3402 - Having an interest-based credit card in cases of necessity

the question

In my area one of the requirements for renting a car is to have a credit card. You don't have to charge anything on the card, you just must present it for safety precautions. When the car is returned you can pay cash and nothing is ever charge to the card. So, I would like to know, is it halal to get a credit card for this purpose.

Detailed answer

Praise be to Allah.

The basic principle is that interest-based transactions are haraam and it is not permissible to engage in them. This includes the conditions mentioned in the contracts for credit cards. In some countries they rely a great deal on these credit cards, and you can hardly find anyone who does not use them. We put the following question to Shaykh Muhammad ibn Saalih al-Uthaymeen:

Credit cards include conditions based on riba (interest/usury) if you delay payments, they charge an extra penalty. But in the place where I live in America, I cannot rent a car or a shop or use many other services unless I have a credit card. If I do not use a credit card, I will suffer unbearable hardship. If I commit myself to make the payments within a certain time limit, so that I do not have to pay the interest charges, will this allow me to have a credit card and thus relieve some of the hardship I am facing?

The shaykh, may Allaah preserve him, answered as follows:

If the hardship he is facing is certain, and the likelihood that he will delay payments is remote, then I hope there is nothing wrong with him having the credit card.

Question:

Do the conditions relating to interest make a transaction invalid or not?

Answer:

If a contract contains an invalid condition, this does not invalidate the entire contract, for a number of reasons: (1) necessity, (2) because it does not really affect anything. The man thinks that he is going to make the payments before interest is due. Because this is more likely than the condition of having to pay interest, and because it is necessary which is the main point I hope that there is nothing wrong with it. We have a definite matter necessity and a matter which is not necessarily going to happen which is delay in payment and the matter that is definite takes precedence over something which may not even happen. And Allaah knows best.