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Between Shariah Banking Preferences and Financial Accessibility: Customer Adaptation Following Bank Muamalat Branch Closure in Boalemo, Indonesia

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ABSTRACT

Closing a physical Islamic bank branch may create challenges for customers seeking continued access to Shariah-compliant financial services. This study examines local-government and community responses to the closure of Bank Muamalat KCP Boalemo, Indonesia, and explores how interviewed customers adapted their banking practices following the withdrawal of local branch services. A descriptive qualitative approach focused on a single institutional case was employed. Data were collected in April 2026 through semi-structured interviews with 14 purposively selected informants, comprising six respondents listed under local government and eight respondents listed under community, supported by non-participant observation and documentation. Data were analysed through reduction, display, and conclusion drawing with verification, using cognitive, affective, and conative dimensions as an analytical framework. The findings indicate that government informants expressed concern about the closure but offered varying explanations for its causes, and the interviews did not identify a dedicated initiative to restore physical access to Islamic banking. Community informants reported disappointment and adapted their banking practices by using digital Islamic banking services, conventional banks, or both. Participants also described difficulties obtaining assistance for branch-dependent transactions. The study illustrates how practical accessibility constraints may influence the relationship between preferences for Shariah-compliant banking and reported financial behaviour. Its contribution lies in examining stakeholder responses to institutional withdrawal rather than the adoption of an operating Islamic bank. The findings are context-specific and do not establish causal changes in public trust, financial literacy, or regional economic resilience.

Kata Kunci:
Perbankan syariah; penutupan kantor cabang; respons pemangku kepentingan; aksesibilitas perbankan; adaptasi perbankan; kerangka kognitif–afektif–konatif

ABSTRAK

Penutupan kantor fisik bank syariah dapat menimbulkan kendala bagi nasabah dalam mempertahankan akses terhadap layanan keuangan sesuai prinsip syariah. Penelitian ini menganalisis respons perwakilan pemerintah daerah dan masyarakat terhadap penutupan Bank Muamalat KCP Boalemo, Indonesia, serta adaptasi praktik perbankan nasabah yang diwawancarai setelah layanan kantor setempat dihentikan. Penelitian menggunakan pendekatan kualitatif deskriptif yang berfokus pada satu kasus kelembagaan. Data dikumpulkan pada April 2026 melalui wawancara semiterstruktur terhadap 14 informan purposif, terdiri atas enam responden berlabel pemerintah daerah dan delapan responden berlabel masyarakat, serta didukung oleh observasi nonpartisipan dan dokumentasi. Data dianalisis melalui reduksi, penyajian, serta penarikan dan verifikasi kesimpulan menggunakan kerangka kognitif, afektif, dan konatif. Informan pemerintah menunjukkan kepedulian, tetapi memberikan penjelasan yang berbeda mengenai penyebab penutupan; wawancara tidak mengidentifikasi inisiatif khusus untuk memulihkan akses fisik. Informan masyarakat melaporkan kekecewaan dan beradaptasi melalui layanan digital, bank konvensional, atau kombinasi keduanya. Mereka juga menyampaikan kesulitan dalam memperoleh bantuan untuk transaksi yang memerlukan layanan tatap muka. Kasus ini menunjukkan bahwa kendala akses praktis dapat memengaruhi hubungan antara preferensi keuangan syariah dan perilaku transaksi yang dilaporkan. Temuan bersifat

Article type:
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kontekstual dan tidak membuktikan adanya perubahan kausal pada kepercayaan publik, literasi keuangan, atau ketahanan ekonomi syariah di tingkat regional.

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INTRODUCTION

Islamic banking provides financial intermediation under Shariah principles while meeting contemporary expectations of reliable, convenient services. Its value to customers encompasses both financial functions and adherence to permissible contractual arrangements. Shariah compliance, service quality, and perceived spiritual benefits are associated with satisfaction and loyalty (Ahmed, 2022; Hafasnuddin & Majid, 2022). Yet preference for Islamic banking translates into sustained use only when suitable services remain accessible in practice.

