which represents the change in the dependent variable associated with a one-unit change in the independent variable. Inferring from the Beta result of services of Islamic banks pegged at 0.565, it is therefore important to state that for every 1% increase in the services of Islamic banks, there will be 0.565 in the discrimination against non-Muslims.

Additionally, t-Stat measures the statistical significance of each independent variable. Assessing whether the relationship between each independent variable (services of Islamic banks) and the dependent variable (allegation of discrimination against non-Muslims) is statistically significant, the results in Table 4.5.3 indicated that the significance level is less than 0.05. Hence, the relationship between the allegation of discrimination against non-Muslims and the services of Islamic banks is deemed statistically significant.

## 11.0. ETHICAL CONSIDERATIONS

The data collected from individuals, through interviews and surveys, were handled with strict confidentiality. This is especially critical given the sensitive nature of religion-based discrimination and financial services. This was why the information were anonymized to protect participants' identities. In addition we ensured that participants fully understood the study's aims, their role, and all potential risks before consenting to participate. It is important to also note that

the research faithfully represented participants' responses without exaggeration and rigorously verified the validity of sources to prevent misinformation.

## **12.0. PRESENTATION OF FINDINGS**

This study has carefully discussed the nature of the Islamic banking system in the world and in particular, Nigeria being the auspices of this research. Historically, according to this research, the concept of Islamic banking did not emanate here but through the consciousness of some salient people in Nigeria, Islamic banking was brought down due to its sharia-compliant nature as a non-interest banking system as related to Islamic principles of finance to improve the lives of people, promote financial inclusion and socio-economic nature of Nigerian state. It is important to note that Islamic banking is an invention in Nigeria that thrived in the place where it was first introduced likewise in most of the Western countries such as the United States of America, United Kingdom, Malaysia, Australia, Germany and host of others where Islamic mode of banking witnessed mass adoption. Based on the findings of this research, this mode of banking system bears Islam as its trademark and has stood to propagate this religion in any way, but it is very crucial to bear in mind that this banking system is open to everyone and there has not been any report of any forceful conversion or acclaimed Islamization.

Emphatically, giving recourse to the findings of this research, in most of the Western countries where the Islamic banking system as a Sharia-compliant financial system witnessed mass adoption despite the inscription of Islam is enough evidence that the Islamic banking system is a new mode of the financial system that has come as an alternative mode to the conventional banking system with the philosophy of ensuring financial inclusion for both less privileged Muslims and non-Muslims across the globe. Though there are issues of mass deposits and withdrawals among both Muslim and non-Muslim customers in some of the Western countries like Malaysia and Australia, it is worthy of note that the Islamic banking system has gained unprecedented growth over the past four decades. What this means is that whether a Muslim or non-Muslim, everyone wants to have access to finance without being bugged which we could say accounted non-discrimination of any kind in these mentioned countries.

Relatively, the introduction of the Islamic banking system of finance in Nigeria as an alternative banking system to conventional banks witnessed myriads of controversies, criticisms and

condemnation especially from the non-Muslims in Nigeria on the ground that it is an end to Islamizing the country or perpetuating terrorism. This introduction of the Islamic mode of financing in Nigeria gave impetus to Islamic banks having Jaiz Bank as the prominent and first Islamic bank in Nigeria and others such as Habeeb Bank, Lotus Bank and other conventional banks running Islamic window. According to the findings of this research, the introduction of Islamic banking is criticized from three different angles or aspects. Firstly, it is criticized on the level that the statutory body meant to see the birth of any bank in Nigeria shifted ground and worked against the provision of laws that state that no financial institution or bank should be introduced or given operational license based on particular religion considering the secular nature of Nigeria as a country. Secondly, it is criticized on the basis that the introduction of the Islamic banking system in Nigeria is an effort or an agenda by some stakeholders including the then central bank governor to Islamize Nigeria as against the will of other religions in Nigeria. Lastly, it was said that the Islamic banking system denied some businesses such as gambling, pork meat and the like funding which Islam deems illegal.

