

## FATAWA ON CREDIT CARDS

### I. SIGNING CREDIT CARDS' CONTRACT AND USING IT

SUBJECT: Taking a Credit Card. Signing its contract and using it

From: live Fatwa on Islam on line, Aug. 8, 2001

Name: Mohamed Country: United Kingdom

Question:

Taking a credit card is it Haram if you're paying before you get interest?

My Answer

Bismillah wa al Hamdulillah wa al Salatu wa al Salaam ala Muhammad Rasuli Allah, There are two kinds of credit cards in the world today, conventional credit cards and credit cards issued by Islamic banks (such as Islamic Banks in Kuwait, Saudi Arabia and else where). The latter kind is certainly allowable and has already been reviewed by respected Shari'ah boards of the issuing Islamic banks.

Conventional credit cards make certainly the overwhelming share of the market. The contract normally contains an interest penalty clause or we may call it an interest optional clause. This is when a balance is not paid in full in the grace period interest will be charged, normally at high annual rates. Additional interest is charged in most kinds of credit cards I know of when cash is withdrawn from the date of withdrawal. So with cash withdraws there is no interest free grace period.

There is no doubt that signing a contract that contains an interest clause that is basic to the contract such as interest in a lending contract, is forbidden.

However, in credit cards we are dealing with a different kind of interest clause. This clause is only invoked by the choice of the user/holder of the credit card. That is why I call it an optional interest clause, because even with this clause you have the option to pay the credit card bill within its given grace period and to abstain from any cash withdrawals since cash withdrawals very often invoke interest from the day of the withdrawal. In this manner the card user would not be involved in any interest, given or taken.

Based on that, signing a contract that gives you an option to deal on an interest basis or to have all of your relations completely interest-free cannot be prohibited in the Shari'ah because the matter is left to your choice and a Muslim will certainly choose not to deal with interest. In spite of the fact that this kind of optional clause must not exist in contracts made between Muslims (this implies that an Islamic bank cannot issue a credit card with such a clause), it is not forbidden (Haram) for an individual Muslim to accept a contract of this kind on the basis of either taking it all with all of its clauses or leaving it all, or on the basis of the choice given in the contract provided that you know **FOR SURE THAT YOU ARE KEEN AND ABLE TO PAY WITHIN THE GRACE PERIOD WITH**

OUT ANY DELAY AND TO OBSTAIN FROM CASH WITHDRAWALS, IF YOUR CREDIT CARD CHARGES INTEREST ON IT,

And Allah knows best.

Wa Alhamdu li Allahi Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJECT: Using a Credit and Debit Card with avoidance of generating any interest

From: Islam on Line

Date: 2/17/2002

Name of Questioner majid

Gender Male

Age 21-30

Education Graduate

Date Submitted 1/23/2002

country of Origin Saudi Arabia

User Ref. No. WH3MCB country of Res. S A

Question

Assalamu Alaikum Dear Brother, I have and use a check card, which is a debit card, and most of my transactions are done through it. However, wanting to avoid Riba (usury) there is a small none fixed fee, interest, that they charge every month. What's your feedback on my situation and also on using a credit card and paying on time to avoid large interest? Jazakum Allah Khair, Majid

My Answer:

Dear Br. majid

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Al Hamdu li Allah wa al Salatu wa al Salam ala Rasuli Allah.

1) - I am not aware of a debit card that charges interest unless it is coupled with another agreement to provide a line of credit, i.e., to charge your account that has zero balance. I need further explanation on this charge that you called "non-fixed fee -- interest." The normal practice of debit cards that I am aware of is that funds (of your purchases) are debited to your account immediately and at the same time credited to the seller, faster than using a check. Please give me more information about this fee. If it is interest, it is obviously Haram.

2) - I believe that, for a customer, signing a contract of credit cards, and its use that does not generate interest are permissible even with a traditional clause in the contract (usually the application and its accompanying write up) that reads as follows: balances delayed after the grace period will carry interest from the date of the statement and cash withdrawals will carry interest from the date your withdraw.

**IT IS HARAM FOR THE ISSUER (THE BANK) TO ISSUE A CREDIT CARD CONTRACT WITH SUCH A CLAUSE.**

My reasoning is the following. A credit card is very useful and in itself has no violation of any Shari'ah rule. It is a Hawalah (transfer of debt) in payment to the issuer, on behalf of the purchaser. It has a promise of lending too. While a promise of lending at interest is forbidden for a Muslim to issue, if that promise is conditional on the will and decision of

the promisee, it is permissible for the latter to accept it, even with the interest, as long as the promisee knows, and is able to realize de facto, that she/he is not going to let it generate interest. I've been doing that very successfully for thirty years and I've never paid a single penny in interest. What one has to be careful about is two things: a- do not withdraw cash because there is interest from the day of withdrawal; and b- do not delay a balance after its due date. Many issuers offer you the service of automatic payment from your account directly and it will be their responsibility to get the payment on time, it is fault-free on your side. The contract becomes like giving me a choice to do a Haram or not to it and my acceptance of the choice does not mean I accept the Haram.

Wa Allahu A'lam  
[Wa Alhamdu li Allahi Rabbi al 'Alamin](#)  
Wassalam  
Sincerely,  
[Dr. Monzer Kahf](#)

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SUBJECT: Using a Credit Card

From: Live Fatwa Session of Islam on line on Feb 19,2002  
Name: Mahmoud

Q: Is it Haram to use credit cards?

My Answer:

In the name of Allah, Most Gracious, Most Merciful.

May Allah's peace and blessings be bestowed on the Prophet Muhammad.