Indonesia's Islamic banking sector operates alongside conventional financial institutions and has undergone institutional restructuring and digital transformation. Bank Syariah Indonesia began operating on 1 February 2021 following the merger of three state-owned Islamic banks (Bank Syariah Indonesia, n.d.). The Financial Services Authority's Roadmap for the Development and Strengthening of Indonesian Islamic Banking 2023–2027 identifies industry resilience, digitalisation, Islamic banking characteristics, economic contribution, and supervisory strengthening as priorities (Otoritas Jasa Keuangan, 2023). These national developments provide policy context; they do not explain the closures examined here. Research also underscores the importance of institutional performance (Trinugroho et al., 2021) and evolving customer interactions through financial technology (Broby, 2021).

Physical banking services remain relevant for customers who require assistance, specialised transactions, and help with account problems. Geographic distance and transport arrangements affect practical access following branch closure (Higgs et al., 2022). Studies of territorial financial exclusion and branch location similarly identify the importance of infrastructure and geographic conditions (Alonso et al., 2023; Aversa et al., 2022). However, findings from conventional banking settings cannot simply be assumed to apply to Islamic banking, where locally available conventional alternatives may not provide equivalent Shariah-compliant products.

This distinction also complicates the relationship between religious preferences and financial behaviour. Financial literacy, religiosity, and perceptions of Shariah compliance are associated with interest in and attitudes toward Islamic banking (Yeni et al., 2023; Trisanty et al., 2024). Nevertheless, expressed religious attitudes do not invariably correspond to financial choices (Ahmad et al., 2023). Access to suitable channels may condition whether these preferences can be realised in everyday banking practice.

Bank Muamalat KCP Boalemo, situated in Tilamuta District, Boalemo Regency, Gorontalo Province, operated from December 2010 until April 2025—approximately 14

years and four months. Following closure, field observation in April 2026 found that its former branch and ATM were no longer operating. The research materials describe it as the only identified physical Islamic bank office in the regency, while conventional bank offices remained locally available.

Relevant research streams have largely addressed Islamic banking adoption, satisfaction, loyalty, digital service use, or restructuring, and separately the spatial and relational consequences of branch closures (Bonfim et al., 2021; Calzada et al., 2023). The intersection merits closer examination where a locally accessible Islamic bank office is withdrawn. The case is useful for exploring not just individual customers' reactions, but also the distinction between the expressed views of government representatives and documented institutional action. The research gap is therefore specifically about responses and banking adaptation in this post-withdrawal service setting, not a claim that no comparable study has ever been undertaken.

This study asks: (RQ1) How did interviewed local-government representatives and community members perceive and respond to the closure of Bank Muamalat KCP Boalemo across cognitive, affective, and conative dimensions? (RQ2) How did interviewed customers adapt their banking practices to reduced local physical access to Bank Muamalat services? A descriptive qualitative inquiry drew on interviews with 14 purposively selected participants, observation, and supporting documentation. The cognitive–affective–conative (CAC) framework organises reported knowledge, feelings, and actions, while service accessibility contextualises practical banking choices. The study offers a case-specific interpretation of the gap between preference and feasible service use; it does not establish causal changes in public trust, financial literacy, or regional resilience.

LITERATURE REVIEW

Response dimensions and institutional context

The cognitive–affective–conative (CAC) perspective distinguishes knowledge and interpretation, emotional evaluation, and intended or reported action. The tripartite tradition in attitude research differentiates cognitive, affective, and behavioural components (Rosenberg & Hovland, 1960). Lim and Kim (2020) apply a CAC perspective to consumer behaviour, although their context concerns online shopping. The framework is therefore used here to organise interview accounts, not to assert a causal sequence or validate a model of government institutional behaviour.

Banking research indicates that trust and relationship evaluations may involve both cognitive and affective components (Bada & Karupiah, 2021; Moin et al., 2021). Customers may feel disappointed yet retain accounts or continue transactions despite the inconvenience. Government representatives' personal views, in turn, cannot automatically be treated as formal institutional decisions: policy action depends on authority, procedures, resources, and the institutional mandate.

