

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Buying on Credit — Instalments, BNPL, Cards and Financing

How a Muslim in Malaysia or the Gulf tells a lawful deferred sale from riba, from the checkout button to the home-financing form: what to check before signing, and what to do if you already signed the wrong thing.

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How to use this book. Read Chapters 1 and 2 first: every later chapter applies them. Then go to the chapter for the form in front of you: the checkout button (3), the card (4), the bank's cash offer (5), the car or the house (6). If you have already signed something you now doubt, go to Chapter 9. Chapter 12 is one page to keep on your phone. No bank, app or card is named or assessed: the site documents none, and terms change.

CHAPTER 1

Two doors that look alike

The word “instalment” is printed over two different doors. Behind the first is a **sale on a deferred price**: someone who owns a thing sells it to you, the two of you fix one price, and you pay it later, in one sum or in parts. Behind the second is a **loan with an increase**: someone hands you money, or pays a shop on your behalf, and you owe back more money than was paid, often more the longer you take. They look the same from outside, and in the Sharī‘ah they are opposites. The first is trade. The second is ribā.

The people who first heard the prohibition made exactly the objection a modern shopper makes: *what is the difference?* The Qur’ān records the objection and answers it without argument:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقِيمُونَ إِلَّا كَمَا يَقُومُ الَّذِي
يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ
مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ
مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَى فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ
وَمَنْ عَادَ فَأُولَئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ

"Those who devour usury will not stand except as stand one whom the Evil one by his touch Hath driven to madness. That is because they say: "Trade is like usury," but Allah hath permitted trade and forbidden usury. Those who after receiving direction from their Lord, desist, shall be pardoned for the past; their case is for Allah (to judge); but those who repeat (The offence) are companions of the Fire: They will abide therein (for ever)."

Qur'an 2:275

The line is drawn by Allah, not by the size of the monthly figure: a sale can cost you more than a loan and still be lawful, and a loan can cost you less than a sale and still be ribā.

Buying on credit is not blameworthy

Credit is not suspect in itself. The Prophet ﷺ bought on credit, and he left his armour as security for the debt:

The Prophet (ﷺ) purchased food grains from a Jew on credit and mortgaged his iron armor to him **SAHIH**

‘Ā’ishah – Sahih al-Bukhari 2068

The same report is narrated again in the same collection: “Allah’s Messenger (ﷺ) bought food grains from a Jew on credit and mortgaged his armor to him” (Sahih al-Bukhari 2096). A deferred price is lawful, and so is security for a debt (rahn).

Why the payer must care

Ribā is not only the bank's sin. The Prophet (ﷺ) named both sides:

The Prophet (ﷺ) cursed the lady who practices tattooing and the one who gets herself tattooed, and one who eats (takes) Riba' (usury) and the one who gives it **SAHIH**

Abū Juḥayfah – Sahih al-Bukhari 5347

“The one who gives it” is the borrower, the cardholder who pays interest, the customer who pays the increase. (A longer wording in Ṣaḥīḥ Muslim, quoted in the site's answer qa-870, also names the scribe and the witnesses. Its Muslim number is not printed here until the site's numbering is cleared.)

Telling the doors apart

ASK	SALE ON A DEFERRED PRICE	LOAN WITH AN INCREASE
What is sold?	A thing: a phone, a car, a house	Money, or a payment made for you

ASK	SALE ON A DEFERRED PRICE	LOAN WITH AN INCREASE
Who owns it first?	The seller, before selling to you	Nobody needs to own anything
The price	One figure, fixed in the contract	Principal plus a rate
If you pay late	The debt stays the same	The debt grows
Name on the form	Does not decide it	Does not decide it

The last row is the one most often forgotten. The site's Islamic Finance page puts it in one sentence: "Substance, not vocabulary, decides the ruling."

CHAPTER 2

The instalment sale done right

Most instalment buying a Muslim does is the first door: a shop, a dealer or a bank sells you something on a deferred price. The site's answer on instalment pricing (qa-650) gives the ruling and its limits in one paragraph: "the majority of scholars permit charging more for a deferred (installment) sale than for immediate cash, because this is a genuine sale of goods, not a loan with interest." It then names three conditions. Each one has its own evidence.

1. One price, fixed at the contract

"The key condition is that a single price is agreed and fixed in the contract; once settled it cannot increase if the buyer is late, since adding to a fixed debt for delay is *riba*" (qa-650). The price list may offer several options, such as cash, twelve months or twenty-four months, each with its own figure. That is permissible as a menu. What is forbidden is signing while the menu is still open, so that the price you owe depends on when you end up paying.