Dear Br. Mahmoud:

Assalamu Alakum

Signing a credit card contract and using it in a way that generated payable interest is Haram. It is then borrowing on interest.

Signing the contract, using it, and making the payments within the grace period and making no cash withdrawals (whenever cash withdrawals generate interest), is permissible because it amounts to a contract that gives you a choice to deal or not to deal with interest.

Allah knows best.

[Wa Alhamdu li Allahi Rabbi al 'Alamin](#)  
Wassalam  
Sincerely,  
[Dr. Monzer Kahf](#)

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SUBJECT: A MASJID USING CREDIT CARDS

From: Islamonline.net

Date: 3/11/2003

Name of Questioner Khaled

Gender

Age

Education Date Submitted 3/6/2003 Email  
country of Origin United States User Ref. No. KBXSRJ country of Residence

Question

Aslamu Alaikum, is it permissible for a Masjid (Islamic Center) to pay for its expenses using Credit Cards knowing the limited funding that Masajid nowadays have so they might not be able to cover their credit card bills at the end of the month. Is it, Islamically, permissible to ask people to donate to the Masjid by charging their credit cards, provided we do not know if the donors can pay their credit card in full or not. Does your opinion apply similarly to an Islamic School? Jakum Allah Khair

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Khaled

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

1- The use of a credit card by a natural or legal person (like an Islamic center) is conditional on a very certain ability to pay in full within the grace period and on complete avoidance of cash withdrawal (because it generates interest from the day of withdrawal). If you are not sure about the ability to pay within the grace period credit cards must not be used because it amounts to borrowing on interest.

Accepting donations on credit cards is permissible. You don't have to enter the hearts of donor's transactions to know whether she/he pays within the grace period; that is her business, none of yours; and the principles is that all Muslims are God-fearing and Shari'ah abiding unless you know it otherwise. It is also permissible to accept donation in the form of charging the Center's purchases on the donor's credit card.

The same applies to an Islamic school too.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJECT: Sending Mother to Hajj on ticket purchased on credit card

From: islamonline.net

Sent: Friday, January 10, 2003

Name of Questioner Mohamed

Ref No 2R3IF

Age 31-45

Education Post Graduate

Date Submitted 11/13/2002 Email

Country of Origin Morocco

Country of Citizenship United States

Question

Assalamu Alaikum. Dear Counsel, 2 years ago I promised to pay for my mom's Hajj. Due to logistics she did not make it to go. I have lost my job and I lost my house when I

divorced my Ex non-Muslim wife. I was without job for 1 year. I financed new house here in the US. I am working hard sending extra money to pay it off so I can be free of the debt. My mom is currently visiting the US and she desires to go to the Hajj. I am in the dilemma, because I wanted to send her but I am afraid from adding more sins to my current house Riba financing. My Mom is 66 years old and she will not understand my point of view. I am afraid to upset her. Could you please advice if I want be sinning by sending her hajj while I am still in debt? Jazakomo Allah kheiran! Assalamu Alaikum.

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Mohamed

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

If you bought the house on interest-based mortgage and you need it for any of the reasons that make a Shari'ah acceptable excuse, there is not sin InShaAllah in buying it even with interest.

Hence, if you can send your mother for Hajj, from your contingency money or loans without interest, even by using credit cards for the tickets and other non-cash withdrawals, that you can pay before the end of the grace period so that you will not be involved in interest on the cards, go ahead and send her. Pleasing her, especially at this age is extremely important and obligated by God. Ta'ala. But do not send her with money borrowed on interest and explain it to her because Riba taken without a Shari'ah accepted reason is one of the worst sins a Muslim may commit.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJECT: Use of credit cards and their different transactions

From: fatwae@islam-online.net

Sent: Tuesday, April 30, 2002

Name of Questioner Adel

Gender Male

Age 31-45

Education Graduate

Date Submitted 4/24/2002

Email

country of Origin Egypt

User Ref. No. JAP17X

country of Res. Egypt

Question

والسؤال عن المعاملات باستخدام كارد الفيزا في الشراء وهل هو نوع من الربا لأنني أريد أن أظهر معاملاتتي من الربا بعد ان هداني الله واريد ان اوضح لسيادته ان المعاملات تتم على النحو التالي 1-الشراء من المحلات التجاربه 2-سحب مبالغ ماليه من البنوك ويتم السداد على النحو التالي 1- على فترة سماح لمدة 55 يوما بدون فوائد 2-على 10 اشهر بفائدة واحد ونصف في المائه وارجو من سيادتكم توضيح الفرق بينه وبين ما يتم من معاملات بنظام البيع الأجل في النقابات وهل هو ايضا نوعا من الربا ارجو

The Question In English:

What is the ruling of using visa card in buying from stores, withdraw money from the bank bearing in mind that repayment will be done first in a period of 55 days with no interest, and then 10 months with 1.5 % interest. And what is the difference between this kind and the bay` al-Ajil that some institutions do here in Egypt?

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. adel

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

A- Using credit cards for purchases of goods and services is permitted under two conditions: 1) that you intend to pay within the grace period so that no interest is generated, this include the prohibition of cash withdrawals in most cards because cash withdrawals generate interest even during the grace period, i.e., from the day of withdrawal, and 2) that you can actually pay and you take necessary arrangement for payment on time, one of them may be authorization of automatic withdrawal from your bank account. Because when you sign the contract you pledge to a choice of either pay within the grace period without any interest or delay and pay interest. Payment of interest is Haram and delaying that causes interest to accrue is also Haram.

B- Deferred sale in Labor Unions may be permissible if it is a true deferred sale. The Shari'ah permits an entity to purchase cash and sell deferred or on installments at a higher price. If this is what is done it is permitted.