Islamic banking preference and service access

Research connects Shariah compliance, spiritual benefits, religiosity, perceived value, and service quality with Islamic banking satisfaction and loyalty (Ahmed, 2022;

Hafasnuddin & Majid, 2022; Abror et al., 2023; Alfaisaly, 2024). These studies illuminate preferences but do not establish that favoured institutions remain practically accessible. As a cross-sector conceptual analogy—not a banking-specific validated scale—Penchansky and Thomas (1981) distinguish service availability, accessibility, accommodation, affordability, and acceptability. Here the terms are used cautiously to separate the presence of banking channels from travel burdens, required assistance, costs, and perceived suitability; no access dimensions were independently scored.

Digital banking is one potential response to limited physical infrastructure, but service channels are not perfect substitutes (Simmers et al., 2022). In Islamic banks, digitalisation and customer acceptance depend on service quality, technological and behavioural factors, and institutional capacity (Zouari & Abdelhedi, 2021; Sudarsono et al., 2022; Nurfadilah et al., 2023).

Branch closure and territorial access

Branch withdrawal can change the spatial distribution of services and the time and expenditure needed for transactions that require direct support. Studies of geographic banking access stress transport and place-based differences (Higgs et al., 2022; Alonso et al., 2023; Aversa et al., 2022), while evidence of branch contraction points to uneven effects across areas (Calzada et al., 2023). Changes in bank relationships can also involve costs beyond travel (Bonfim et al., 2021), and accessibility may matter for broader local economic activity (Ho & Wilhelmsson, 2022). These sources provide a comparative rationale, not direct evidence of regional economic outcomes in Boalemo. Importantly, branch closure is not synonymous with a service failure or a banking crisis; strategic office withdrawal and individual poor service encounters have different causes and institutional implications.

Banking adaptation, confidence and learning

Customers facing reduced physical service availability may continue banking digitally, shift some transactions, or use several providers simultaneously. Banking-channel experiences are differentiated (Simmers et al., 2022), and adoption of Islamic mobile or internet banking relates to compatibility, trust, and perceived benefits (Sudarsono et al., 2022; Astuti et al., 2025). Thus, using a conventional bank does not necessarily indicate rejection of Shariah-compliant finance; religious attitudes and observed financial behaviour may diverge (Ahmad et al., 2023). Changes in services may also affect customers' sense of reliability and their ability to obtain product explanations, although trust and literacy cannot be inferred to have declined without direct measurement. Relevant work connects trustworthiness and trust (Gokmenoglu & Amir, 2021) and Islamic financial literacy, perceptions, and scepticism with banking interest (Yeni et al., 2023; Trisanty et al., 2024).

Integrated analytical approach

The CAC dimensions guide comparisons of the two interviewed groups. Individual factors refer to prior experiences and preferences; bank-related factors concern products, communication, ATM coverage, branch assistance, and digital features; situational factors include distance, available alternatives, and local economic conditions. These are

interpretive categories, not statistically verified determinants. Four broader domains — accessibility, trust, literacy, and regional Islamic economic resilience — are considered only to the extent the evidence permits. The present interviews provide the most direct evidence on reported service access and behavioural adaptation; they do not measure shifts in the three broader outcomes.

METHOD

Research design, location and period

This study used a descriptive qualitative approach focused on the closure of Bank Muamalat KCP Boalemo. It explored participants' understanding, reactions, and banking adaptations, not statistical effects or causal relationships. The case was geographically bounded to Boalemo Regency, with particular attention to Tilamuta, the former branch location. According to the original research materials, closure occurred in April 2025; fieldwork was reported to have been undertaken in April 2026, within the research period authorised by the local-government recommendation (2 April–2 May 2026). The approximately one-year interval creates potential retrospective recall bias. Units of observation were interviewed government representatives and community members; the unit of analysis was their reported responses and perceived service-access conditions.

Data sources and purposive sampling

The study involved 14 purposively selected interviewees, confirmed by the authors as six government-group informants and eight community/customer-group informants. This classification follows the source sections of the supplied Indonesian-language interview compilation and is used consistently throughout the revised article. Government-group membership describes the respondent grouping used in the research; individual statements are not treated as official institutional decisions. The former manuscript table reported five and nine informants, respectively; that earlier categorisation has been corrected on the basis of the confirmed interview roster. The sample comprises public-sector personnel and customers, including an entrepreneur, teacher, and academic, but does not adequately represent several rural and informal occupations. The original eligibility criteria and recruitment implementation should be checked against the study records (Campbell et al., 2020; Andrade, 2021; Staller, 2021).