The Messenger of Allah (ﷺ) prohibited two sales in one. **SAHIH**

Abū Hurayrah – Jāmi' at-Tirmidhī 1231, graded sahih

At-Tirmidhī records how some of the people of knowledge explained it, and the explanation fits the instalment question exactly: two sales in one "is when one says: 'I will sell you this garment for ten in cash, and twenty on credit.' He does not distinguish between either of the two sales. But when he

distinguishes it as being one of them, then there is no harm” (Jāmi‘ at-Tirmidhī 1231). The same prohibition comes through an-Nasā’ī: “The Messenger of Allah forbade two transactions in one” (Sunan an-Nasā’ī 4632, graded sahih). Abū Dāwūd's wording says what happens to such a deal:

If anyone makes two transactions combined in one bargain, he should have the lesser of the two or it will involve usury HASAN

Abū Hurayrah – Sunan Abī Dāwūd 3461, graded hasan

At-Tirmidhī also records a second explanation, from ash-Shāfi‘ī, so the phrase has more than one reading. For instalments the rule is the same on either: **one price in the signed contract, and nothing in it that changes that price later.**

2. No loan made conditional on a sale

It is not permissible to lend on the condition of a sale, or to stipulate two conditions in one transaction, or to make a profit on that which you do not possess SAHIH

‘Abdullāh ibn ‘Amr – Sunan an-Nasā’ī 4630, graded sahih

So do not accept “we will lend you the cash only if you also buy this from us,” or any bundle that ties a loan to a sale.

3. The seller must own the goods first

The same hadith ends with “a profit on that which you do not possess.” Ḥakīm ibn Ḥizām asked about exactly the situation a finance company is in today:

Messenger of Allah, a man comes to me and wants me to sell him something which is not in my possession. Should I buy it for him from the market? He replied: Do not sell what you do not possess

SAHIH

Ḥakīm ibn Ḥizām – Sunan Abī Dāwūd 3503, graded sahih

Ibn ‘Abbās reported the Prophet's ﷺ prohibition on reselling food before receiving it and added his own understanding: “I consider that all types of sellings should be done similarly” (Sahih al-Bukhari 2135). A shop selling its own stock meets this easily. A company that never owns the phone, and simply pays the shop and collects from you, is not selling you anything: it is lending, and the question becomes whether you repay more than was lent.

CHAPTER 3

Buy now, pay later

For a young Muslim in Kuala Lumpur or Dubai, the first credit contract is usually a checkout button that splits the price into three or four parts. The site's principle on it is one sentence on the Riba and Halal Earning page: "Deferred payment at the same price is permissible; a fee or penalty that is really interest for paying late is riba."

Fact and inference. The principle and the quoted answers are the site's. How BNPL products are usually structured is general knowledge, not something the site documents, and no provider is named. Read your own terms.

Step one: who is your creditor?

If you will owe the shop, selling its own goods for a fixed price paid in parts, you are in Chapter 2. If you will owe a third party that pays the shop now and collects from you later, that party never owned the goods: it paid on your behalf, and you now owe it money. Read by the rules of Chapter 2 (this book's reading, not a ruling the site states), that relationship is a loan: you owe back what was paid for you, and any increase you pay because of the deferral or because of a delay is the problem.

Step two: do you pay exactly the price?

If you repay precisely the checkout price, split into parts, and there is no charge for the split, then no increase passes from you to the creditor. That is what the site means by "deferred

payment at the same price.” If the plan adds a charge to you that grows with the number of months, then you are paying more money later in exchange for money paid now. That is the “money-for-more-money” structure qa-650 forbids, whatever the charge is called.

Step three: who pays the provider?

When the customer pays nothing extra, the provider is usually paid by the merchant, as a fee or a discount on the price it passes on. That is inference, from general knowledge of how these services work. **This book found no ruling on the site about that merchant fee.** It is part of the merchant's contract, not yours, and this book does not settle it; put it to a scholar if it troubles you.

Step four: read the late-fee clause before you press the button

Almost every BNPL agreement keeps its real cost in the late-fee clause (inference). Find it and answer three questions. Is the fee a flat amount, or does it grow with each week or month of delay? Is it capped? Who keeps it? The site's answer to a creditor asking about late penalties (qa-998) states the principle plainly: adding money to a debt because of delay “is exactly the ribā of the Jāhiliyyah (‘either you pay or you increase it’), and it makes no difference whether the increase is called a penalty, a late fee, or compensation for loss.” Neither that answer nor the BNPL sentence draws a line between a flat late fee and a growing one. A growing fee is interest by another name. A flat fee kept by the creditor is still money added to a debt because of delay.