Wa Allahu A'lam

Wassalam

Sincerely,

Dr. Monzer Kahf

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## II. USING CREDIT CARDS IN A WAY THAT GENERATE INTEREST IS FORBIDDEN

SUBJECT: DELAYING PAYMENT ON CREDIT CARD'S BALANCES

From: islamonline.net

Sent: Monday, February 24, 2003

Name of Questioner

Gender

Age

Education Post Graduate

Date Submitted 2/20/2003

Email

country of Origin Egypt

User Ref. No. CP1A9Y

country of Res. Egypt

Question

Besmi Allah, I have a question about the use of credit cards. I am an employee I have a good salary and a bank account so I have a credit card yet I asked the bank to keep my

saving account as it is and that I pay directly without the bank having to debit my account (It is an option at all banks) and I knew that there is a payment period and after this period there will be an interest for late payment which is calculated according to the amount you used in your card. I do sometimes fall under this late payment period. I am capable of paying my credit card bills at one time if I draft from my account savings, but I do not do that and I am comfortable with the idea of using the credit card and pay it later in installments and with this interest for delaying payment. So I am doing this willingly so my question is this Haram or Halal. Thanks

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br.

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

What you are doing is certainly forbidden, besides, it is poor judgment!

In using a credit card, it is forbidden to allow for any generation of interest (or late fees that actually take the form of interest as certain cards do not charge interest but charge high late fee to compensate for the interest on money). Interest normally accrues on balances not paid within the grace period and on cash withdrawals from the day of withdrawal. This means that if one uses a credit card, it must be used cautiously so that no cash withdrawals are made and no balances are let unpaid within the grace period. the best way to avoid delay in payment is to opt for authorizing the bank to make automatic withdrawal from you your account on the due date.

It is poor judgment because interest you earn on saving account is very small (the present rate is # 0.75%) and you must give it away to Muslim charities because it is forbidden for you to leave it with your money, while the interest you pay on the credit account balance may be as high as 28% and certainly it is in the double digit!

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJECT: Going for Hajj while under interest-bearing credit card debts

From: islamonline.net

Sent: January 09, 2003

Name of Questioner Mohammad

Ref No BCSWB

Age 31-45

Education Post Graduate

Date Submitted 12/8/2002 Email

Country of Origin Pakistan

Country of Citizenship Pakistan

Question

Can a person perform Hajj if he is under debts .I owe some money for credit cards to the Bank. It is about 5 years old. I would like to pay them but I cannot pay them all together.

Can I pay them in monthly installments? Also at present I have a car for which I am making payments every month. Can I perform Hajj this year or shall I clear my dues and perform Hajj.

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Mohammad

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Interest based debts must be settled before you make Hajj. I can hardly find any excuse for keeping interest based credit cards debts for five years or for buying a car on interest especially if you live in Pakistan as you say. Brother, you have done enough prohibited thing it is time to think of pure and sincere immediate repentance. sell the car and settle all interest based debts then go for Hajj with the remainder of the money.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJECT: Going to Hajj while under credit cards debts

From: islamonline.net

Sent: January 09, 2003

Name of Questioner Ruzaini

Ref No V94Z2

Age 31-45

Education Post Graduate

Date Submitted 1/2/2003

Email

Country of Origin Malaysia

Country of Citizenship Malaysia

Question

As-Salamu Alaykum, Dear scholars, I read your reply to a question by a father who enquired whether he should perform Hajj or help his son to get married. With me , I am disturbed by the fact that I have a lot of debts to settle i.e., from credit cards to housing loan and others but at the same time wanting to perform the Hajj come the next season. I am in dilemma between settling debts and performing Hajj (as I longed to do this after my Umrah experience). I read that if one dies and there are unsettled debts, the soul will linger and not go up to heavens. Please help to give some advice.

Note: Please also provide help on how to curb spending desires - any Quranic recitations which may help is greatly appreciated.

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Ruzaini

[Assalamu Alaykum wa Rahmatullahi wa Barakatuh.](#)

If you have interest-based debts, settling them has priority over going for Hajj or Umrah. You seem to have made Umrah, did you make while you have debts that accumulate interest. Interest (Riba) is one of the worst sins God prohibited in the Qur'an. It is mentioned (2: 279) with a War declared from God and His Messenger on those who continue dealing in Riba. You must avoid what God prohibited before you spend the money on Hajj or Umrah. A non-interest debt does not prevent you from making Hajj. If you want to curb your expenses, cut your credit card in two halves and throw it away, and don't buy anything on credit at all. This makes you live within your limit. Recitation from the Qur'an does not help you if you insist on not helping yourself. If you fear God and you really long to go to His Jannah, you must obey Him and avoid Riba, interest on loans and credit cards in Riba, no doubt about it at all.

[Wa Allahu A'lam](#)

[Wa Alhamdu li Allah Rabbi al 'Alamin](#)

[Wassalam](#)

[Sincerely,](#)

[Dr. Monzer Kahf](#)

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SUBJECT: Delaying Hajj until complete payments of credit card debts

From: islamonline.net

Sent: January 09, 200

Name of Questioner mohamed

Education Diploma

Country of Origin Sri Lanka

Ref No HFGJE

Date Submitted 1/1/2003

Country of Citizenship Sri Lanka

Age 31-45

Email

Question

I have kept Niyah to perform Hajj this year, but i am worried about a certain issue, that is I have used my credit card to the full limit actually totally not thinking of the seriousness of it, now i am unable to settle the whole thing in full & monthly I pay a portion, but as the whole amount is not being paid the bank is charging a small interest component to my account. I am making arrangements to settle the card in full & getting rid of it as soon as possible, but i might not be able to do this before i perform Hajj, I do not want to delay my Hajj as i am not sure whether I will live till next year to perform Hajj, on the other hand I have left instructions with my family that incase something was to happen to me, the first thing they have settle is my credit card after realizing some asset. Will my Hajj be accepted? Please give me your fatwa on this?