Observation, interviews and documentation

Non-participant observation at and around the former Bank Muamalat location documented the closed branch and ATM, as well as nearby conventional banking facilities. These observations provided contextual corroboration of visible local conditions, not an exhaustive survey of Islamic financial infrastructure. The supplied Q&A compilation contains eight question prompts for government-labelled respondents in its first section and five prompts for the two later government-labelled respondents; community respondents were generally asked six prompts. Responses cover knowledge of closure, emotional reaction, bank use, alternatives, economic circumstances, and proposed measures. Several questions have no recorded response. The file is a compiled response document, not verified full audio transcripts; it cannot independently establish interview

duration, exact sequence, the full spoken wording or the mode of recording. Research materials also included photographs and other documentary items. Field photographs should not be characterised as independently produced secondary institutional evidence.

Data reduction, display and verification

The response compilation was reviewed item by item by source section, informant and question number. A provisional, traceable evidence index links passages to themes: closure awareness, reactions, institutional action, Shariah-service value, account retention, switching or multi-bank use, direct-service problems and access barriers. This is a revision-stage source indexing exercise, not proof that the original research team used the same formal coding workflow. Distinct or conflicting accounts—for example, one government-labelled respondent anticipating limited impacts and several customers describing substantial inconvenience—are retained rather than averaged into an intensity score. Conclusions are limited to the respondents and material available.

Analytical framework and credibility

CAC was a sensitising organisational framework, not a numerical rating scale. Cognitive refers to interpretations and knowledge, affective to attitudes and emotions, and conative to reported action or adaptation. Individual characteristics, bank-related features, and situational conditions were considered as potential contextual influences. Statements by individual officials were not treated as formal government policy. The original manuscript reports triangulation using interviews, observation, documentation, and cross-informant comparison. Observation could establish visible conditions at the former branch but could not determine why management closed it or confirm the full banking network. No confirmed evidence was provided of member checking, independent coding, reflexive journaling, or formal audit procedures.

Ethical considerations

The researcher obtained an administrative research recommendation from the Boalemo Regency Government, National Unity and Political Affairs Agency (Badan Kesatuan Bangsa dan Politik/Kesbangpol), Letter No. 500.5.7.15/KESBANGPOL/73/IV/2026, issued on 1 April 2026 for research from 2 April to 2 May 2026. According to the researcher's confirmation, participants provided verbal informed consent before interviews, including consent to audio recording. No written individual consent forms were reported. Interviewees are identified only by coded identifiers G01–G06 and C01–C08; names and specific residential details are omitted from the article. Administrative research authorisation differs from research ethics committee approval; the supplied Kesbangpol recommendation must not be presented as ethics-committee approval. Publication of translated anonymised excerpts should comply with the participants' original consent scope and the journal's policies.

RESULTS

Research setting and banking environment

Boalemo Regency comprises seven districts. The study focused on the former Bank Muamalat service location in Tilamuta and customer experiences of accessing banking facilities after the reported closure. The original study identifies Bank Muamalat KCP Boalemo on Jalan Husain Dj. Rahman, Limbato, Tilamuta, and reports operations from December 2010 until April 2025. It describes savings, deposit, current-account, and financing services. The precise closure date and historical office-network status require confirmation against primary bank or regulatory documentation. Participants described the former local Bank Muamalat office and ATM as no longer operational and reported continued physical access to conventional banks. This observation is limited to the locations examined: it does not establish that no other Shariah-compliant office, agent or financial-service provider existed anywhere in Boalemo. Continued Bank Muamalat customers described relying on digital services or visiting distant offices for needs they could not resolve remotely.

Informant profile

The authors confirmed that all 14 people listed in the supplied interview compilation were interviewed: six from the government group (G01–G06) and eight from the community/customer group (C01–C08). Ages recorded in the compilation range from 25 to 55 years. The grouping follows the interview source and does not imply that every government-group participant was authorised to speak for the local administration. Participants included public-sector employees, bank customers, an entrepreneur, an academic, and a teacher. The earlier five-government/nine-community description has been replaced by the author-confirmed six/eight classification. The community group's occupational concentration limits transferability.