May you sign a contract containing such a clause if you are certain never to trigger it? That is the credit-card question, and Chapter 4 gives the site's two positions. Until you have settled it with someone qualified, use BNPL only when the money for every instalment is already in your account.

Step five: if you have already missed a payment

- 1 Pay the missed instalment now.** A delay by someone who can pay is injustice (Sahih al-Bukhari 2287, Chapter 7).
- 2 Ask for the fee to be waived.**
- 3 If a late fee was charged and you paid it,** treat it as the site treats any increase for delay: something you should not have paid. Repent, and do not put yourself in the same position again.
- 4 Turn off BNPL** until you can say honestly that every instalment is already set aside.
- 5 If you cannot pay at all,** go to Chapter 11 before the debt grows.

CHAPTER 4

Credit cards, charge cards and card-i

A conventional credit card is two things in one plastic. It is a way of paying: the bank pays the shop, and you settle with the bank when the statement comes. It is also a line of credit that charges interest on whatever you do not settle by the due date.

The site's two positions, as it gives them

The site's answer (qa-336) calls this “a genuinely debated issue because the risk hinges on how the card is used, not the card itself,” and sets out the positions:

- **Permitted with full payment.** “If a cardholder pays the full balance every month before any interest accrues, no interest is ever actually paid or received — some scholars therefore permit this use, viewing the card simply as a convenient payment and short-term deferred-payment tool.”
- **Cautious.** “Other scholars are more cautious, pointing out that most credit card agreements are, at their core, interest-bearing loan contracts (even if the interest goes unused), and that signing such a contract itself may be problematic regardless of whether the interest clause is ever triggered.”

The answer also records “a middle-ground approach” that “permits use only when full, on-time repayment is essentially guaranteed, treating any late-payment interest as an unacceptable risk to be avoided at all costs.” And it notes that where cards “with no interest mechanism at all, sometimes with a flat annual fee instead” are available, “these avoid the debate

entirely and are generally preferred.” This book does not choose between them. Both agree on one point: **interest must never actually be paid.**

The interest clause as a fence

If you hold a conventional card, treat the interest clause as a fence you never cross.

- ① Set an automatic payment of the **full statement balance**, not the minimum payment. The minimum payment is where the interest starts.
- ② Never withdraw cash on the card. A cash withdrawal on a credit card is a loan of money. If it carries any charge that grows with time, that is money for more money.
- ③ Spend only what is already in your account.
- ④ The first time you fail to pay in full, you have shown the “middle-ground” condition does not hold for you. Clear the balance and cut up the card.

Charge cards and card-i

A charge card that must be settled in full every month, with no interest mechanism at all, is the kind of card qa-336 calls “generally preferred.” Cards sold by Islamic banks, often labelled “card-i”, are built on various contracts, and the label alone tells you nothing (inference: general knowledge of how these cards are sold in Malaysia and the Gulf; the site has not reviewed any card). Ask the bank three things in writing. What contract is the card built on? If a commodity sale, it is tawarruq (Chapter 5). What do I pay if I carry a balance, and does it grow with the

amount and the time outstanding? If it does, it must be explained as something other than interest: "Substance, not vocabulary, decides the ruling." And where does the late charge go (Chapter 7)?

CHAPTER 5

Cash from the bank: personal financing, tawarruq and ‘īnah

The hardest case is when you want **cash**, not a thing. A sale gives goods, not money, so an Islamic product that puts cash in your account has to pass through a sale, usually of a commodity you buy on credit and then sell for cash. The name of that arrangement is *tawarruq*. Personal financing from Islamic banks is commonly built this way, often under the name commodity murābaḥah (inference: general knowledge of the products). Whether it is lawful depends on what actually happens to the commodity.

Classical tawarruq, and the difference over it

The site's answer (qa-1002) defines the classical form: “a person genuinely buys a commodity on deferred credit at a higher price, takes possession of it, and then sells it in the market to an unrelated third party for cash because he needs money.” It then sets out the difference of opinion:

- “The majority, including Ibn Bāz, Ibn ‘Uthaymīn and the Permanent Committee, permitted this: each leg is a real sale.”
- “‘Umar ibn ‘Abd al-‘Azīz is reported to have called it ‘the little sister of ribā,’ and Ibn Taymiyyah and Ibn al-Qayyim disliked or prohibited it, seeing it as a contrivance to arrive at cash-now-for-more-cash-later.”

Organised tawarruq

The bank product is usually something else. In the same answer's words, organised tawarruq (tawarruq munazzam) is where "the bank arranges both the purchase and the onward sale as your agent, the commodity never really moves, and the customer only ever sees cash in and a larger debt out." The site reports that this "was ruled impermissible by the OIC Islamic Fiqh Academy in 2009 and by many contemporary scholars, because it is a legal device closely resembling bay' al-ʿīnah." Its conclusion: "real tawarruq with genuine possession and a genuine third-party sale is a recognised difference of opinion and permitted by the majority; the automated bank product is best avoided."