[My Answer:](#)

[Bismi Allah al Rahman al Rahim](#)

[Al Hamdu li Allah Rabb al 'Alamin](#)

[wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in](#)

[Dear Br. mohamed](#)

[Assalamu Alaykum wa Rahmatullahi wa Barakatuh.](#)

Avoiding what is prohibited is more important than doing what is obligated. God loves

that what he prohibited be avoided. Riba is a worst of sins one may make not including denial of the existence and mercy of God. It is a sin for Which God declared a war from Him and His Messenger (the Qur'an 2: 279).

Delay Hajj and settle your interest-based debts. Make clear and sincere determination that you don't deal with interest any more. It doesn't matter small or big amount (although it is normally big because rate of interest on credit cards debts is much higher than on other loans). And write in your last will that if you couldn't make the Hajj in the years to come your family must send someone at your cost before they distribute the estate.

Wa Allahu A'lam  
Wa Alhamdu li Allah Rabbi al 'Alamin  
Wassalam  
Sincerely,  
Dr. Monzer Kahf

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### III. ACCEPTING CREDIT CARDS PAYMENTS BY MUSLIM MECHANTS

SUBJECT: Accepting credit cards payments

In a message dated 4/13/2001, dialogue@islam-online.net writes:

Name of Questioner	Noaman	Gender	Male	Age	31-45
Education	Diploma	Date Submitted	4/12/2001		
country of Origin	United States	User Ref. No.	6995GX	Country of Res.	USA
	United States				

Question:

Assalamu Alaikum, I am starting my own Internet business. There are several questions that I need to be answered in order to help me keep it Halal InShaAllah 1- I setup an Internet site that sells products. Can I accept credit card or debit card orders from customers? 2- Can I sell children's educational software that has pictures and drawings as well as animation? What if this same software teaches Arabic and Islam. Please give me the Shari'ah ruling. Jazaka Allahu Khairan for all your efforts.

My Answer:

Dear Br. Noaman

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Al Hamdu li Allah wa al Salatu wa al Salam ala Rasuli Allah.

1 - Accepting credit cards in payment for any merchandizes one sells is equivalent to accepting a transfer of indebtedness of the purchaser on another person, who accepts this transfer, the transferee is also known to you as able to pay. THIS HAS NO VIOLATION ON ANY SHARI'AH RULE. Remember we are not discussing issuance of credit cards (here the rule is that a Muslim is prohibited from issuing any credit cards that contains any Riba clause), nor signing a contract accepting to have a credit cards by the customer

who uses it (also a Muslim is prohibited from signing any Riba clause unless one is certain that one is not going to let the Riba clause to be activated while no substitute card contract exists that does not contain such a clause), we are only discussing accepting a credit card in payment of the price in a sale contract.

2- Please ask the other question again so that Islam on line can send it to a specialist. My own hunch is that it is permissible to have pictures, photos, and animation in books for education, entertainment, and dissemination of information as long as any porno is avoided in them as well as in printed words.

Wa Allahu A'lam  
Wassalam  
Sincerely,  
Dr. Monzer Kahf

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SUBJECT: Accepting credit cards by merchants and the percentage paid to credit cards issuers

From: fatwae@islam-online.net

Sent: September 26, 2002

Name of Questioner Ahmed

Gender Male

Age 31-45

Education

Date Submitted 9/3/2002

Email

country of Origin Somalia

User Ref. No. LNQD9E

country of Res. Somalia

#### Question

First, Assalamu Alaykum warahmatulahi wabarakatuhu? Secondly, I have the following question I manage small Taxi Company, owned by an association of Muslim Brothers; my taxi drivers are obligated to accept Credit Cards by Law. I have to provide, cashing service to all drivers, there are charges and fees to be paid to the Credit Providers (Banks), there are charges, and percentage such as 3% or 3.5% etc that allowed by all Companies for the Bank. If I charge 5% or 6% to my drivers to cover my cost of the machine and labor and total expense will that be consider interest? Is it "Haram"? Please provide an answer in English. Jasa kumu Lah khayr.

Notes : What we are cashing is paper not money in to money, and it is similar to the service you paid to the Hawala exchange and also payroll checks, because these two services you have to pay some percentage of service charge in order to get cash.

#### My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Ahmed

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

The percentage you pay to credit cards issuers is permissible, it goes against the service they provide of securing you payments, and avoiding the problems of forfeited cash and

theft and the problem of checks without balance in addition to the promotion your business get by accepting credit cards.

You can charge the same to your drivers unless by doing so you are forcing on them an unjust condition, normally such cost is absorbed by the company but if you make it contractual from the beginning and known to drivers that they either ask their customers to pay an additional 5% when they pay by cards, many businesses do that including many gas stations as you well know, or take out of their tips. in other words, if the contractual relation with the drivers is clear, transparent, and fair, such a condition can be included in the contract.

