

Some forms of sale at car fairs

Third question of Fatwa no. 11170

Q 3: I own a car showroom in which I buy and sell used cars. Some of my relatives bring me a sum of money and ask me to complete the payment on their behalf if the value of the cars they want to buy is more than the amount of money they have. I receive in return for this around three hundred Riyals or more for every car they buy. It is important to mention that unless they pay the sum of three hundred Riyals or more for each car, I do not complete the payment on their behalf.

Is this kind of transaction permissible according to Shar` (Islamic law) bearing in mind that I regard the sum I receive as being in return for agency work and concluding the sale contract?

A: First, when your relative buys a car and asks you to complete the payment on his behalf, this is regarded as a loan. It is up to you to lend him the amount or not but it is impermissible that you receive any interest on the loan. This is because doing so is considered Riba (usury). **Second**,

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Charging an amount of money in return for concluding a sale contract or mediating between two parties is permissible subject to the agreement. May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and Companions!

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