13721 - Selling by installments may be mustahabb

the question

I sell by installments, and when I do so I charge more than when selling for cash. Is it possible that I will be rewarded because I am helping the Muslims to buy what they need?.

Detailed answer

Praise be to Allah.

Selling by installments for a higher price is permissible. See Question no. 13973.

With regard to selling by installments, the ruling as far as the seller is concerned may be that it is mustahabb or permissible.

It may be mustahabb and he may be rewarded for it if his intention is to be easy-going to the purchaser and to help him to buy what he needs and he does not increase the price in return for allowing payment by installments if the customer is poor and in need, and he does not put pressure on him to pay it when it becomes due. Rather if the time for repayment comes and the customer does not have the money, he should give him more time, or let him off all or part of the price. Allah says (interpretation of the meaning):

“And if the debtor is in a hard time (has no money), then grant him time till it is easy for him to repay; but if you remit it by way of charity, that is better for you if you did but know” [al-Baqarah 2:280]

Shaykh al-Sa’di (may Allah have mercy on him) said:

This means, if the one who owes the money is in difficulty, his creditor must wait until things become easier for him… If the creditor shows charity towards him – by letting him off all or part of the debt – then that is better for him. Tafseer al-Sa’di, p. 168

Al-Bukhaari (1307) and Muslim (1561) narrated that Abu Mas'ood (may Allah be pleased with him) said: The Messenger of Allah (peace and blessings of Allah be upon him) said: "A man from among those who came before you was brought to account, and nothing good was found in him, apart from the fact that he used to deal with the people and he was well off, and he used to tell his slaves to let off the (debtor) who was in difficulty. Allah said, 'We have more right to that than him, let him off.'"

But if a dealer sells in installments and he increases the price in return for payment by installments, this is permissible. But some dealers sell only by installments, so that their profits will be greater. Imam Ahmad (may Allah have mercy on him) stated that this is makrooh, but if the dealer sells both by installments and for cash, there is nothing wrong with that.

Shaykh al-Islam (Ibn Taymiyah – may Allah have mercy on him) explained the reason for it being makrooh as being that it comes under the heading of exploitation because usually the one who buys with deferred payment is the one who is unable to pay cash, so if a man only sells by installments, it means that he is exploiting people who are in need, but if he sells both for cash and by installments, he is just an ordinary trader.

From Tahdheeb al-Sunan by Ibn al-Qayyim. 'Awn al-Ma'bood, 9/347

And Allah knows best.