Table 1. Characteristics of research informants

Code	File category	Gender	Age band	Residence (general)	Role category
G01	Government-labelled	Not recorded	30–39	Boalemo Regency	Contract/public-sector employee; verify remit
G02	Government-labelled	Not recorded	50–59	Boalemo Regency	Public-sector employee; former finance role
G03	Government-labelled	Not recorded	30–39	Boalemo Regency	Public-sector employee; former bank role
G04	Government-labelled	Not recorded	40–49	Boalemo Regency	Public-sector employee
G05	Government-labelled	Not recorded	40–49	Boalemo Regency	Legislative secretariat
G06	Government-labelled	Not recorded	50–59	Boalemo Regency	Regional administrative assistant
C01	Community-labelled	Not recorded	50–59	Boalemo Regency	Civil servant
C02	Community-labelled	Not recorded	20–29	Boalemo Regency	Teacher

C03	Community-labelled	Not recorded	30–39	Boalemo Regency	Academic
C04	Community-labelled	Not recorded	20–29	Boalemo Regency	Entrepreneur
C05	Community-labelled	Not recorded	40–49	Boalemo Regency	Civil servant
C06	Community-labelled	Not recorded	50–59	Boalemo Regency	Civil servant
C07	Community-labelled	Not recorded	30–39	Boalemo Regency	Civil servant
C08	Community-labelled	Not recorded	40–49	Boalemo Regency	Civil servant

Government responses: cognitive, affective and conative

The six government-labelled response records offer different explanations for the closure: some respondents first learned of it through others, while others speculated about weak local economic activity, bank targets, efficiency, or the banking network. These comments do not confirm the bank's institutional reasons. One respondent reported that the information circulated person to person (G01, Q1), and another described uncertainty about the effects on banking principles and noted that conventional banks were more widely used (G02, Q5).

> *"I did not know much about the closure because it happened suddenly ... I learned about it from a friend, through word of mouth." (G01, government-labelled interview, Q1; translated from Indonesian; source pp. 1–2).*

Government-labelled respondents described surprise and concern, particularly around Hajj savings and customers facing longer journeys. Some also spoke as Bank Muamalat customers themselves, illustrating overlap between institutional and individual perspectives. This overlap limits the ability to treat their statements as formal government responses. A participant whose response appears under the government section described both personal banking inconvenience and the hope that local authorities would support renewed access to Islamic banking (G05, Q4–Q5).

> *"I personally feel the effect because, to be frank, I am also an active customer ... in terms of time and location, I need additional time." (G05, government-labelled interview, Q4; translated from Indonesian; source p. 30).*

Responses to government-action questions distinguished individual views and aspirations from documented policy. One participant explicitly stated that no government steps had been taken so far (G01, Q7), while another proposed stimulating local economic activity and cited a Rp93 billion reduction in transfers, around 1,000 anticipated personnel, and a Rp28 billion cooperative program (G06, Q5). These figures reflect a single interviewee's unverified account, not corroborated fiscal records or demonstrated closure effects. The

supplied Q&A file does not prove an absence of action across all relevant government institutions.

> *"Until now there have been no government steps; things have simply carried on as if everything were fine." (G01, government-labelled interview, Q7; translated from Indonesian; source p. 2).*

Community responses: cognitive, affective and conative

Community-labelled participants valued the bank for Shariah-compliant savings products, accounts with reportedly limited deductions, and familiar service. Some explicitly linked their preference to wadiah savings and Shariah principles (C05, Q1). They differed on why the bank closed: one respondent emphasised conventional-bank accessibility (C01, Q4), whereas another argued that the number of Bank Muamalat customers made low literacy an insufficient explanation (C08, Q4). Neither is verified evidence of the bank's reasons.

> *"I chose to save there because it uses Shariah principles ... whatever amount I deposited was not charged a fee." (C05, customer interview, Q1; translated from Indonesian; source pp. 20–21).*

Several customer records describe surprise and disappointment. These feelings coexist with continued banking relationships: one customer described keeping Bank Muamalat savings after the closure, while reporting a blocked PIN for approximately three months before the problem was resolved (C05, Q3); another said family savings had been held there, but her own funds had moved to a relative's BRI account (C01, Q2–Q3). Because the Q&A compilation is not a verbatim audio transcript, check quotation accuracy before publication.

