127884 - Ruling on subscribing to the mobile phone service called “Sallifni…Shukran”

the question

I want to ask about the service offered by one of the mobile phone networks in Egypt, which is called “*Sallifni…Shukran* (lit. Give me a loan… Thank you).” With this service, the user can borrow three Egyptian pounds, if his phone no longer has credit, and he pays it back after he load the card. But the actual value that is loaned is 2.50 Egyptian pounds, because the cost of the service is 0.50 pounds. Is this regarded as riba (usury)?

Detailed answer

Praise be to Allah.

There is nothing wrong with subscribing to this service, because it is selling a service and is not selling money for money. Moreover, it is not a loan, because the company is providing telephone service for a deferred payment of a higher price than if one is paying with cash up front. The benefit of connection to the service, of which the value is 2.50 pounds, is being sold for 3.00 pounds to be paid later, which the company will receive from the customer after he loads his mobile phone. This transaction is permissible.

The company is not really lending you money, then taking it back later on with something extra, such that it could be said that it is riba. Rather it is selling you a service at a higher price, and there is nothing wrong with increasing the price in return for a deferral of payment.

In *Qararat Majma` Al-Fiqh Al-Islami*, no. 51 (2/6) it says:

It is permissible to charge more for deferred payment than the price if it is paid up front. (End quote from *Qararat Majma` Al-Fiqh Al-Islami*, p. 109).

The reason for the confusion about this issue is calling this transaction a loan (Salaf). It is not correct to call it this; rather it is selling a benefit [phone service] for a deferred payment that is higher than the price if it is paid up front.

And Allah knows best.