Having said all of these, several scholars have refuted the claim of Islamizing Nigeria through the introduction of the Islamic banking system as evidence has presented itself that since the inception of the Islamic banking system in Nigeria, no part thereof has been Islamized and no one has been forced to convert to Islam before he or she can have open an account with any Islamic bank or have access to funds. What is most important is that as long as every act of every customer goes in line with the principles and philosophies of Sharia which is the foundation of Islamic banks, everyone is welcome whether Muslims or non-Muslims. The argument that the introduction of the Islamic banking system is a breach of the financial law that prevents the establishment of a financial institution in favour of any religion considering the secular nature of Nigeria was also countered on the ground that any religion in Nigeria can pursue non-interest banking system as long as it will be opened to all and sundry and also ensure financial inclusion. CAN being the topmost body calling for the cancellation of Islamic banks in Nigeria was advised to advance such an initiative which will be granted without any fear or favour instead of causing tension in Nigeria and among Nigerians. The report has it that non-Muslims constitute the larger shareholders of this Islamic bank in Nigeria like Jaiz Bank having a reasonable number of non-Muslim customers.

Importantly, regarding the alleged discrimination of Islamic banks in their services, it has been discussed by scholars that most of the Arabic terms being used by the Islamic banks to represent their services like *Mudarabah*, *Musharaka*, *Ijarah* and others are not understood by the perceived and real non-Muslim customers which they translated to mean discrimination. However, scholars concluded that it should be understood that Islamic banks are operating based on the principles of Islam particularly, *Shariah* which forbids funding some activities or businesses such as gambling, pork selling, alcohol and some other activities that are considered illegal in Islam. This is perceived to be a form of discrimination by the non-Muslims and based on findings, non-Muslims did present any evidence of where Islamic banks sponsored Muslims engaging in these kinds of business or activities. Based on findings, it was reported that non-Muslims are being helped financially to stand out in their businesses provided they are legal and meet and terms of entering in to contract.

It is observed that many of the scholars did lay much emphasis on the need to make both perceived and real non-Muslim customers of Islamic banks have accurate knowledge of some Islamic or Arabic terms used during the course of financial or transactional relations guaranteeing hitch-free access to the services of Islamic banks. Thus, this study having critically dissected the issue of discrimination provided some insights into why the issue of perceived discrimination by non-Muslim customers in the services of Islam is rampant in Nigeria. However, this will one way or the other contribute to the existing knowledge. It will allow the non-Muslims to grasp the important aspects of Islamic banking to erase the notion of allegations against them. Lastly, it will also make Islamic banks to be steadfast and lenient when dealing with non-Muslims when offering their services to them.

This study has examined the allegation of discrimination in the services of Islamic banks against non-Muslims. Islamic banks in Nigeria have alleged discrimination on different levels against non-Muslims but it is important to note that there has not been any evidence to substantiate the claim of discrimination. In that wise, it is safe to say that Islamic banks only observe the provisions of *Shariah* in the delivery of their services to all of their customers including non-Muslims. On the contrary, there may be some misconceptions in the terms and conditions of services in Islamic banks which may seem vague or alien to the non-Muslims, efforts should be made by the Islamic banks to doll enlightenment and sensitization program to the perceived and real non-Muslim

customers on some misconstrued aspects of the Islamic banking system in Nigeria. Below are some of the recommendations of this study.

1. Islamic banks in Nigeria should adopt the method of enlightenment and sensitization for both non-Muslims and Muslims on misconstrued aspects of Islamic banks.
2. Further research should be carried out on participatory study as a way of explaining the Islamic terminologies in the services of Islamic banks to the non-Muslims in Nigeria.
3. Islamic banks should cultivate the habit of publicizing the data based on the number of their existing and new customers to clear the doubt of whosoever thinks Islamic banks exist or discriminate against certain people.
4. Central Bank of Nigeria should provide a feedback mechanism to report any act of discrimination by any Islamic bank against non-Muslims.

### **13.0. CONCLUSIONS**

This research has critically examined the allegations of discrimination faced by non-Muslims in Nigeria's Islamic banking sector, with a specific focus on the legal processes required to distinguish between hearsay and admissible evidence. The study highlights the challenges of navigating religiously grounded financial services in a pluralistic society and underscores the importance of establishing clear legal standards to evaluate discrimination claims. The distinction between hearsay and admissible evidence is essential not only for legal clarity but also to uphold the credibility of both clients' complaints and the Islamic banking institutions' defense mechanisms. Without rigorous evidentiary standards, hearsay can perpetuate misconceptions and undermine the integrity of legal assessments. Furthermore, this research underscores the need for Nigerian banking institutions and regulators to develop robust frameworks that protect clients' rights regardless of religious background, promoting inclusivity while respecting Islamic banking principles. By reinforcing legal and regulatory measures, Nigeria can foster an equitable banking environment, thus encouraging trust and access for all. With the exploration of the empirical data on client experiences across a broader range of institutions helped to expand understanding and further reinforce the balance between religious practices and non-discriminatory access to financial services.