> *"I was shocked by the closure of Bank Muamalat because some of my funds were kept there, together with my child's." (C01, customer interview, Q2; translated from Indonesian; source p. 8).*

Accounts of adaptation were not uniform. C01 reported moving savings to a child's BRI account (Q3). C07 described transferring money from Bank Muamalat to BNI for withdrawal (Q3), while C08 reported using Muamalat DIN and transferring to another bank when cash was needed (Q3). C05 reported remaining committed to Bank Muamalat savings despite using other transaction services (Q5). These cases show retained accounts, switching, and multi-bank use but do not establish when participants first held conventional accounts.

> *"Now, if I want to withdraw my savings from my Muamalat account, I transfer what I need to my BNI account and then withdraw it." (C07, customer interview, Q3; translated from Indonesian; source p. 26).*

The limitations of remote channels are supported by specific accounts. C02 reported an expired ATM card and use of conventional bank facilities (Q3). C05 described a PIN blocked for about three months and difficulty arranging a trip because working hours overlapped with bank opening hours (Q3). C06 described an expired card and uncertainty over whether to continue with Bank Muamalat (Q3). C08 reported continued use of Muamalat DIN but additional transfers for cash withdrawals (Q3). These are participant-reported incidents, not a representative measure of digital exclusion.

> *"My PIN was blocked for approximately three months, so I could not transact and had to find time to go to Limboto to resolve it." (C05, customer interview, Q3; translated from Indonesian; source p. 21).*

Contextual factors

Individual factors included prior experience with savings products, religious preferences, and familiarity with the bank; bank-related factors included branch availability, cards, ATMs, and app functionality; and situational factors included local alternatives, working schedules, and distance. Contrasting accounts caution against a uniform narrative. G02 believed the overall impact might be limited because conventional banking predominated (Q5), whereas C05 reported significant personal disruption involving a blocked PIN (Q3). These differences are preserved as negative or contrasting evidence, not treated as statistical distributions.

> *Contrasting case: "In my view, it does not have much impact ... because, from what I see, people predominantly use conventional [banking]." (G02, government-labelled interview, Q5; translated from Indonesian; source p. 3). This contrasts with the documented transaction difficulties reported by C05 and C06.*

Reported access consequences

Interviewees repeatedly described distant physical service options and practical difficulty arranging branch visits. C04 reported having to go to Limboto or Gorontalo City if an account problem occurred (Q3), C05 reported difficulty resolving a blocked PIN because bank opening hours overlapped with working hours (Q3), and C07 described going to Gorontalo City to discuss a child's savings product (Q3). The original manuscript contained unverified estimates of distance, time, and travel cost; these are not used here as measured results.

C04 reported having to travel to Limboto or Gorontalo City when a problem arose (Q3); C05 reported work schedules preventing a quick visit to resolve a blocked PIN (Q3); and C07 reported travelling to Gorontalo City for a consultation about a child's savings product (Q3). These accounts establish perceived service barriers, not a quantified population-level decline in trust, literacy, or regional resilience.

> *"If there is a problem, I have to go to the physical office in Limboto or Gorontalo City." (C04, customer interview, Q3; translated from Indonesian; source p. 18).*

Table 2. Interview-supported access and adaptation experiences

Aspect	Reported experience	Interview source
Physical account support	Blocked PIN and expired card	C05 Q3; C02 Q3; C06 Q3
Branch visits	Need to travel to Limboto or Gorontalo City	C04 Q3; C07 Q3
Digital/transfer alternatives	Muamalat DIN or transfers to other banks	C07 Q3; C08 Q3
Switching funds	Transfer to conventional bank account	C01 Q3
Contrasting experiences	One participant considered impacts limited	G02 Q5

Summary of findings

The interview compilation documents varied accounts of closure and heterogeneous banking adaptations: continued Shariah savings alongside alternative cash channels, movement of some savings, and unresolved or subsequently resolved branch-dependent account problems. Government-group respondents range from reporting no known specific action to advocating education and economic stimulus. The confirmed sample contains six government-group and eight community-group participants. Attributions remain subject to verification by checking the compiled answers and English translations against the original recording or field records.