ʿĪnah: buying it back

ʿĪnah is the plainest version of the device. You buy something from a seller on credit at a higher price and sell it straight back to the same seller for a lower cash price. The goods go out and come back. What remains is cash now against more cash later. The warning is severe:

When you enter into the inah transaction, hold the tails of oxen, are pleased with agriculture, and give up conducting jihad (struggle in the way of Allah). Allah will make disgrace prevail over you, and will not withdraw it until you return to your original religion SAHIH

ʿAbdullāh ibn ʿUmar – Sunan Abī Dāwūd 3462, graded sahih

Possession before resale

What separates a real sale from paperwork is possession. The Prophet ﷺ said:

The buyer of foodstuff should not sell it before it has been measured for him **SAHIH**

Ibn 'Umar – Sahih al-Bukhari 2136

Ibn 'Abbās explained why, and his answer reads like a description of a commodity product in which nothing moves. Asked how selling food before receiving it went wrong, he said: "It will be just like selling money for money, as the foodstuff has not been handed over to the first purchaser who is the present seller" (Sahih al-Bukhari 2132).

Questions for the bank officer

- ① What commodity am I buying, where is it, and could I take delivery of it if I asked?
- ② Do I own it, and carry its risk, before it is sold on?
- ③ Who sells it for me, and to whom? Is the buyer the same party I bought it from, or connected to them?
- ④ Is the whole thing done by the bank as my agent in one signature, with cash in and a larger debt out?

"A commodity I never see, sold by the bank for me, in one signature" is what qa-1002 describes as organised tawarruq. A buy-back by the original seller is *ṭinah*. qa-1002 offers a better door: "one who needs cash should first seek a qarḍ ḥasan or a straightforward murābaḥa for the thing he actually wants." If the cash is for a car, finance the car.

CHAPTER 6

Car and home

Islamic banks finance cars and homes through three contracts. This chapter shows how to test each as it reaches you on a form. The contracts themselves are explained at length in the site's companion book, *Islamic Finance — Contracts, Banking & Modern Money*. The rule for all three is the one from the site's Islamic Finance page: "Substance, not vocabulary, decides the ruling."

Murābahah: the bank buys, then sells to you

In murābahah, "the bank buys an asset (a car, equipment, a house), takes real ownership, then sells it to you at a disclosed markup, payable in instalments." The site names the two conditions that carry the ruling: "the seller must actually own and bear the risk of the asset before selling it, and the sale must be a genuine second transaction, not paperwork over a loan." Where the bank "never takes possession or risk, and the customer effectively receives money and owes more money — it replicates the substance of an interest loan under an Arabic name."

Ijārah ending in ownership: lease, then transfer

In ijārah the financier owns the asset and rents it to you. The site's condition: "The owner must remain the real owner — bearing ownership costs and the risk of destruction — for the rent to be halal rent." For the lease-to-own form, "scholars require that the lease and the final transfer be genuinely

structured and priced as what they claim to be, and that the lessor carry an owner's obligations meanwhile." Ask: if the car is written off in the first month, whose loss is it?

Diminishing mushārahah: partners, then you buy out

For homes the site describes diminishing mushārahah as a partnership in which "one partner progressively buys out the other's share," calling it "the strongest of the modern home-purchase structures." The site's home-financing answer (qa-219) describes it as "a declining-balance partnership where the bank and client jointly own the property and the client gradually buys out the bank's share while paying rent on the portion still owned by the bank." The partnership is real only if loss follows ownership. The site's partnership section adds a further condition: loss is borne "strictly in proportion to capital."

The honest paragraph on home financing

The site's Islamic Finance page says home financing "deserves the most honest paragraph on the page", and this book follows it. The agreed ground: a conventional mortgage "is a loan at interest," and a "genuine murābahah, diminishing mushārahah, or ijārah structure — where the financier truly owns, truly bears risk, and truly sells or leases — is halal, even though the total paid exceeds the cash price." The genuine debate is in two places. First, whether the products on offer are genuine: some "in which the bank never carries an owner's risk and the 'rent' is simply an interest benchmark plus paperwork, have been criticised by committed scholars as riba re-labelled." Second, necessity: a minority of contemporary scholars have permitted

a conventional mortgage for a first, owner-occupied home out of need, and “the majority of scholars reject this extension” (see also qa-337).