## REFERENCES

- Abbas, G., Islamic banking: its adoption, future and prospect. The Nigerian Tribune, 2011, <http://tribune.com.ng/index> (accessed Mar. 14, 2013).
- Abdul Mannan, Muhammad (1986), Islamic Economics: Theory and Practice. (Britania: The Islamic Academy, Cambridge).
- Abdullah Saif Al Nasser, S., Datin, & Muhammed, J. (2013). Introduction to the history of Islamic banking in Malaysia. *Humanomics*, 29(2), 80-87.
- Abdullah, A. A., Sidek, R., & Adnan, A. A. (2012). Perception of non-Muslim customers towards Islamic banks in Malaysia. *International Journal of Business and Social Science*, 3(11), 151-163.
- Abdullah, N. I., & Dusuki, A. W. (2006). Customers' perceptions of Islamic hire-purchase facility in Malaysia: An empirical analysis. *IJUM Journal of Economics and Management*, 14(2), 177-204.
- Adnan, A. A. (2012). Perception of non-Muslim customers towards Islamic banks in Malaysia. *International Journal of Business and Social Science*, 3(11), 151-163.
- Ahasanul, H., Jamil. O. and Ahmad, Z. (2007). "Islamic Banking: Customer Perception and its Prospect on Bank Product Selection towards Malaysian Customer Perspectives", 5th International Islamic Finance Conference 2007.
- Ahmad, M. M., & Pandey, D. (2010, May). Are Islamic banks better immunized than Conventional banks in the current economic crisis? In 10th Global Conference on Business & Economics.
- Ahmed, H. (2014). Islamic banking and *Shari'ah* compliance: a product development perspective. *Journal of Islamic finance*. 3(2), 15-29.
- Akintola, A. (2011). Hiring discrimination in racially diverse labour markets: A Cross Country Study.
- Alam, I., & Seifzadeh, P. (2020). Marketing Islamic financial services: A review, critique, and agenda for future research. *Journal of Risk and Financial Management*, 13(1), 12.
- Alao, D. O., & Alao, E. M. (2012). Islamic Banking: The Controversy over Non-Interest Banking System in Nigeria. *Nigerian Chapter of Arabian Journal of Business and Management Review*, 62(1084), 1-14.
- Aliyu, S. U. R. (2012). Islamic banking and finance in Nigeria: issues, challenges and opportunities.
- Aziz, A. A. (2009). Islamic banks are also responsible for the global financial crisis: experts. Retrieved 7th March 2009 from [www.khaleejtimes.com](http://www.khaleejtimes.com).
- Banks and Other Financial Institutions Act, 1991.
- Beekun, R. I., & Badawi, J. A. (2005). Balancing ethical responsibility among multiple organizational stakeholders: The Islamic perspective. *Journal of business ethics*, 60, 131-145.
- Bello, A.D. (2011a), Financial Inclusion in Nigeria and the Prospects and Challenges of Islamic Microfinance Banks. Prepared for presentation at the 2nd international conference on inclusive Islamic financial sector development, Khartoum, Sudan.
- CBN, (2017), *Shariah Governance of Islamic Financial Institutions (IFIS): An Analysis of the Central Bank of Nigeria (CBN) Regulatory Guidelines*.
- Chapra, M. U. (1985). Towards a just monetary system (Vol. 8). International Institute of Islamic Thought (IIIT).
- Dauda, M. (2013). Legal framework for Islamic banking and finance in Nigeria. *Electronic Journal of Islamic and Middle Eastern Law (EJIMEL)*, 1(7), 160-170.