DISCUSSION

CAC responses and the limits of institutional inference

The CAC framework helped separate what participants believed, felt, and reported doing after the branch closure. Nevertheless, these dimensions did not form a universal observed sequence. Interviewed officials expressed concern but did not describe a dedicated restoration initiative. This should not be interpreted as institutional indifference: the sample omitted several relevant agencies, and banking management, under applicable regulation, decides a bank's branch network. The interviewed officials' personal views therefore do not reflect government decisions. A framework developed for individual attitudes needs to be applied cautiously to public institutions. Banking research on cognitive and affective trust (Bada & Karupiah, 2021; Moin et al., 2021) supports the distinction between evaluations and action but cannot establish causal sequencing in these interviews.

Among community participants, positive evaluations of Shariah-compliant services sometimes coexisted with conventional-bank transactions. This need not be a contradiction: behaviour depends in part on what services customers can practically obtain. The study therefore uses CAC as a descriptive interpretive framework rather than claiming to confirm or extend a quantified behavioural model. Future work could explicitly examine the conditions under which attitudes predict actions, including the distinction between individual intentions and authorised institutional action.

Accessibility and the preference–behaviour relationship

Islamic banking loyalty has been associated with service quality, religious preference, trust, and perceived value (Ahmed, 2022; Hafasnuddin & Majid, 2022; Abror et al., 2023; Alfaisaly, 2024). The Boalemo accounts add a post-withdrawal setting in which continued preference for Shariah-compliant finance did not necessarily mean exclusive use of Bank Muamalat. This is compatible with the distinction between stated religious attitudes and financial behaviour identified by Ahmad et al. (2023). The study does not establish that reduced access caused customers to change their underlying religious commitments.

Reported needs involving PINs, cards, Hajj-related transactions, and account assistance show why digital banking and physical channels may perform different functions. Evidence on channel-specific satisfaction (Simmers et al., 2022) and Islamic banking digitalisation and adoption (Zouari & Abdelhedi, 2021; Sudarsono et al., 2022) supports considering substitution as partial rather than automatic. The access concepts of availability, geographic/practical accessibility, affordability, and acceptability help explain why an operating distant service or mobile application may not fully meet local needs. These concepts were not standardised measures in the present research. Availability of conventional physical branches likewise does not guarantee local availability of equivalent Shariah-compliant services.

Alternative explanations and negative evidence

The newly supplied responses provide identifiable contrary perspectives rather than merely hypothetical alternatives. G02 argued that the effect was limited because conventional banking dominated, while C05, C06, and C07 described significant personal transaction barriers. C05 also maintained a positive preference for Bank Muamalat despite a service problem, showing that access difficulty did not lead to uniform abandonment. Some respondents already used conventional banking or payroll channels, but the file does not consistently establish when such arrangements began.

The original manuscript recorded approximately 13,171 customers and a regional population estimate of 154,108, but the sources and units are not verified. Dividing these figures would not yield a defensible market penetration rate: a bank customer count may include duplicate accounts or nonresidents, and the population figure describes all residents rather than a defined eligible market. A comparison also would not establish demand before closure.

The new interview compilation supports respondent-specific descriptions and a source-linked provisional theme matrix. It does not supply complete audio transcripts, a verified sampling log, official bank closure notices, or an independent account of the original coding procedures. The evidence does not establish customer-wide prevalence or longitudinal changes in trust, literacy or regional resilience.

Territorial access and limits of regional claims

Reported distance and transport demands suggest a narrower kind of access difficulty: in-person Bank Muamalat transactions became less convenient for interviewed customers. Spatial studies emphasize transport and infrastructure rather than branch counts alone

(Higgs et al., 2022; Alonso et al., 2023; Aversa et al., 2022; Calzada et al., 2023). Nevertheless, these studies mostly concern other countries and conventional banking settings; their findings cannot be directly transferred to Boalemo. The case does not demonstrate complete exclusion from financial services because conventional banks and some digital Islamic banking functions remained available.

The absence of one physical bank also does not show poor resilience across the entire Islamic economic ecosystem. Other potential institutions—Islamic microfinance, cooperatives, BMTs, zakat organizations and halal enterprises—were not mapped systematically. Literature connecting physical banking access with firm creation or disrupted lending relationships (Ho & Wilhelmsson, 2022; Bonfim et al., 2021) suggests research avenues, not measured effects on Boalemo's economy. The bounded claim is that withdrawal of the identified local Bank Muamalat branch changed the practical service options reported by interviewed participants.