ASK THE BANK	A GENUINE ANSWER SOUNDS LIKE
Who owns it before I do?	The bank, and it can show you the document that says so
If it is destroyed uninsured, whose loss is it?	The owner's share falls on the bank
What exactly am I paying for?	A fixed sale price, or rent for a share the bank owns
What happens if I pay late?	Nothing extra reaches the bank's own pocket (Chapter 7)
Who certified it, and can I read their ruling?	A named Shariah committee and a written ruling

CHAPTER 7

Late-payment charges, from both sides

The late clause is where a lawful contract most easily slides back into ribā. Read it from both sides.

The debtor's side: delay is not neutral

A Muslim who can pay and does not is not merely inconvenient. He is doing wrong:

Procrastination (delay) in paying debts by a wealthy man is injustice.

SAHIH

Abū Hurayrah – Sahih al-Bukhari 2287

The same words come in a second chain: “Procrastination (delay) in repaying debts by a wealthy person is injustice” (Sahih al-Bukhari 2400). Lateness by someone who has the money is a sin of its own, whatever the contract charges for it.

The creditor's side: nothing extra into his own pocket

The site's answer to a creditor whose solvent customer keeps delaying (qa-998) is the most exact statement the site has on late clauses. The creditor “may demand payment, pursue him through the courts, and refuse him credit in future.” But he “may not ... add money to the debt because of the delay.” Then it reports where the contemporary bodies stand:

- “Contemporary fiqh bodies agree that nothing extra may enter the creditor's own pocket.”

- “Some standards (such as AAOIFI's standard on the procrastinating debtor) permit a clause obliging a wilful defaulter to donate a stated amount to charity as a deterrent.”
- “Other scholars, and the OIC Islamic Fiqh Academy in its rulings on penalty clauses, hold that no monetary charge may attach to a debt at all, since that is ribā itself.”

Reading your own late clause

Islamic financing contracts in Malaysia and the Gulf commonly carry a late-payment clause, sometimes split into a part the financier keeps as “compensation” (often called ta‘wīḍ) and a part paid to charity as a “penalty” (often called gharāmah). That description is inference, from general knowledge of the contracts. qa-998 does not use these terms, and the site has not reviewed any contract. Measure your clause against what the site does say:

- 1 Where does each part of the charge go?** Any part kept by the financier is, on the site's answer, money added to the debt for delay, and “it makes no difference whether the increase is called a penalty, a late fee, or compensation for loss.” qa-998 records no view that permits the financier to keep an amount for its actual loss. If your contract relies on one, ask for the Shariah committee's written ruling.
- 2 Is the charity part triggered only by wilful default?** The AAOIFI position qa-998 reports is about the “wilful defaulter”, a deterrent against delay by someone who could pay. A clause that charges the genuinely broke like the wilful has lost its stated reason.

- 3 **Does the charge grow with time, or with the balance?** A charge that grows with time and balance and goes to the creditor is interest, whatever it is called.
- 4 **Remember that the fiqh bodies differ.** On qa-998's account, the OIC Fiqh Academy position allows no monetary charge at all.

The insolvent are owed respite

For the debtor who *cannot* pay, the command is different, and qa-998 ends with it: "If the debtor is in a difficulty, grant him time Till it is easy for him to repay" (Qur'an 2:280). The Prophet ﷺ told of a merchant who lent to people and who, "whenever his debtor was in straitened circumstances, he would say to his employees, 'Forgive him so that Allah may forgive us.' So, Allah forgave him" (Sahih al-Bukhari 2078).

CHAPTER 8

Insurance you are required to hold

Credit brings insurance with it: motor cover for the road tax, medical cover for the job or the visa, cover on the financed car or house. People who were careful about the financing often sign the insurance without reading it.

Why commercial insurance is a problem

The site's answer (qa-648) reports that “the majority of contemporary scholars and fiqh councils rule that conventional commercial insurance is impermissible because it combines three prohibited elements”: excessive uncertainty (gharar), gambling (maysir), and ribā, “since insurers invest premiums in interest.” The first of these, the sale of an uncertain outcome, has its evidence in the Prophet's ﷺ prohibitions on sales whose object neither side could know:

Allah's Messenger (ﷺ) forbade the sale called 'Habal-al-Habala which was a kind of sale practiced in the Pre- Islamic Period of ignorance. One would pay the price of a she-camel which was not born yet would be born by the immediate offspring of an extant she-camel

SAHIH

‘Abdullāh ibn ‘Umar – Sahih al-Bukhari 2143

Abū Hurayrah reports the same kind of prohibition on two sales settled by a touch or a throw rather than by knowledge: “Allah's Messenger (ﷺ) forbade selling by Mulamasa and Munabadha” (Sahih al-Bukhari 2146). The general prohibition of gharar sales

is also reported in Ṣaḥīḥ Muslim. It is not cited here by number, because the site's Muslim numbering for it has not yet been cleared against its corpus.

