130313 - He buys goods when they are available and plentiful, and sells them when the prices rise. Is this hoarding or profiteering?

the question

There are some people in our country who hoard consumable goods, especially when they are available and plentiful, then they store them until prices rise and become expensive, then they sell them for whatever price they wish. What advice does Islam give to people such as these? What is the Islamic ruling regarding what they earn in this way?

Detailed answer

Praise be to Allah.

The hoarder or profiteer is the one who buys goods when there is scarcity and people need them. It says in the hadiths that this action is cursed and there is a warning against it, because the Prophet (blessings and peace of Allah be upon him) said: “No one hoards except a sinner” and “Whoever hoards is a sinner.”

The scholars said: They are the ones who buy goods such as food and the like that people need at times of scarcity and hardship, and store them until they become more expensive, so that they can sell them for more. This is not permissible; it is an evil deed and the one who does that is sinning. The ruler – if there is anyone in the land who rules in accordance with sharia – must prevent that and enforce sale of food at the market price, the current price in the market, and he should not be allowed to store it. This applies if it is at a time of scarcity and hardship.

As for the one who buys food or things other than food that people need at times of ease and plenty, without causing harm to anyone, then when prices go up he sells it to people, without delaying it until a time of extreme scarcity and hardship – rather when prices begin to rise and he can benefit from selling, he sells it – there is no blame on him for doing so. This is the way traders

have operated in the past and at present.

Shaykh ‘Abd al-‘Azeez ibn Baaz (may Allah have mercy on him).

Fataawa Noor ‘ala ad-Darb (3/1442).