Trust, learning and implications

Some participants reported surprise or uncertainty while retaining accounts, an observation that is compatible with multidimensional trust rather than its presumed collapse (Bada & Karupiah, 2021; Moin et al., 2021; Gokmenoglu & Amir, 2021). Likewise, losing a face-to-face contact point may narrow opportunities for asking questions about Islamic products, but the study did not measure literacy before or after closure. Research on Islamic financial literacy and scepticism (Yeni et al., 2023; Trisanty et al., 2024) establishes relevance, not a causal effect of this closure. Such outcomes should be tested separately.

Practically, the reported challenges point to a need for clearer service-transition information and accessible resolution of branch-dependent transactions. Whether assisted digital access, authorised service points, mobile assistance, or another mechanism is best requires regulatory, operational, and financial feasibility assessments. Government can facilitate needs assessments and dialogue among actors but cannot be presumed to control a commercial bank's network decisions. The theoretical contribution is context-specific: banking preferences and reported actions should be interpreted alongside customers' feasible access choices and, for government officials, their institutional mandate.
Limitations

CONCLUSION AND RECOMMENDATION

The study examines responses from 14 interviewed participants, comprising six government-group and eight community/customer-group informants, as confirmed by the authors and reflected in the supplied interview records. Participants offered differing explanations for closure and described distinct access difficulties and banking adaptations. Some retained Shariah-compliant accounts while relying on conventional banking facilities for transactions; others transferred funds or experienced obstacles involving cards and blocked PINs. These accounts illustrate a preference–access tension without establishing population-wide changes or causal effects.

The case illustrates how continued preference for Shariah-compliant banking may coexist with greater reliance on alternative financial institutions when local physical

services become less accessible. Certain account, card, and Hajj-related needs reportedly still required direct assistance. The CAC framework was useful for distinguishing knowledge, reactions and actions, but neither a causal sequence nor formal government action can be inferred from individual statements. Travel and cost figures require independent verification. The interviews do not establish measurable reductions in public trust, Islamic financial literacy, or regional Islamic economic resilience.

For the Boalemo Local Government, a priority is to assess unmet needs for Islamic financial services across occupations, ages, and locations, particularly among groups omitted from this sample. This could then facilitate dialogue among Islamic financial institutions, community organisations, relevant government agencies, and regulators about feasible accessibility options, while respecting banking institutions' operational independence, public finance rules, and applicable legal authority. Evaluate potential cooperation on financial education or assisted services rather than assume it will be effective.

For Bank Muamalat, the reported customer experiences suggest value in reviewing post-closure communication and access to help with blocked PINs, expired cards, Hajj transactions and other matters requiring direct assistance. Clear information about alternative offices, complaint routes, contact points and account-management procedures could reduce uncertainty. Possible periodic assistance, authorised service points, or assisted digital channels should be assessed for security, regulatory feasibility, and sustainable operation; the study does not establish that a reopened branch is the only or optimal solution.

For OJK and other relevant authorities acting within their respective mandates, this case suggests considering whether current supervisory practices and applicable rules sufficiently support service-continuity information, accurate branch and service-point records, customer communication and complaint handling during office closures. This is a consideration for review, not a finding of regulatory noncompliance by the bank. Community financial education should prioritise usable product information and transaction guidance, without presuming that low Islamic financial literacy caused closure.

The study concerns one locality and 14 purposively selected informants, comprising six government-group and eight community/customer-group participants. The sample focuses on formally employed people and excludes important occupations and customer groups. The supplied Q&A file includes unanswered prompts and should be checked against original recordings or field notes for quotation fidelity. Interviews were conducted approximately one year after the reported closure, raising recall-bias concerns. The study lacks bank-management and regulator perspectives, independently verified explanations for closure, and measured longitudinal outcomes. An administrative research recommendation was issued by Kesbangpol Boalemo (No. 500.5.7.15/KESBANGPOL/73/IV/2026, 1 April 2026); the researcher reports verbal informed consent. Administrative authorisation is not ethics-committee approval.

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