Takāful, and its limits

The site's Islamic Finance page explains takāful: “participants donate into a common pool from which any stricken member is helped, with the operator paid a fee to manage it and the pool invested in halal assets.” Because it is mutual donation (tabarru‘), “the gharar that spoils a sale does not spoil it — the Sharī‘ah tolerates uncertainty in charity that it forbids in commerce.” And a warning: “a takāful certificate is only as good as its substance — a fund that mirrors a conventional insurer in everything but vocabulary earns the same ruling.”

When the law requires it

The site gives a clear allowance for cover the law compels: “where the law compels insurance (motor liability, employer schemes) or a genuine need admits no alternative, scholars permit taking the mandated minimum while the prohibition remains on what is freely chosen.”

- 1 **Motor.** Take takāful cover if it is offered to you. If you are compelled to hold conventional cover, hold the mandated minimum and nothing freely added.
- 2 **Medical.** An employer or visa scheme you do not choose is the “employer schemes” case above. Cover you buy for yourself is freely chosen. Choose takāful where it exists.

- 3 **Cover the financier requires.** Ask for the takāful option before you sign. Islamic financiers commonly offer one (inference).

CHAPTER 9

Already in an interest loan

A conventional car loan, a card carrying a balance for years, a personal loan taken in a crisis: this is the commonest real situation. This chapter separates what the evidence says clearly from what this book found no ruling on.

The verses addressed to you

يَا أَيُّهَا الَّذِينَ ءَامَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ

"O ye who believe! Fear Allah, and give up what remains of your demand for usury, if ye are indeed believers."

Qur'an 2:278

فَإِنْ لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۖ وَإِنْ تُبْتِمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ

"If ye do it not, Take notice of war from Allah and His Messenger: But if ye turn back, ye shall have your capital sums: Deal not unjustly, and ye shall not be dealt with unjustly."

Qur'an 2:279

These verses speak first to those owed interest: give it up, and “ye shall have your capital sums.” For the payer the lesson is the same: the principal is a real debt, and the interest on top is what must go. And the door is open: “Those who after receiving direction from their Lord, desist, shall be pardoned for the past” (Qur’an 2:275).

Repentance: what it asks of you now

Repentance is to stop, regret, resolve, and put right what can be put right. For someone paying interest, that means:

- ① **Take on no new interest debt.** Close the cards you carry balances on to new spending. Do not refinance one interest loan with another.
- ② **Pay down the principal as fast as you honestly can.**
- ③ **Refinance into a genuine Islamic product** if one is available, after testing it with Chapters 5 and 6.
- ④ **An interest-free loan from family** to clear the balance is the cleanest exit.

What the site has not ruled on

This book found no answer on the site on whether a borrower who repents must keep paying the contracted interest, or on what to do if the lender will not accept principal alone, and it does not invent one. It can say three things. The site's answers on necessity describe some contemporary scholars permitting an interest loan as a last resort, for education (qa-335) or a first home (qa-337). Neither answer presents it as agreed: qa-335 calls it “not a unanimous position” and qa-337 “far from a

unanimous position.” The payer of ribā is named in the curse (Sahih al-Bukhari 5347). And getting out must not wrong other people.

Getting out without harming others

A plan to escape interest by simply stopping payment can land the debt on a guarantor, a co-signer, or a parent who pledged a house. That turns one wrong into two:

Whoever has oppressed another person concerning his reputation or anything else, he should beg him to forgive him before the Day of Resurrection when there will be no money (to compensate for wrong deeds) **SAHIH**

Abū Hurayrah – Sahih al-Bukhari 2449

Get out in a way that leaves nobody else carrying your debt.

Purifying what came in

The interest you paid is gone. What there may be to purify is interest you *received*, on savings or a fixed deposit. The site's answer (qa-870) gives the position of “the great majority of contemporary scholars”: “calculate the interest and dispose of it in avenues of general benefit — the poor, the indebted, medical and relief needs — without intending reward for it, as this is ridding yourself of unlawful wealth rather than giving ṣadaqah.” It does not count as zakat or as charity. The reason is in a sound hadith:

If one gives in charity what equals one date-fruit from the honestly earned money and Allah accepts only the honestly earned money -- Allah takes it in His right (hand) **SAHIH**

Abū Hurayrah – Sahih al-Bukhari 1410

A convert is in a different position. Interest earned before Islam is covered by the site's answer qa-277: "You can keep it." The same verse (2:275) is behind it.

CHAPTER 10

Borrowing and repaying well

A lawful, interest-free loan is an act of kindness, and the Sunnah says how to take and return it.