By the way, credit cards payments is money, very often called plastic money and it is not paper for paper unless you decided to flip history back to the early 1800s

Wa Allahu A'lam  
Wa Alhamdu li Allah Rabbi al 'Alamin  
Wassalam  
Sincerely,  
Dr. Monzer Kahf

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SUBJECT: Accepting credit cards by merchants and the percentage paid to credit cards issuers

From: fatwae@islam-online.net

Sent: September 26, 2002

Name of Questioner	Ahmed	Gender	Male	Age	31-45
Education		Date Submitted	9/3/2002	Email	
country of Origin	Somalia	User Ref. No.	LNQD9E	country of Res.	Somalia

#### Question

First, Assalamu Alaykum warahmatulahi wabarakatuhu? Secondly, I have the following question I manage small Taxi Company, owned by an association of Muslim Brothers; my taxi drivers are obligated to accept Credit Cards by Law. I have to provide, cashing service to all drivers, there are charges and fees to be paid to the Credit Providers (Banks), there are charges, and percentage such as 3% or 3.5% etc that allowed by all Companies for the Bank. If I charge 5% or 6% to my drivers to cover my cost of the machine and labor and total expense will that be consider interest? Is it "Haram"? Please provide an answer in English. Jasa kumu Lah khayr.

Notes : What we are cashing is paper not money in to money, and it is similar to the service you paid to the Hawala exchange and also payroll checks, because these two services you have to pay some percentage of service charge in order to get cash.

#### My Answer:

Bismi Allah al Rahman al Rahim  
Al Hamdu li Allah Rabb al 'Alamin  
wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Ahmed

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

The percentage you pay to credit cards issuers is permissible, it goes against the service they provide of securing you payments, and avoiding the problems of forfeited cash and theft and the problem of checks without balance in addition to the promotion your business get by accepting credit cards.

You can charge the same to your drivers unless by doing so you are forcing on them an unjust condition, normally such cost is absorbed by the company but if you make it contractual from the beginning and known to drivers that they either ask their customers to pay an additional 5% when they pay by cards, many businesses do that including many gas stations as you well know, or take out of their tips. in other words, if the contractual relation with the drivers is clear, transparent, and fair, such a condition can be included in the contract.

By the way, credit cards payments is money, very often called plastic money and it is not paper for paper unless you decided to flip history back to the early 1800s

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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#### **IV. DIVIDENDS, BONUSES, REWARDS AND ACCIDENTAL INSURANCE OF CREDIT CARDS**

SUBJECT: Dividend and rewards of credit cards

From: islam-online.net

Date: 3/26/2001

Name of Questioner Omar

Gender Male

Age 31-45

Education Graduate

Date Submitted 3/20/2001

country of Origin

User Ref. No. NHL7MU

country of Res.

Question:

Assalamu Alaykum, I use a credit card to pay my bills and buy things. I use only for convenience and always pay the due amount on time (i.e. I do not pay interest). The type of the card I have is dividend card. They reward you and amount between 0.25 - 1% on all the purchases you made. For example last year they forgive me for an amount of \$150 from the last bill. Is this money HARAM? Gazak Allah Kheira.

My Answer:

Dear Br. Omar

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Al Hamdu li Allah wa al Salatu wa al Salam ala Rasuli Allah.

There is no reason why this reward/dividend money should be Haram. It is a gift from the credit card company to you because you used your card and caused them a lot of profit from the merchants who accept their card. By the way the commission the credit card company gets from mechanist is also permissible. in other word not all their income is from interest, many of them have also annual fees.

Wa Allahu A'lam  
Wassalam  
Sincerely,  
Dr. Monzer Kahf

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SUBJECT: Bonuses and Prizes of Credit Cards

From: fatwae@islam-online.net

Sent: December 01, 2002

Name of Questioner R C

Gender

Age

Education

Date Submitted 10/25/2002

Email

country of Origin

User Ref. No. 6ZG56H

country of Residence

#### Question

Dear respected brother(s) in Islam. Asslam Aliyukum Wa Rahmatu Allahi Wa Barakatu. I have a credit card (Citibank) that I used to use to purchase goods. This credit card gives 5% in purchase new vehicle based on the amount of dollars that you purchase. For the last few years, I have been accumulated closer to \$900.00 in purchase points toward a new vehicle. If I redeem this money will be consider to be Haram? Jazaka Allahu Khairan.

#### My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. RC

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Bonuses and prizes given for use of credit cards are permissible as long as the use of the card is permissible. Credits cards usually charge interest on cash withdrawals from the day of transaction and on other purchases from the day of statement unless paid in full during the grace period. Any transaction in which interest is basic is not permissible in the Shari'ah.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJCET: Accidental insurance offered by Credit Cards

From: fatwae@islam-online.net

Sent: Tuesday, April 16, 2002

Name of Questioner Ossama Gender Male Age 31-45

Education Post Graduate Date Submitted 3/25/2002 Email

Country of Origin Egypt User Ref. No. 8HSAUV country of Res. Egypt

Question

Dear Sr, I'm asking about insurance, because I have a credit card, they put extra fees on my account as an insurance against accidents. I can cancel this service but I want to know is this insurance right or wrong??? Please advise me about this matter to go on or to cancel this service. Thanks for your cooperation. Yours Ossama

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Ossama

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Many scholars believe that commercially run insurance (this applies to this accident insurance of the credit card) is not permissible because it includes a great deal of Gharar (ambiguity with regard to whether the amount of the insurance policy will ever be paid, its date of payment if it will be paid and for how long the payment of premium will continue). They suggest that an alternative based on mutuality or cooperation may be permissible if premiums are paid to the cooperative on donation basis (Tabarru').

Several other scholars argue that the amount of Gharar is tolerable because insurance is a contract based on probability. and those believe that commercial insurance is also permissible. I support this view.

By the way, accidental insurance offered by credit cards is usually a lot more expensive than what you can get from other insurance companies!

