160824 - Afraid of Returning Money to Bank

the question

I took a loan from a bank six years ago without knowing anything about what in shari’ah (Islamic law) we call riba (interest), and I paid some instalments. After a few months, I left my job and took my savings, including the loan money, abroad to get married and buy a property and have not paid anything to the bank ever since. Now, I realised that this is haram (unlawful), and I am willing to return the loan money that I have taken in order to clean myself from sins, but I am concerned about going directly to the bank, as that will complicate things in terms of legal liabilities and debt repayment penalties, and may involve prison time. So, is it possible to give the money to very poor families instead of giving it to the bank?

Detailed answer

Praise be to Allah.

Firstly:

It is haram to take a loan on the basis of riba; the one who does this has to repent to Allah, may He be exalted, but he does not have to return anything except the capital. As for the interest (riba), he does not have to pay it and he can use a trick to avoid paying it so long as this will not result in harm for him.

Secondly:

You have to return the loan to the bank by any possible means, and it is not acceptable for you to give the money in charity, because giving the money in charity is only an option when the owner or the one to whom it rightfully belongs is not known, or it is not possible to send it to him, in which case you may give it in charity on the basis that if you find the rightful owner, you will give him the choice between approving of the charity or taking his due.

The bank is the rightful owner in this case, and is known. So you have to return the money to it and you have to look for a means that will let you avoid questioning and punishment.

And Allah knows best.