- Decker, D. (2011). Is Islamic banking in Nigeria a good idea? Daily Trust Online, Tuesday, 26 July.
- Egboro, E.M., —Interest Free Banking in Nigeria— Welcome Islamic Banking; Welcome Christian Banking, JORIND 9(2) December, 2011. ISSN 1596 – 8308. [www.transcampus.org](http://www.transcampus.org), [www.ajol.info/journals/jorind](http://www.ajol.info/journals/jorind) 288 accessed 2011.
- Haniffa, R. and Hudaib, M. (2010), “Islamic finance: From sacred intentions to secular goals”, Journal of Islamic Accounting and Business Research, Vol. 1 No. 2, pp. 85-91.
- Islamic Financial Services Board (IFSB) (2016), “Islamic financial services industry stability report”, available at: [http://www.ifsb.org/docs/IFSI%20Stability%20Report%202016%20\(final\).pdf](http://www.ifsb.org/docs/IFSI%20Stability%20Report%202016%20(final).pdf) (accessed 23 December 2017).
- Iqbal, Z. (1997). Islamic financial systems. Finance and development, 34, 42-45.
- Jaiz Bank Plc Annual Report and Accounts 2014, 3
- Kettell, B. (2010). Frequently asked questions in Islamic finance. John Wiley & Sons.
- Mustafa, D. A., & Idris, M. (2015). The contributions of Islamic economic institutions to modern Nigeria. Journal of Islam in Nigeria, 1(1), 36-58.
- Muneeza, A., Nurul Atiqah Nik Yusuf, N., & Hassan, R. (2011). The possibility of application of salam in the Malaysian Islamic banking system. Humanomics, 27(2), 138-147.
- Muritala, K. K., —Utilising Islamic Banking Products to Alleviate Poverty in Nigeria, I Ife Journal of Religions Vol.8. (2012): 122.
- Nasar, R. M., Naseef, M., & Battour, M. (2020). أثر أخلاقيات التسويق على ولا الزبون في شركات الاتصالات الخلوية الفلسطينية: إطار مفاهيمي.
- Obeidat, B., El-Rimawi, S., Maqableh, M., & Al-Jarrah, I. (2013). Evaluating the profitability of the Islamic banks in Jordan. European Journal of Economics, Finance and Administrative Sciences, 56, 27-36.
- Olayemi, A. A. M. (2011). The legality of Islamic banking in Nigeria: A critical approach. Available at SSRN 1941010.
- Orisankoko, A. S. (2012). The Propagation Of Non-Interest Banking In Nigeria: An Appraisal Of The Ideological Risk. Journal of Islamic Banking & Finance, 29(1).
- Sa'id, H. (2020). Exploring the development of Islamic banking in Nigeria using an actor-network theory perspective. Journal of Islamic Accounting and Business Research, 11(5), 1083-1099.
- Sam, E. Okogie says no to Islamic Banking, The Vanguard post. July 4 (2011):65).
- Sanusi, S. L. (2011). The global financial meltdown and the reforms in the Nigerian banking sector. CBN Journal of Applied Statistics (JAS), 2(1), 7.
- Sanusi, L.S. (2011) “16th annual CBN seminar for financial market journalists in Adamawa state” in Boh, M. (2011) Vanguard. “Nigeria: CBN to extend Islamic banking to other financial sectors”. Oct. 3.
- Siddiqi, M. N., & Banking, L. I. (2001, June). Towards a grass-roots-based Islamic finance for all. In Eighth Annual International Conference of LaRiba Islamic Banking (Keynote address). Los Angeles, CA.
- Soludo, C.C (2006), “Consolidating the Nigerian banking industry to meet the development challenges of the 21st century”, available at: [www.thisdaylive.com/articles/cbn-fixes-in-loan-capital-for-Islamic-banks/93711/](http://www.thisdaylive.com/articles/cbn-fixes-in-loan-capital-for-Islamic-banks/93711/) (accessed June 17, 2013).
- S.O.M. Prelate, Our fear of Islamic banking is not unfounded. The Sunday Vanguard. July 17 (2011):13
- Suratul Al-Baqarah [Q02 vs 275-279]

- Unegbu, V. E., & Onuoha, U. D. (2013). Awareness and use of Islamic banking in Nigeria. *Arabian Journal of Business and Management Review*, 34(981), 1-20.
- Wilson, R. (1997). Islamic finance and ethical investment. *International Journal of Social Economics*.
- Wilson, R. (2000). Challenges and opportunities for Islamic banking and finance in the West: The United Kingdom experience. *Islamic Economic Studies*, 7(1).
- World Bank. (2017). Nigeria Bi-Annual Economic Update, April 2017: Fragile Recovery. World Bank.