Wa Allahu A'lam

Wassalam

Sincerely,

Dr. Monzer Kahf

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## V. NON-INTEREST CHARGES OF CREDIT CARDS

SUBJECT: The Charge for cash withdrawal from machines

From: Islam on Line

Date: 2/2/2002

Name of Questioner M  
Education Post Graduate  
country of Origin

Gender male  
Date Submitted 1/18/2002  
User Ref. No. XXFAZ2 country of Residence

Question:

In European countries, you can get the so-called Visa or Master card. It can be used for paying in shops, but if it's used to withdraw money from cash points, there would be a charge of 1.5% (i.e. when you receive a statement to repay what you've spent there will be some extra amount of 1.5% should be added). Is it considered as a Riba (interest) since they don't call it interest in the statement, but just a charge for using withdrawing facility?

My Answer:

Dear Br. M

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Al Hamdu li Allah wa al Salatu wa al Salam ala Rasuli Allah.

The credit card matter is kind of complicated. Take the following point as a simplification:

1 – A credit card contract has a conditional interest (Riba) clause. Credit cards may be used to pay for purchases and to withdraw cash. The condition is left to the customer to activate. If you pay within the grace period and if you do not withdraw cash there will be no interest. Cash withdrawal activates the interest clause from the day of withdrawal (You missed this part, you can see it on the statement, it is in addition to the 1.5% charge) and leaving a balance in your account activates interest from the date of the statement (not from the end of the grace period).

2 - The above means that while it is forbidden for any Muslim or Muslim Bank to issue credit cards contracts with this condition, and it is forbidden too for any Muslim to sign such a contract if she/he may use it in such a way that activates the Riba clause (by the way it is also much costlier than even direct borrowing from a Riba-based bank), it is permissible to sign such a contract and use the card for purchases only for all Muslims who are sure about themselves to pay within the grace period and not to use it for cash withdrawal (they must be sure of their accuracy and capability of payment on time).

3 - The charge or commission issuers of credit cards take from merchant is permissible, so are the membership annual fees. Further, the problem in cash withdrawal is not the handling fee (i.e., the 1.5% you mentioned) but the activation of the interest clause as mentioned above.

Wa Allahu A'lam

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJECT: Handling charges in credit cards

From: fatwae@islam-online.net

Sent: Wednesday, November 27, 2002

To: Dr. Monzer

Name of Questioner Ahmed Gender Male Age 31-45  
Education Post Graduate Date Submitted 10/24/2002 Email  
country of Origin Egypt User Ref. No. ZLBHCP country of Residence Egypt

#### Question

As-salamo ALaikum. I have received an offer from one of the credit card companies with 0% APR for any purchases or cash advance for 8 months provided that I would pay the full amount before the end of the 8 months. There is a transaction fee of 3% of the total amount of the balance with max. of \$40. They account this transaction fee to be towards administrative expenses. My question is whether or not this deal is Halal with the existence of the transaction fee. Jazakum ALLAH khairan.

#### My Answer:

Bismi Allah al Rahman al Rahim  
Al Hamdu li Allah Rabb al 'Alamin  
wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Ahmed

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

If the service charge is in the amount of the administrative cost of handling a loan, it is not forbidden because the cost of handling a loan is on the borrower. Cash withdrawals and balance transfers in credit cards are pure loans. Consequently, if this 3% (with a max of \$ 40) is only a one-time charge (not monthly or quarterly), and within the limits of such cost at the competitors or at the same credit card issuer but for other transactions, and the amount of cash and transfers is big enough to make the charge really a handling cost, in contrast with cost of the money loaned (for instance, if the limit on cash withdrawal is 500 each time the effective annual rate become 4.5%; and if as usual there is a minimum of \$ 25 and a max of \$ 40, the effective annual rate becomes 7.5%, these rates hide a cost of money they are not pure cost of handling) , it is then permissible.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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SUBJECT: exchange rate in credit cards transactions

From: [fatwae@islam-online.net](mailto:fatwae@islam-online.net)

Sent: April 18, 2002

Name of Questioner Abdul Hameed Gender Male Age 21-30  
Education Graduate Date Submitted 3/30/2002 Email  
country of Origin United Kingdom User Ref. No. RC7MQ6 country of Res. U K.

### Question

AsSalaamu Alaikum. When you buy a product from another country, this obviously involves a different currency. Credit cards allow you to buy in another currency and charge you a "foreign exchange transaction fee" in addition to the corresponding monetary amount in your own currency, is this transaction fee considered Riba?

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. AbdulHameed

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

This fee is not Riba. To my knowledge, credit cards companies don't charge fee but charge the highest exchange rate on the day of the transaction settlement, which is also permissible.

Wa Allahu A'lam

Wassalam

Sincerely,

Dr. Monzer Kahf

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## **VI. CAN EARNED INTEREST BE USED TO PAY CREDIT CARD'S INTEREST?**

SUBJECT: Using earned interest for paying interest charged on credit cards

From a Life Fatwa Session, Islam on Line on Feb 5, 2002

Name of Questioner: Hanan

Question:

Salamo Alikom. I live temporarily in the United States, and I save my money in a bank, where they add APR to my saving account each three months. I also sometimes use the credit card and they charge me interest. Can I use the interest I got as Sadaqah, or to give it in payment for the other interest charges?

Answer:

Wa `Alaykum As-Salam Wa Rahmatullah Wa Barakatuh.

In the Name of Allah, Most Gracious, Most Merciful.

All praise and thanks are due to Allah and peace and blessings be upon His Messenger.