Write it down

يَا أَيُّهَا الَّذِينَ ءَامَنُوا إِذَا تَدَايَنْتُمْ بِدَيْنٍ إِلَى أَجَلٍ مُّسَمًّى
فَاكْتُبُوهُ ...

"O ye who believe! When ye deal with each other, in transactions involving future obligations in a fixed period of time, reduce them to writing ..."

Qur'an 2:282

The site's Debt page notes a respectful difference over its force: "The majority (jumhūr) hold the command to be one of guidance and strong recommendation," while "a minority among the early scholars ... took the command at its apparent obligation." It adds that both sides agree "documentation is a protection Islam urges upon believers." Write down even a loan from family: the amount, the date, and when it will be repaid.

Borrow meaning to repay

Whoever takes the money of the people with the intention of repaying it, Allah will repay it on his behalf, and whoever takes it in order to spoil it, then Allah will spoil him SAHIH

Abū Hurayrah – Sahih al-Bukhari 2387

Seek refuge from debt

The Prophet ﷺ used to say in his prayer, “O Allah, I seek refuge with you from all sins, and from being in debt.” When asked why he so often sought refuge from debt, he replied: “If a person is in debt, he tells lies when he speaks, and breaks his promises when he promises” (Sahih al-Bukhari 2397).

Repay with more, as a gift and never as a condition

The Prophet ﷺ owed a man a camel of a certain age. None of that age could be found, only an older one, and he said to give it to him, then: “The best amongst you is the one who pays the rights of others generously” (Sahih al-Bukhari 2305). When a creditor demanded his due rudely, he ordered the older camel bought and given, “for the best among you are those who repay their debts handsomely” (Sahih al-Bukhari 2390).

The site's answer (qa-1000) draws the line that keeps this from becoming ribā. If the extra was “stipulated, agreed, or even understood as an expectation at the time of the loan, it is ribā by consensus.” If “nothing was conditioned and the borrower, purely of his own accord at the time of repayment, gives back more or better, that is permissible and praiseworthy.” It adds a correction about the well-known maxim “every loan that brings

a benefit is ribā”: “it is not authentically established as a statement of the Prophet ﷺ — it is reported from the Companion Fuḍālah ibn ‘Ubayd, and Ibn Ḥajar noted that the chains raising it to the Prophet ﷺ are all weak — though its meaning is sound and the scholars agree on it as a principle.” And a precaution: gifts from a debtor while the debt is still outstanding “should be declined, or counted against the debt.”

Be easy when you are the lender

“May Allah's mercy be on him who is lenient in his buying, selling, and in demanding back his money” (Sahih al-Bukhari 2076).

CHAPTER 11

When you cannot pay

When the salary stops or the illness comes, the Sharī'ah gives commands to the creditor and the community, and warnings to the debtor meant to keep him honest, not hopeless.

Respite, and remission

وَأِنْ كَانَ ذُو عُسْرَةٍ فَنَظِرَةٌ إِلَىٰ مَيْسَرَةٍ وَأَنْ تَصَدَّقُوا خَيْرٌ لَّكُمْ إِنْ كُنْتُمْ تَعْلَمُونَ

"If the debtor is in a difficulty, grant him time Till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew."

Qur'an 2:280

A Muslim creditor is bound by this verse; a conventional lender is not, though many have hardship arrangements (inference). Either way, **speak early**: tell the creditor before the first missed payment and ask for time. The Prophet ﷺ spoke of a man forgiven because he "used to give time to the rich to repay his debt and (used to) deduct part of the debt of the poor" (Sahih al-Bukhari 2391). You may ask a creditor to be that man.

Debtors are owed zakat

* إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا
 وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَرَمِينَ وَفِي سَبِيلِ اللَّهِ
 وَابْنِ السَّبِيلِ فَرِيضَةٌ مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ

"Alms are for the poor and the needy, and those employed to administer the (funds); for those whose hearts have been (recently) reconciled (to Truth); for those in bondage and in debt; in the cause of Allah; and for the wayfarer: (thus is it) ordained by Allah, and Allah is full of knowledge and wisdom."

Qur'an 9:60

Yusuf Ali's rendering runs two of the eight categories together: "those in bondage and in debt." The Arabic names them separately, and the category for debtors is *al-ghārimīn* (الْغَرَمِينَ). A Muslim who cannot pay a lawful debt is one of the people zakat is for. This book found nothing on the site about how the state zakat bodies in Malaysia or the charities in the Gulf assess such claims. Ask them directly.

