104244 - Ruling on putting money on the MasterCard and then buying goods with it

the question

Using a credit card that is not covered (MasterCard) but in the following manner:

Firstly: there is no Islamic bank here (I live in Germany)

Secondly: the company that issues the credit card does not provide current accounts to cover the card or even any other bank accounts to cover it, but it is possible to put money on the card by transferring money to the bank company account. I only use the card for buying things so as to avoid interest. Before buying anything I put money on the card to cover the value of the purchases, and I do not use it for anything else so that there is no room for delaying payment, because any delay will lead to interest being charged. Is it permissible to use it in this way?

Is it permissible for me to tell my friends about this card even if they use covered credit cards, but they are with riba-based banks, and that is because this company does not charge annual fees for the card?.

Detailed answer

Praise be to Allah.

It is permissible to use credit cards if they are free from things that are haraam according to sharee'ah. For more information on that please see the answer to question no. 97530.

If you paid the money first, this is what is known as loading or filling the card, then you can buy the goods with the card. There is nothing wrong with that.

It is important to pay attention to 2 points:

1.It is not permissible to sign a contract with the credit card company if it includes the condition that a penalty be paid in the event of late payment, because this is a condition of riba that is haraam. So it is not permissible to agree to it even if one is determined to pay on time, unless one is forced to deal with it, in which case there is nothing wrong with that, so long as he knows that he is able to pay the amount during the grace period before interest is charged.

See also the answer to question no. 3402.

2.It is permissible for the bank to charge a fee to the seller, but the scholars differed as to whether it is permissible to make the purchaser pay this fee or not. What seems to us to be the case is that there is nothing wrong with that. Concerning this matter please see the answer to question no. 103187.

There is nothing wrong with telling your friends about this card so long as it is free of the matters that are haraam according to sharee‘ah.

And Allah knows best.