Dear Sr. Hanan:

1) Interest you acquire from a bank on your savings or other funds is not owned by you according to the Shari'ah. It is still the bank's money although it is accredited to your account. The Shari'ah rule is that any property that unduly comes in the hands of a Muslim must be returned to its owner with an exception to the case where giving it back

the owner empowers her/him to do prohibited things. In such a case, you MUST give such money to general Muslim charity, preferably to poor Muslims here or abroad (it is obvious that there is a lot more need among Muslims in the world today than among non-Muslims). This money (from interest) that you give to charity is not considered Sadaqah (charity) from the Islamic point of view because Sadaqah has to be out of your own money. You will, InShaAllah, be rewarded for preserving your own savings from being mixed with this prohibited earned interest. But in all cases you cannot use this interest to discharge your own responsibility, even the interest you contracted to pay.

2) Signing a contract to get a credit card (the application) is only permissible with the condition that a Muslim would not make herself/himself be involved in interest as a result of the use of the credit card. Interest in credit cards normally accrues on cash withdrawal and on delaying payment beyond the grace period (due date of the statement). So you should be careful not to allow interest to accrue on your credit card as it is Haram (unlawful). You cannot pay such interest from the proceeds of earned interest on the saving account because while you legally made your self owe the credit card issuer that forbidden interest you did not become an owner(of the unlawful interest from your saving account) according to Shari'ah.

Almighty Allah knows best  
Monzer Kahf

## VII. NOT PAYING CREDIT CARDS DEBTS

SUBJECT: Receiving gifts purchased on credit cards whose holder does not intend to pay

From: fatwae@islam-online.net

Sent: December 19, 2002

Name of Questioner Muhammad

Gender Male

Age

Education Post Graduate

Date Submitted 10/27/2002

Email

country of Origin Pakistan

User Ref. No. FIHQZJ country of Res. Canada

Question

Assalamu Alaykum, 1.my dads friend came from America and they shopped on the credit card and bought my mom and dad gifts with it but they didn't want it because he just uses the credit card but doesn't pay the bills for them but he still gave them so can we wear or give the clothes to someone or will we get sins or him because he forced us to keep them.

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Muhammad

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

This person cannot force on you his gifts. You can certainly return them and may be you

should not care about displeasing him if he really is what you describe him as a credit card thief. If you are completely sure that the gifts he gave you are bought on credit cards that he does not pay nor intend to pay as an act of taking this money from the credit card company without any right or justification, you should not accept these gifts and you should return them. They are "Mal Haram."

Wa Allahu A'lam  
Wa Alhamdu li Allah Rabbi al 'Alamin  
Wassalam  
Sincerely,  
Dr. Monzer Kahf

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SUBJECT: Declaring bankruptcy to avoid payment of credit cards balances

From: fatwae@islam-online.net

Sent: September 23, 2002

Name of Questioner	m z	Gender	Male	Age	31-45
Education	Graduate	Date Submitted	9/7/2002	Email	
country of Origin	Canada	User Ref. No.	1CJKS7	country of Residence	

#### Question

Assalamu Alequm i have benefited from your Fatawa and advice. It is a very useful service. Please continue and Allah gives you barakat in the effort. My question is about some loans on my credit cards. I have borrowed some money on my credit cards in USA. I do not live in USA any more. I want to be able to settle this situation with my creditors, so I won't be held responsible on the Day of Judgment. My creditors have transferred the loans to collection agencies. These agencies are offering me to settle by paying certain percentage of the total debt. I also have a choice of declaring bankruptcy and settle the matter. I am inclined to either make some arrangement to pay as much as i can afford or declare complete bankruptcy. My intention is to fulfill my responsibility according to the law of Allah. My financial situation is not strong. My question is following. What is my option according to the Shari'ah? Should I make an arrangement with the creditors, or should i declare bankruptcy or should I pay the full amount. It is important to note that all three options are legal according to the laws of the country, where i used to live (USA). I am inclined on declaring bankruptcy. Please advice me, since i am worried about the consequences of appearing at the Day of Judgment with a debt on me. Jazzakallah

#### My Answer:

Bismi Allah al Rahman al Rahim  
Al Hamdu li Allah Rabb al 'Alamin  
wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in  
Dear Br. m z  
Assalamu Alaykum wa Rahmatullahi wa Barakatuh.  
Declaring bankruptcy that allows you to get away with no payment at all at a time you can settle and pay part of the debt is not permissible in Shari'ah, it amounts to a fraud.

Settling with the creditors or their collection agents on paying any amount up to the principals of the loans, i.e., without accumulated interest, is certainly permissible if you can afford that much. Certainly the principal is due on you in this life or in the Life after, regardless of the religion, ethnicity or citizenship of the creditor, and if you can reasonably pay it you MUST. Otherwise settling on any amount you can afford is the second permissible option. Bankruptcy can only be declared if you are really bankrupt in the sense that you cannot pay your debts and have food on the table to survive at the same time.

Wa Allahu A'lam  
Wa Alhamdu li Allah Rabbi al 'Alamin  
Wassalam  
Sincerely,  
Dr. Monzer Kahf

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SUBJECT: Payment of credit card balances and interest

From: fatwae@islam-online.net  
Sent: Sunday, August 18, 2002  
To: monzer@kahf.com  
Name of Questioner Emad                      Gender Male                      Age 31-45  
Education Graduate                      Date Submitted 8/3/2002                      Email  
country of Origin Jordan                      User Ref. No. 2YRGS                      country of Res. Jordan

#### Question

Assalamu Alaikum, I took a loan from a bank to buy some furniture. I feel so bad because I did not realize then that I am contributing to a "Riba". I still have about 3 years to pay off the remaining amount and I promised my self not to borrow any money any more from banks. What shall I do? Is "Tobah" enough and what shall I do with the remaining dues I owe the bank. Secondly, I was living in a non Muslim country and used to use credit cards. I had to leave that country before paying off the rest of money which I still owe them. Finance-wise I cannot afford paying the rest of the money which I still owe. So what shall I do.? Jazakom Allah Kol Khair

