# 82237 - Ruling on prizes offered by some store owners

**the question**

We have some kinds of transactions that have become common nowadays. The dealer will offer his products for sale and distribute coupons to the purchasers, according to the value of each person’s purchase. These coupons are entered in a draw for prizes, then he has a draw, and some people win prizes that are given to them by this dealer. What is the ruling on that?.

**Detailed answer**

Praise be to Allah.

With regard to this kind of transaction we need to address both the seller and the buyer. We say to the seller: Are you raising the price of the product because of this prize, or not? If you are raising the price then that is not permissible, because if the price is raised and the people buy from him, they will be either losers or winners, i.e., they will either lose out or gain something.

If this product is worth ten in the marketplace, for example, but you sell it for twelve because of the prize, this is not permissible, because the one who buys it for twelve will either lose the extra amount that he paid, or he will gain many times that amount in the prize, so this comes under the heading of gambling, which is haraam. This is one point.

If the seller says, ‘I am selling it for the regular price, no more and no less,’ then he may offer those prizes to encourage people to buy from him.

Then we turn to the buyer and say to him: Did you buy this product because you need it, and you would have bought it whether there was a prize or not? Or did you buy it only because of the prize? If he says the former, we say: there is nothing wrong with buying from this one or that one, because so long as the price is like the regular price, and you are buying this product because you need it, then you will either be a winner or you will be safe from loss. In that case there is nothing

wrong with buying from the one who offers prizes.

But if he says: I am buying it although I do not want the product, I am only buying it so that I can get the prize, we say: This is a waste of money, because you do not know whether you will win the prize or not.

I have heard that some people will buy a carton of milk when they do not want it; they buy it and throw it away, because there is the chance of winning a prize. This is a waste of money, and it was proven that the Prophet (peace and blessings of Allah be upon him) forbade wasting money.

There remains a third point: if someone were to say: This transaction harms other sellers, because if this seller offers prizes and his price is like everyone else's, then all the people will go to him and the products of other sellers will remain unsold, so it will be harming others. We say that this must be referred to the state; the state should intervene if it thinks that this will cause trouble in the market, and it should put a stop to it if it thinks that doing so is in the public interest or that there is some tinkering with the market – and tinkering with the market is something which should be stopped by the authorities.