Financial Inclusion

Reducing poverty and boosting prosperity

About The Islamic Finance Council UK (UKIFC)

The UKIFC is a specialist advisory and development body focused on promoting and enhancing the global Islamic and ethical finance industry. As a dynamic and forward-thinking not-for-profit organisation our Advisory Board Members, who provide pro bono support, have defined and evolved the role we play in making a tangible impact in the global Islamic finance sector. Our principle service areas are: Advisory, Ethical Finance, Training and Awareness and Thought Leadership. The UKIFC is currently Secretariat for the All-Party Parliamentary Group on Islamic Finance.

Financial inclusion seeks to ensure that individuals and businesses can access and use appropriate, affordable and sustainable financial products and services that meet their needs and are delivered responsibly.

According to the World Bank's Global Findex 2025, 79% of adults globally have an account with a bank, financial institution or mobile money provider, up from 74% in 2021. Yet 1.3 billion adults remain without an account, with women and people from poorer households continuing to face greater barriers to financial inclusion.

Financial inclusion is shaped by interconnected factors including the availability, awareness, acceptance, access, affordability and adoption of financial products and services. Through our work with policymakers, regulators, financial institutions and development organisations across multiple jurisdictions, the UK Islamic Finance Council (UKIFC) has developed its "6-A" Model to highlight these dimensions.

Successfully addressing the 6-A model requires a multi-pronged approach involving policymakers, regulators, financial institutions, technology providers and other facilitators. A specific issue we have identified is the availability and acceptance of values-based financial products that align with consumers' faith and ethical preferences, a challenge across both developing and developed markets.

The UKIFC specialises in supporting governments and regulators to develop and optimise enabling frameworks for non-interest, participatory and Islamic finance, helping expand consumer choice and create more inclusive financial systems.

Financial inclusion encompasses payments, savings, credit, insurance and other services that enable individuals and businesses to meet everyday needs, invest in their futures and build resilience to financial shocks. As digital technologies expand access, ensuring products are affordable, suitable, trusted and aligned with consumers' needs is increasingly important.

UKIFC 6-A Model

Our 6-A model below highlights the stages to achieving financial inclusion. The products must be available with consumers made aware of their existence. They must be structured to comply with values / faith principles (i.e. be acceptable) and be accessible through branch, agent or digital distribution channels. Advances in fintech, coupled with the global proliferation of mobile phones, have significantly broadened access to financial services for underserved populations and small businesses at lower cost and risk. However, affordability remains critical to ensuring widespread adoption and continued use.

Acceptance – Faith-Based Inclusion and why ethical parameters matter?

The three Abrahamic faiths - Judaism, Christianity and Islam - take a firm stance against usury and interest-based lending, although their teachings and historical interpretations differ. In Jewish tradition, charging interest was prohibited within the community but permitted in dealings with outsiders. For centuries, the Christian tradition prohibited lending at interest. During the Reformation, attitudes towards interest evolved, leading to a distinction between moderate interest and usury. Islam, on the other hand, maintains a prohibition on riba, encompassing interest-based lending regardless of the rate charged.

Financial Inclusion at a Glance

Source: World Bank, Global Findex 2025

79%

adults globally have a financial account

1.3bn

adults globally remain without a financial account

86%

of adults globally own a mobile phone

7 / 17

UN SDGs for which financial inclusion is a catalyst



"Countries that have achieved the most progress toward financial inclusion have put in place an enabling regulatory and policy environment, and have encouraged competition allowing banks and non-banks to innovate and expand access to financial services."

The World Bank

Those of the Abrahamic faiths, along with other faiths and those of no faith, generally share common values on the ethical principles of justice, fairness, transparency and equity which should underlie economic behaviour. Many people across societies are looking for a fairer form of banking and are increasingly interested in ensuring that their money is not invested in sectors deemed harmful to their communities, but rather contributes to positive social and economic outcomes.

Non-interest, participatory or Islamic finance form part of the ethical finance portfolio and provide a solution to consumers of different or no faiths with an aversion to interest and interest-based products. As such, it can play a key role in diversity and deepening financial inclusion.

How Islamic Finance Works and How it Supports Financial Inclusion

- Inclusive and ethical financing: Provides an alternative to interest-based finance, appealing to individuals seeking Shariah-compliant and socially responsible financial solutions.
- Consumer protection: Operates within established regulatory frameworks, with protections comparable to those offered by conventional financial institutions.
- Risk and reward sharing: Promotes more equitable financial relationships through asset-backed transactions and profit-and-loss sharing arrangements.
- Financial accessibility: Broadens participation in financial services, with products accessible to Muslims and non-Muslims alike.
- Market development: Encourages financial innovation, new market entrants and greater competition in the banking sector.
- Productive investment: Channels capital towards real economic activity and priority sectors through instruments such as sukuk.
- Ethical safeguards: Incorporates investment screening to restrict exposure to activities considered harmful to society.

How Can We Help You?

The UKIFC specialises in advising regulators, NGOs and governments to create suitable policy, enabling regulatory frameworks and build capacity for successfully engaging in non-interest and Islamic finance. Our team includes experts in financial inclusion and Islamic finance with experience advising across a wide range of international jurisdictions.

Our policy development offering focuses on understanding current financial inclusion challenges, benchmarking against best practice approaches and recommending strategies that fit local economic development plans. We can develop, implement or improve regulatory frameworks through advising on legal and policy matters, drafting guidelines and, where required, developing Shariah governance models.

Our commercially focused capacity-building programmes are tailored for regulators, finance professionals, scholars and consumers in any jurisdiction, supporting the development of knowledge, capability and market readiness.

For assignments covering multiple service lines, we recommend the establishment of a project management office, which we believe provides the most efficient and cost-effective solution. Whilst our model adopts an incremental approach, we can offer and deliver each service either on a standalone or combined basis.



Our Triple Impact Solution Framework

Our Work in Islamic and Ethical Finance

- Worked across multiple regulatory agencies in Nigeria from 2009 to 2014 through Enhancing Financial Innovation & Access (EFInA), a development organisation that promotes financial inclusion. Work included: Islamic capacity building sessions for professional bankers, working groups, microfinance programs, developing scholars, identifying regulatory gaps, undertaking operating framework analysis for Shariah compliance, reviewing capital markets master plans and assisting in developing takaful regulatory guidelines.
- Established the Islamic Sustainable Finance Initiative (ISFI) in 2024 with GEFI and Greenpeace MENA, including practitioner-led masterclasses and the Tayyib Fellowship to build capacity at the intersection of Islamic finance and climate action.
- Established the Global Islamic Finance and UN SDGs Taskforce in 2020 with the UK Government and Islamic Development Bank, bringing together global Islamic financial institutions to strengthen engagement with the Sustainable Development Goals.
- Launched the first global partnership between Islamic finance and the Church of Scotland in 2016 with the aim of creating a new financial model available to everyone regardless of religious or ethnic background.
- Launched the Tayyib Inspired Islamic Sustainable Investing Platform in 2024, developed with GEFI to support Islamic asset managers in integrating sustainability and responsible investment alongside Shariah compliance.



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