



**Fatwa no. 10612:**

**Q: I am a governmental employee, and I am well-off. When anyone wants to buy anything, whether electrical devices, furniture, ceramics and such stuff, they come to me to go with them to the shop. They pay a deposit according to our agreement, which is one quarter of the value of the item, and I pay**

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the rest of the money in cash. Then, the buyer pays me monthly installments for two years, in return for the 25% added to the value of the item, without counting the paid deposit. For instance, there is an item with the price of 100 L.E. The buyer pays one quarter of the price, which is 25 L.E., and 25% is added to the rest of the price, which is 75 L.E., in return for letting them pay the money in installments for two years. Thus, the total value of the item becomes 118.75 L.E. Is this considered a form of Riba (usury)? What is the lawful way to deal with the people who cannot afford to pay the price of the item in cash and on the spot? If there is an item where its price in installments is more than its price in cash, is this increase considered Riba, given that the owner of the shop will give the buyer a period of time, about two years, to pay its price?

**A:** If the case is as you have mentioned, this is considered Riba, because you paid 75 L.E. to the seller on behalf of the buyer to take more in return. The proper way is that you buy the item for yourself, and then sell it on credit for a higher price. If the item is defective, the buyer can return it to you, unlike the first case where you are not the buyer, but you just paid a sum of money on behalf of the buyer to take more after a certain period of time.

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May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family and Companions!

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