322443 - Rulings on rewards for having a current account, if the reward comes after the customer withdrew all the money from that account

the question

What is the ruling on rewards for having a current account, if the reward comes after the customer withdrew all the money from the account, or left a small amount in it, then sometime after that, the money given as a reward was deposited in my account. Is it permissible for me to accept it, on the grounds that the bank is not regarded as having borrowed money in that case? If using that reward is haram, is it better for me not to fulfil the condition that will entitle me to such rewards, or to take the money and give it to charity?

Detailed answer

Praise be to Allah.

Firstly:

Gifts or rewards for current accounts are haram, because the money in the account is like a loan according to Islamic teachings, and gifts given by the borrower to the lender are haram, unless the gift is regarded as part of payment towards the debt, or the lender reciprocates with a similar gift, or they had the habit of exchanging gifts before the loan.

See the answer to question no. 49015 .

Secondly:

You mentioned in your previous question that the bank gives a reward of a certain sum of money as a one-off event if you deposit a certain amount within two months of opening the account, and this reward will be added to the account after two months.

This means that the reward will not be given until after you have deposited the specified amount of money in the account.

So if you leave the money in the account, or you leave a little money in it, this reward is haram, because it is a reward for a loan before the loan is paid off. But if you withdraw all the money, the reward is also haram, even if it is given after the loan is paid off, because it comes under the same ruling as a reward that is stipulated by a condition [in a loan], because it is stated in the bank's regulations and hence the customer has the right to ask for it. And if a gift is stipulated in return for giving a loan, that is riba [usury], even if it is given after paying off the loan.

Thirdly:

This reward must be given back, and it is not permissible to accept it.

Ibn Qudaamah (may Allah have mercy on him) said in al-Mughni (4/211): Any loan in which it is stipulated that extra must be given when paying it back is haram, and there is no difference of scholarly opinion concerning that.

If it is stipulated that the borrower should let his house to the lender for less than the usual rent, or that the borrower should rent the house of the lender for more than the usual rent, or that the borrower should give the lender a gift, or do some work for him, that is more emphatically forbidden.

If that happens without it being stipulated before the loan is paid off, he should not accept it and it is not permissible for him to accept it, unless he reciprocates, or he regards it as a payment towards the debt, unless they had the habit of exchanging gifts before the loan. That is because of the report narrated by al-Athram, according to which there was a man to whom a fisherman owed twenty dirhams. He started to give him fish and work out their value, until the value reached thirteen dirhams. He asked Ibn 'Abbaas about that, and he said: Give him seven dirhams.

It was narrated from Ibn Sireen that 'Umar loaned ten thousand dirhams to Ubayy ibn Ka'b, and Ubayy ibn Ka'b gave him some of the produce of his land as a gift, but 'Umar returned it to him

and did not accept it. Ubayy came to him and said: The people of Madinah know that my crops are among the best, and we have no need of it, so why did you reject my gift? Later on he gave him a gift and he accepted it.

It was narrated that Zurr ibn Hubaysh said: I said to Ubayy ibn Ka'b: I want to travel to the land of jihad in Iraq. He said: You are going to a land where riba is a common practice, so if you give a loan to a man, then he comes to pay you back, bringing a gift, take what you loaned him and return his gift to him. Both reports were narrated by al-Athram.

Al-Bukhaari narrated from Abu Burdah that Abu Moosa said: I came to Madinah where I met 'Abdullah ibn Salaam. He narrated a hadith, in which he said: Then he said to me: You are in a land where riba is a common practice, so if a man owes you a debt, and he gives you a load of hay, or a load of barley, or a load of fodder as a gift, do not take it, for it is riba. End quote.

And Allah knows best.