112520 - He buys by instalments and sells by instalments for a higher price

the question

I work in a car showroom, and they sell new cars by instalments. Sometimes I have my own customer and I do not have cash money to cover the value of the car, so I buy it from the dealer who owns it, with payment to be made in two months' time, and I give him two thousand extra. For example, if the cash value of the car is forty thousand, he sells it to me for forty-two thousand, and after that I sell it to my own customer by instalments. Is this permissible?

Detailed answer

Praise be to Allah.

There is nothing wrong with increasing the price when selling by instalments and charging more than the cash price. This has been explained previously in the answers to questions no. 13722 and 1847 .

The transaction that you have asked about is permissible, if it meets two conditions:

1. That you buy the car from the dealer before you sell it. It is not permissible for you to sell the car before you buy it, because the Prophet (blessings and peace of Allah be upon him) forbade a man to sell that which is not in his possession
2. You should buy the car and move it from the showroom before you sell it. So it is not permissible for you to sell it when it is still in the showroom from which you bought it, because the Prophet (blessings and peace of Allah be upon him) forbade selling goods where they were bought until the merchants bring them to their own places. Narrated by Abu Dawud (3499); classed as hasan by al-Albani in *Sahih Abi Dawud*.

For more information, please see the answer to question no. 36408 .