20993 - Ruling on contests where buying something is a necessary condition of entry

the question

It has become common in newspapers, stores, gas stations, Quran memorization institutes, charities and some restaurants to see so-called contests and incentives to buy, whereby the newspaper offers a draw on the condition that entries be made on the entry form printed in the newspaper itself, and it is not permitted to use copied forms or forms belonging to a newspaper that is not for sale. Similarly, stores may give everyone who spends more than a set minimum amount one or more tickets to enter a draw for prizes offered by the store.
Gas stations may give each person who fills his car up one or more handkerchiefs or a card every time he fills up, until when he has a certain number of cards he earns a free car wash or oil change.
Laundries may give a discount to those who pay a certain amount in advance for washing their clothes, so that for a specific amount he will get a 10% discount. The more he pays, the greater the discount will be. Some TV channels have contests where viewers have to call in in order to enter the contest via special chips which are offered for sale by those who organize these contests.
A similar case is the so-called deposit certificates in the banks, where some banks hold contests using tickets given to those who deposit a certain minimum amount in the bank and leave it there until the draw is over, after which the amount deposited is returned to its owner.
The questioner is asking about the ruling on these contests and prizes.

Detailed answer

Praise be to Allah.

With regard to contests which consist of a draw for prizes, if the person who wants to enter the contest can only do so by paying a sum of money, whether large or small, in such a way that there is the possibility of his losing this money and this chance is very high, such as the chances of winning being 1 in 10,000 or more, then this kind of contest comes under the heading of gambling. This is what is known nowadays as a lottery or raffle. For example, one person offers his car for 100,000 riyals, and he issues ten thousand tickets, selling each ticket for ten riyals, then he makes a draw and one ticket will win while all the others lose.

But if the contest does not require participants to pay money, such as Quran-reading contests for old and young, and it does not dictate that responses be given on a certain type of paper, then these competitions are permissible and may be mustahabb (encouraged), because they offer an incentive to recite the Book of Allaah and learn about its meanings. A similar case is the academic competitions where no loss is involved in entering the contest as the answers may be given on any kind of paper.

Based on the above, we can say that the newspaper competitions which are widespread in our media are a kind of lottery, whereby the entrant loses the value of the ticket in most cases, and very rarely wins. Undoubtedly this is a form of gambling, consuming people’s wealth unlawfully, deceiving people and wasting money. One of the editors of one of our newspapers told me that the paper he edits used to print forty thousand copies daily, of which nearly ten thousand copies would be returned. After this newspaper started to run contests, their print run rose to 300,000 copies daily, with no copies being returned. Contestants were buying huge numbers of papers, not to read them but just to cut out the entry forms so that they could enter the contests by submitting more than one form.

Undoubtedly this is a kind of lottery and is a kind of gambling. I wish that our brothers who are in charge of our newspapers would fear Allaah with regard to their country and their countrymen and with regard to their earnings. I wish that those who are responsible for the media, those who are in charge of the press, would take a stand that is in accordance with the Islamic identity of our

country and free themselves from blame before Allaah with regard to their responsibility to enjoin that which is good and forbid that which is evil.

The same applies to the TV contests which can only be entered by buying a certain chip for entering contests, and the draws run by stores via tickets which are only given to those who spend more than a certain amount. This means that the ticket has a value which is paid for in the bill, and this comes under the heading of a lottery or raffle.

Also included with these practices – contests run by newspapers, TV stations and stores – are the deposit certificates which permit entry to contests by giving depositors tickets, as mentioned in the question. The reason why these are included under the heading of lotteries or raffles even though the bank returns the deposit in full after the contest has ended is that the deposit has to remain frozen in the bank until the end of the draw, and this means that this deposit is rendered inactive and is not invested in favour of the one who deposits it; rather it is invested in favour of the bank and not in favour of its owner. What the bank takes from its investment of this deposit is equal to the amount of money paid by the one who wants to enter the contest in return for the deposit certificate, hence this practice comes under the same ruling as lotteries and raffles.