The debt that outlives you

Debt is not written off at death. When a dead man was brought for the funeral prayer, the Prophet ﷺ asked whether he was in debt. On being told he owed three dinars and had left nothing, "He (refused to pray and) said, 'Then pray for your (dead) companion.' Abu Qatada said, 'O Allah's Messenger (ﷺ)! Lead his funeral prayer, and I will pay his debt.' So, he led the prayer"

(Sahih al-Bukhari 2289). Later, when the Muslims had wealth, he took the burden on: “if a Muslim dies while in debt, I am responsible for the repayment of his debt” (Sahih al-Bukhari 2298).

Even martyrdom does not cancel what is owed to people. A man asked whether being killed in Allah's cause would wipe out his sins:

Yes, except debt. Jibril told me SAHIH

Abū Qatādah – Sunan an-Nasā’ī 3156, graded sahih

An-Nasā’ī's report is cited instead of the shorter wording in Ṣaḥīḥ Muslim, and the narration of Qabīṣah on when asking is permitted is left out, until the site's Muslim numbering for them is cleared.

A plan for the debtor who cannot pay

- ① **List every debt:** to whom, how much, whether it carries interest or a growing charge.
- ② **Pay the growing ones first**, where you have any choice, so that the increase stops.
- ③ **Tell each creditor the truth** and ask for time. Debt pushes people to lie and break promises (Sahih al-Bukhari 2397). Refuse to.
- ④ **Apply for help as one of al-ghārimīn** (9:60), and let family or friends help without interest.
- ⑤ **Do not borrow at interest to pay a debt.** That trades a debt for a sin and a larger debt.

- 6 **Write your debts down where your family will find them,** so that those you leave behind can settle them (Sahih al-Bukhari 2289 shows why).

CHAPTER 12

The one-page checklist before you sign

Two verses sit behind every question below. One gives the rule for taking another person's money:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا
 أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ
 إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

"O ye who believe! Eat not up your property among yourselves in vanities: But let there be amongst you Traffic and trade by mutual good-will: Nor kill (or destroy) yourselves: for verily Allah hath been to you Most Merciful!"

Qur'an 4:29

The other makes whatever you sign binding on you:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا أَوْفُوا بِالْعُقُودِ ...

"O ye who believe! fulfil (all) obligations. ..."

Qur'an 5:1

Because a contract binds you once you sign it, the questions have to be asked before you sign:

- ① **Do they own it?** Did the seller or the bank own the thing, and carry its risk, before selling or leasing it to me? (Chapter 2; Sunan Abī Dāwūd 3503; Sahih al-Bukhari 2136.)
- ② **Is the price fixed?** Is there one total price in the contract, not a menu still open at signing? (Jāmi‘ at-Tirmidhī 1231; qa-650.)
- ③ **Is there any increase for time?** Am I repaying money with more money? For cash products, is the commodity real, possessed and sold to a third party? (Chapters 3 and 5; qa-1002.)
- ④ **What does the late clause say?** Does any part of a late charge reach the creditor's own pocket? Does it grow with time? (Chapter 7; qa-998.)
- ⑤ **Is the underlying thing halal?** A lawful contract cannot make a forbidden purchase lawful, and the insurance that comes with it needs checking too. (Chapter 8.)
- ⑥ **Who certified it?** Which Shariah committee approved this product, and can I read its ruling? A label is not a ruling. (Chapter 6.)

If any answer is “I don't know,” do not sign yet. An honest seller loses nothing by waiting a day.

Where this book draws from. Qur'ān quotations are verbatim from the site's Qur'ān data (Tanzil Uthmani text; translation of 'Abdullāh Yūsuf 'Alī), cut with an ellipsis where only the opening of an āyah is quoted. Ḥadīth are quoted from the site's own collections, each checked against the row it cites: Ṣaḥīḥ al-Bukhārī in standard numbering; the Sunan of at-Tirmidhī, Abū Dāwūd and an-Nasā'ī with the grade each row carries, and no weak report used as evidence. Ṣaḥīḥ Muslim is not cited by number in this edition. Where a point rests on Muslim alone and the site's numbering has not been cleared, the Bukhari or Sunan report of the same meaning is used, or the point is left uncited and says so. Rulings and scholars' positions are given only as the site records them, in the Q&A answers cited by number and the pages Islamic Finance, Riba and Halal Earning, and Debt. How products are usually built is marked as inference. Where this book found no ruling on the site (the merchant's fee in BNPL, whether a repenting borrower must keep paying contracted interest, how zakat bodies assess debtors), it says so. It is a guide, not a fatwa: take your own contract to a qualified scholar. The contracts themselves are explained in the companion book *Islamic Finance – Contracts, Banking & Modern Money*, and debt in general in *Debt in Islam (al-Dayn)*.