13709 - It is not permissible to impose a penalty for delay in praying off a debt

the question

Is it considered riba to charge a person for a bounced check? For example, a person writes a check to a business for a certain amount, but when they go to retrieve the funds, the money is not there, and then the business charges them a fee for lying on their check. Is this charge riba?

Detailed answer

Praise be to Allah.

Yes, it is not permissible for you to take anything but the money which you are owed. If an additional amount is charged because of the delay or because you had difficulty in getting the money, this additional amount is not permissible. Rather you should take from him only the amount that was written on the cheque. But if he gives you something to make up for your difficulties, such as a payment for going to the bank, this is acceptable, but stipulating that an additional amount must be paid in the case of delay is not permissible.