#### My Answer:

Bismi Allah al Rahman al Rahim  
Al Hamdu li Allah Rabb al 'Alamin  
wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Emad

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.  
Repentance and seeking God's forgiveness (Istighfar) must be accompanied by exerted effort to minimize both the amount and the period of any existing interest relationship or cancelling the contract if you legally can.  
The credit card debts you owe for money and goods and services you received is the wright of some other people. It doesn't matter whether they are Muslim or not, companies

or natural persons, foreign or domestic, their rights must be paid to them. You can't just accumulate debts on a credit card and flee the foreign country you lived in. This is a kind of theft. If you can't afford payment in lump sum, you probably can reconcile with the credit card companies for installment payments and for dropping the interest. There is also bankruptcy procedures for debtors who can't pay their debts that may be pursued if the conditions of bankruptcy apply to you.

Wa Allahu A'lam  
Wa Alhamdu li Allahi Rabbi al 'Alamin  
Wassalam  
Sincerely,  
Dr. Monzer Kahf

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### VIII. BUYING GOLD, SILVER AND CURRENCIES ON CREDIT CARDS

SUBJECT: Buying gold on credit cards

From: fatwae@islam-online.net

Sent: December 11, 2002

Name of Questioner Gender

Age

Education

Date Submitted 10/12/2002

Email

User Ref. No. S477KL

country of Origin

country of Residence

#### Question

This refers to a Fatwa given by Mufti Dr. Monzer Kahf on 23rd April 2002 under the topic of 'Business' for a question in connection with a network marketing and the question and its Fatwa appears to be vague and ambiguous, I would like to have a clear answer: At the outset, the person who asked the question did not disclose the value of the products and its real market value. What I understand is the products 'Gold Quest International's numismatic gold coins are high priced than its actual market value. Since the company offers a charismatic return the solicitors normally do not care about the value of the product in anticipation of the potential benefit in the future. Since the actual product on sale is not the products but the charisma of the anticipatory returns for each individual who join the chain, I feel that there involves a violation of fundamental norms of Shari'ah for business. Secondly, it is quite clear that those who are buying the product would not at all be for their use but for engaging into the business with anticipation that he would get someone to woo to join him thus registering his returns. It is a common knowledge that many people who join in this chain would lose their money due to the simple fact that all solicitors would not be able to book 10 people to ensure their returns. If the product with them is worth for the money they spent, there would be no loss for them. The commission received by the upper link-man would definitely involve the part of the loss that sustained by the lower links. Is it permissible in Shari'ah? Thirdly, it is a business that exploits friendship. A person who is not familiar in the business would not

have the confidence and credibility to approach a stranger to join him, instead, he would depend his friendship to implant the seed of his business. Since the product is not an essential consumer item, the exploitation of friendship would be considered as unacceptable to Shari'ah. I would appreciate receiving a further clarification on this subject.

Notes: 1. I think the network marketing people misuses you fatwa. 2. I believe Allah will question us if we buy unnecessary products. 3. And Allah also question us for convincing others to buy this unnecessary product. 4. According to the Islamic Shari'ah, a businessman should have risk of profit as well as losses.

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br.

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

The Fatwa of April 23, 2002 is still valid and these new points you are raising do not change anything in the substance of the transaction and consequently the Fatwa.

However, in response to a clarification that came from another questioner, I've added the following:

"Thank you for the added explanation. It clarifies some points especially that commission is not pyramidic. The issue of commission has only one bearing on the Fatwa that relates to transparency. Once relations and commissions are completely transparent to new customers so they don't think of themselves as lured by honest un-benefiting friends, there must be no problem. Also sale at a price that is a little higher than the market's is not a big deal as long as the difference is not substantial (one third or more, as one third makes it in the bevel of Ghabn according to some schools of Fiqh). Also the social activities of the company is a different matter that does not affect the Shari'ah ruling unless it supports aggressors against human rights of Muslims and others such as giving financial support to the aggressors/occupiers in Palestine.

The important issue in this company is the sale of gold. Gold and silver and currency can only be sold cash (including hading over of money, credit cards, check, bank transfers) and payment and delivery of gold must be done at the same time and at the time of the contract. This is a necessary condition for sale of currencies and gold and silver. It came in an authentic Hadith of the Prophet, pbuh.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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## IX. SELLING CONVENTIONAL CREDIT CARDS

SUBJECT: Selling credit cards and loans

From: fatwae@islam-online.net

Sent: October 04, 2002

Name of Questioner ahmed

Gender Male

Age 21-30

Education Graduate

Date Submitted 9/25/2002

Email

country of Origin Egypt

User Ref. No. CF3XIP

country of Res. Egypt

Question

Should I accept a job in an American bank to work as a telesales with a commission?

Notes: Telesales for credit cards and loan

My Answer:

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. ahmed

Assalamu Alaykum wa Rahmatullahi wa Barakatuh.

Credit cards issued by conventional banks may be used in a prohibited way, i.e., with interest and they may also be used without interest. As such, issuing them is forbidden while accepting and using them under the condition of not generating any interest is permissible. Having their sale, on behalf of the bank, as a job is not permissible because you become a part of the issuing complex. Adding selling loans (to use the term loosely) on behalf of the bank is also prohibited because there is no doubt that loans carry interest! And by selling them you become part of writing the contract that invokes the wrath of God as we are told by the beloved Prophet Muhammad as reported by al Bukhari and Muslim.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabbi al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

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